



(ACT) ACTION NEEDED
(INF) INFORMATION ONLY
(DIS) DISCRETIONARY

AGENDA

**REGULAR MEETING OF THE CITY COUNCIL
NEEDLES PUBLIC UTILITY AUTHORITY
HOUSING AUTHORITY CITY OF NEEDLES
CITY OF NEEDLES, CALIFORNIA
CITY COUNCIL CHAMBERS
1111 BAILEY AVENUE, NEEDLES**

**TUESDAY, SEPTEMBER, 12, 2023
COUNCIL EXECUTIVE SESSION – 5:00 P.M.
CITY COUNCIL MEETING – 6:00 PM**

THE PUBLIC MAY ATTEND VIA TEAMS AND MAY SUBMIT ANY COMMENTS IN WRITING PRIOR TO NOON ON THE DAY OF THE MEETING BY EMAILING djones@cityofneedles.com

TO JOIN THE LIVE TEAMS MEETING: log into the City of Needles website at www.cityofneedles.com to access the agenda and [Click here to join the meeting](#)

If asked, enter the following: Meeting ID: 165 020 131#

**OR listen in and participate by calling Teams: 1-323-488-2227 - Meeting ID: 165 020 131#
The meetings are being recorded.**

CALL TO ORDER
ROLL CALL

RECESS THE CITY COUNCIL MEETING AND CONVENE A JOINT COUNCIL / NPUA / HACN MEETING

PUBLIC COMMENTS PERTAINING TO THE EXECUTIVE SESSION ITEMS (A three-minute time limit per person has been established.)

RECESS TO EXECUTIVE SESSION

EXECUTIVE SESSION

- a) NPUA / COUNCIL: Conference with Legal Counsel regarding existing litigation pursuant to Government Code §54956.9(d)(1) (one case: Rio Buena Vista Assoc. Et. Al. v. City of Needles: Case Number CIVSB 2028439)
- b) NPUA / COUNCIL: Conference with Legal Counsel Regarding Potential Initiation of Litigation Pursuant to Government Code §54956.9(d)(4). (one potential case)
- c) COUNCIL: Conference with Legal Counsel Regarding Potential Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4). One case
- d) COUNCIL: Conference with real property negotiator pursuant to Government Code §54956.8: Agency negotiator City Manager Rick Daniels or his designee. Negotiating Parties are the City of Needles as the potential lessor and The LAMAR Companies as the potential lessee of the property located on APN 0186-201-03-0000 generally located near Arizona Avenue and I-40. Under negotiations are the price and terms

EXECUTIVE SESSION – Report by City Attorney

CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE
INVOCATION
APPROVAL OF AGENDA
CONFLICT OF INTEREST
CORRESPONDENCE
INTRODUCTIONS
CITY ATTORNEY – Parliamentary Procedures

As a courtesy to those in attendance, we would ask that cell phones be turned off or set in their silent mode. Thank you

PUBLIC APPEARANCE - Persons wishing to address the City Council / NPUA / HACN on subjects other than those scheduled are requested to do so at this time. When called by the Mayor, please announce your name and address for the record. In order to conduct a timely meeting, a three-minute time limit per person has been established by Municipal Code Section 2-18. Amendments to the California Government Code Section 54950 prohibits the City Council from taking action on a specific item until it appears on the agenda.

PRESENTATIONS

(A ten-minute time limit per presentation has been established per Municipal Code Section 2-18.)

- 1) Administer Oath of Office to Nancy Huff, Director of Development Services and Angelica Deermer, Housing Authority Manager

PUBLIC COMMENTS PERTAINING TO THE HACN / COUNCIL ITEMS

A three-minute time limit per person has been established.

HACN / COUNCIL CONSENT CALENDAR: All matters listed on the Consent Calendar are considered to be routine and will be enacted by one motion in the form listed. The Mayor or any member of the HACN / City Council may pull an item from the Consent Calendar for discussion. Prior to HACN / Council action, a member of the public may address the HACN / City Council on matters scheduled on the Consent Calendar. A three-minute time limit per person applies. **Recommended Action:** Approve Items 2 through 3 on the Consent Calendar by affirmative roll call vote. (ACT)

- 2) Authorize implementation of new policy for pre-employment background checks of prospective employees in the position of Maintenance Construction Worker assigned to the Housing Authority of the City of Needles
- 3) Waive the reading and adopt Resolution No. 2023-53 naming the Needles City Manager as the Executive Director of the Housing Authority of the City of Needles

End of Consent

PUBLIC HEARINGS

- 4) COUNCIL: Public hearing noticed to consider all evidence and testimony for or against an update to the Needles Zoning Code Development Standards has been **continued to October 10, 2023**
- 5) COUNCIL: Public hearing noticed to consider all evidence and testimony for or against amending Section 13-44 to prohibit stopping, standing or parking at the Electric Vehicle Charging Stations unless the vehicle is connected for electric charging
 - Staff Report

- Council Questions of Staff
- Mayor to open the public hearing
- Public Comment
- Mayor to close the public hearing
- Council Discussion / Deliberation
- Ordinance No. 664-AC amending Section 13-44 to prohibit stopping, standing or parking at the Electric Vehicle Charging Stations unless the vehicle is connected for electric charging violators are subject to towing (ACT)

- 6) **HOUSING AUTHORITY:** Public hearing noticed to consider all evidence and testimony for or against the Housing Authority Civil Rights Certification Housing Plan
- Staff Report
 - Council Questions of Staff
 - Mayor to open the public hearing
 - Public Comment
 - Mayor to close the public hearing
 - Council Discussion / Deliberation
 - Accept and File the Civil Rights Certification with the United States Department of Housing and Urban Development (ACT)

PUBLIC COMMENTS PERTAINING TO THE COUNCIL / NPUA ITEMS

A three-minute time limit per person has been established.

NPUA / COUNCIL CONSENT CALENDAR: All matters listed on the Consent Calendar are considered to be routine and will be enacted by one motion in the form listed. The Mayor or any member of the NPUA / City Council may pull an item from the Consent Calendar for discussion. Prior to NPUA / Council action, a member of the public may address the NPUA / City Council on matters scheduled on the Consent Calendar. A three-minute time limit per person applies. **Recommended Action:** Approve Items 7 through 9 on the Consent Calendar by affirmative roll call vote. (ACT)

- 7) Accept the AB32 Greenhouse Gas (GHG) Emission Verification Report 2022 Emissions prepared by WZI Inc. and authorize the Mayor to send a letter to CARB and requesting a review of the unintended financial hardship and provide relief to avoid such financial hardship
- 8) Authorize Brooks Consulting Electrical Engineering support services for FY24 not to exceed \$15,000 to be funded by electric operations and maintenance budget
- 9) Adopt the Energy Efficiency Rebate Program dated September 12, 2023

End of Consent

ADJOURN THE JOINT COUNCIL / NPUA / HACN MEETING AND RECONVENE THE CITY COUNCIL MEETING

PUBLIC COMMENTS PERTAINING TO THE COUNCIL ITEMS

A three-minute time limit per person has been established.

CONSENT CALENDAR All matters listed on the Consent Calendar are considered to be routine and will be enacted by one motion in the form listed. The Mayor or any member of the City Council may pull an item from the Consent Calendar for discussion. Prior to Council action, a member of the public may address the City Council on matters scheduled on the Consent Calendar. A three-minute time limit per person applies. **RECOMMENDED ACTION:** Approve Items 10 through 23 on the Consent Calendar by affirmative roll call vote. (ACT)

- 10) Approve the Warrants Registers dated August 22 and September 12, 2023
- 11) Approve the Minutes of August 8, 2023
- 12) Approve Second Amendment to On-Call Development Review Consulting Services Agreement between the City and Michael Baker International for Planning Consultant Services in the amount not to exceed \$80,000
- 13) Waive the reading and adopt Resolution No. 2023-50 authorizing the city manager or his designee, the community services manager, to purchase one (1) 18-Passenger Transit Vehicle for use by the Needles Area Transit budgeted at \$170,000 to be reimbursed by SBCTA
- 14) Waive the reading and adopt resolution No. 2023-49 approving the Title VI Compliance Plan for the Needles Area Transit
- 15) Ratify the agreement with Nichols Consulting to continue applying for State of California reimbursements for state mandated costs to the city, increase the General Fund FY 24 by \$52,493, approve the 20 percent contingency of \$10,500 payable to Nichols Consulting and future revenue and expenses as needed
- 16) Authorize the Mayor to sign a petition supporting Senate Bill 14 to combat human trafficking
- 17) Approve a single source purchase from Vintage Vehicle Restorations Inc for \$16,775, sales tax of \$1,301 and estimated shipping of \$500 for a total of \$18,576 for the Fire Truck restoration using funds from the general fund reserves
- 18) Award the base bid for the Jack Smith Park Walking / Biking Trail Improvements project to Western Construction Specialist, Inc. for a total bid amount of \$134,965.30, total project cost of \$148,462 including 10% contingency, funded by a grant awarded by the California Department of Parks and Recreation through the 2018 Parks Bond Act per capital program and authorize staff to execute a Public Works Agreement with the Contractor and issue a Notice of Award and Notice to Proceed
- 19) Award the base bid for the Duke Watkins Park Pump Track project to Three Peaks Corp. for a total bid amount of \$534,716 funded by a grant awarded by the Statewide Park Development and Community Revitalization Program and authorize staff to execute a Public Works Agreement and issue a Notice of Award and Notice to Proceed
- 20) Waive the reading and adopt Resolution No. 2023-54 accepting the purchase and sale agreement between the city and Robert Raskin, representative of Colorado River Properties LLC, with respect to the real property located at the Southeast Corner of East South Lake Drive and South Riverfront Parkway, Mohave Valley, Arizona also known as Mohave County Assessor's Parcel No. 216-14-007
- 21) Ratify the action taken by the City Manager to accept grant funding for the City Hazard Mitigation Plan update from the California Governor's Office of Emergency Services (Cal OES) for the FEMA Hazard Mitigation Grant Program (HMGP) and waive the reading and adopt Resolution No. 2023-52 for Designation of Applicant's Agent to execute for and on behalf of the City for the purpose of obtaining Federal Financial Assistance for any existing or future grant program listed in the resolution
- 22) Waive the reading and adopt Resolution No. 2023-51 authorizing the city manager or designee to submit an application and accept funding for Strategic Growth Council (SGC) under the Community Resilience Center (CRC) Program

- 23) Authorize the Mayor to send a letter in support of Permanent Implementation of Daylight Savings Time

END OF CONSENT CALENDAR

REGULAR COUNCIL ITEMS

- 24) Waive the reading and adopt Ordinance No. 662-AC amending Chapter 9 "Fire Protection" Section 9-1 to adopt the San Bernardino County Fire Protection District Fire Ordinance FPD 23-01 referencing its version of the 2022 Edition of the California Fire Code subject to modifications referenced herein and rescinding prior Ordinance No. 630-AC (2nd reading – publish) (ACT)
- 25) Provide staff direction regarding parking alternatives for the El Garces on "G" Street and Front Street (ACT)
- 26) Provide staff direction regarding parking alternatives on Lilly Hill Drive west of Clary Drive (ACT)
- 27) Provide staff direction on Tentative Parcel Map 20388 subdividing 6.5 acres +/- into 2 parcels located in the R2 (Two Family Residential Zone), APN 0185-233-55 located behind 1335 Lilly Hill Drive and consider possible sale (ACT)
- 28) Provide staff direction regarding the El Garces operational policies and procedures (ACT)
- 29) Concur with the creation of a Utility Manager position, setting employment terms and conditions, and endorse the City Manager's intent to appoint Rainie Torrance as Utility Manager effective October 6, 2023 – salary \$185,000 as adjusted by the city manager on an annual basis in compliance with SB1436 and incorporate into the salary schedule for FY 2023-2024 budget (ACT)

Presentation to City Manager Rick Daniels

CITY ATTORNEY REPORT

CITY CLERK REPORT

CITY MANAGER REPORT

COUNCIL REQUESTS

Councilmember Campbell
Councilmember McCorkle
Vice Mayor Merritt
Council Member Pogue
Councilmember Longbrake
Mayor Jernigan

ADJOURNMENT

INTERNET ACCESS TO CITY COUNCIL AGENDAS AND STAFF REPORT MATERIAL IS AVAILABLE PRIOR TO CITY COUNCIL MEETINGS AT: [HTTP://WWW.CITYOFNEEDLES.COM](http://www.cityofneedles.com)

Posted: September 8, 2023

SB 343-DOCUMENTS RELATED TO OPEN SESSION AGENDAS -- Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the City Clerk's Office, 817 Third Street, Needles, CA 92363.

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 326-2113 ext 145. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-104 ADA Title II).

I hereby certify, under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the front entrance of City Hall not less than 72 hours prior to the meeting.

Dated this 8th day of September, 2023

/s/ Dale Jones, CMC, City Clerk



City of Needles, California
Request for City Council Action

Item 2.

☐ CITY COUNCIL ☐ NPUA ☐ SARDA ☒ HACN ☒ Regular ☐ Special

Meeting Date: September 27, 2023

Title: Background Checks for all employees assigned to the Housing Authority of the City of Needles. (HACN)

Background: This policy will help protect the City of Needles from possible lawsuits that could occur, due to employees having access to a master key to all housing units within the HACN.

The city should be able to prove "due diligence" with a background check on employees that have access to a master key. Employees can enter occupied and non-occupied units as needed and/or requested, for repairs and inspections. The city should be aware, if a prospective employee has a violent or criminal background, prior to hiring them into a position with this high level of responsibility.

Fiscal Impact: Under \$100 per background check, paid from HACN budgeted funds.

Recommendation: Authorize implementation of new policy for pre-employment background checks, of prospective employees in the position of Maintenance Construction Worker, assigned to the Housing Authority of the City of Needles.

Submitted By: Angelica Deermer, Housing Authority Manager

City Management Review: Rick

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 2



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☒ HACN ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: City Council Resolution No. 2023-53
A Resolution of the Housing Authority of the City of Needles Naming the Needles City Manager as the Executive Director of the Housing Authority of the City of Needles

Background: On February 14, 2023, the City Council assumed the governing body responsibilities for Housing Authority of the City of Needles and delegated to the City Manager all authority to make the transition which included financial and personnel/labor matters.

The Housing Authority of the City of Needles will name the City Manager as the Executive Director for the Housing Authority.

Fiscal Impact: N/A

Recommended Action: Approve Resolution No. 2023-53, Naming the Needles City Manager as the Executive Director of the Housing Authority of the City of Needles

Submitted By: Patrick Martinez, Assistant City Manager

City Management Review:

R. Martinez

Date:

9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item:

3

RESOLUTION NO. 2023-53

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF
NEEDLES NAMING THE CITY MANAGER AS THE EXECUTIVE DIRECTOR
OF THE HOUSING AUTHORITY OF THE CITY OF NEEDLES**

WHEREAS, as provided in California Housing Authorities Law, Health and Safety Code sections 34200 et seq., since 1951, there has been a housing authority in the City of Needles ("City") known as the Needles Housing Authority; and

WHEREAS, in 1952, the City by resolution, declared that there was a need for a housing authority in the City because (a) insanitary or unsafe inhabited dwelling accommodations existed in the City, and/or (b) there was a shortage of safe and sanitary dwelling accommodations in the City available to persons of low income at rentals they could afford, pursuant to California Health and Safety Code section 34242; and

WHEREAS, since in or about 1952, the City Council has appointed residents of the City to serve as commissioners of the Needles Housing Authority pursuant to California Health and Safety Code section 34270; and

WHEREAS, on February 14, 2023, the City Council declared itself to be the commissioners of the authority, in which case, all the rights, powers, duties, privileges and immunities, vested by this chapter in the commissioners of an authority, except as otherwise provided in this article, shall be vested in the governing body."

NOW, THEREFORE, BE IT RESOLVED the Housing Authority of the City of Needles appoints the City Manager as the Executive Director of the Housing Authority of the City of Needles.

BE IT FURTHER RESOLVED that the Recitals set forth above are true and correct.

BE IT FURTHER HEREBY RESOLVED that this Resolution shall become effective on its adoption.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of September 2023.

NAYS:

ABSENT:

ABSTAIN:

APPROVED:

Janet Jernigan, Chairman

ATTEST:

Dale Jones, City Clerk

APPROVED AS TO FORM:

John O. Pinkney, City Attorney



City of Needles, California Request for City Council Action

Item 5.

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Board of Public Utilities

Meeting Date: September 12, 2023

Title: Approve for Introduction Ordinance No. 664-AC Amending Section 13-44 of the Needles Municipal Code (NMC) to prohibit stopping, standing, or parking of vehicles unless the vehicle is connected for electric charging; violators subject to towing

Background: The City has designated parking stalls or spaces on a public street or on public property within its jurisdiction for the exclusive purpose of charging electric vehicles.

The public vehicle charging station currently has signage that does not comply with California Vehicle Code §22511 or City Municipal Code Section 13-44.

Amendment to Code Section 13-44 will allow signage to be erected and posted that will prohibit violators from parking in spaces designed for electric charging.

The proposed signage to read as follows:

Unauthorized vehicles not connected for electric charging purposes will be towed away at owner's expense.

Fiscal Impact: The installation cost for the proposed signage and striping will not exceed \$500 and the work will be completed by the Department of Public Works.


Finance Dept.

Recommendation: Approve for introduction Ordinance No. 664-AC Amending Section 13-44 of the Needles Municipal Code (NMC) to prohibit stopping, standing, or parking of vehicles unless the vehicle is connected for electric charging; violators subject to towing

Submitted By: Kathy Raasch, Projects Manager

City Management Review: 

Date: 9/2/23

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

AGENDA ITEM: 5

ORDINANCE NO. 664-AC

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES, CALIFORNIA, ADOPTING ORDINANCE NO. 664-AC, AMENDING SECTION 13-44 OF THE NEEDLES MUNICIPAL CODE (NMC) TO PROHIBIT STOPPING, STANDING, OR PARKING AT ELECTRIC VEHICLE CHARGING STATIONS UNLESS THE VEHICLE IS CONNECTED FOR ELECTRIC CHARGING; VIOLATORS SUBJECT TO TOWING

WHEREAS, the City may designate stalls or spaces on a public street within its jurisdiction for the exclusive purpose of charging and parking a vehicle that is connected for electric charging purposes; and

WHEREAS, public vehicle charging stations currently do not have signage to prohibit stopping, standing, or parking of vehicles unless the vehicle is connected for electric charging; and

WHEREAS, the City Council wishes to erect signs to prohibit stopping, standing, or parking of vehicles on a public street or publicly owned parking facility unless the vehicle is connected for electric charging and would be subject to towing; and

WHEREAS, on September 12, 2023, the City Council of the City of Needles conducted and concluded a public hearing concerning the amendment to Section 13-44, Stopping, standing or parking prohibited at certain places, of the Municipal Code, as more fully set forth below; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred; and

WHEREAS, the City Council has considered the matter carefully,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEEDLES DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council **HEREBY FINDS AND DETERMINES** that this activity is not subject to the California Environmental Quality Act ("CEQA") pursuant to §§15060(c)(2), the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

SECTION 2. The City Council **HEREBY FINDS AND DETERMINES** that facts do exist to approve an amendment to the Needles Municipal Code (NMC).

SECTION 3. The City Council **HEREBY APPROVES** Ordinance 664-AC for an amendment to the Needles Municipal Code (NMC) as follows:

Sec. 13-44. Stopping, standing, or parking prohibited at certain places.

By adding (d) to Section 13-44:

- (d) It shall be unlawful for a person to park or leave standing a vehicle in a stall or space designated for electric charging on a public street or publicly owned parking facility unless the vehicle is connected for electric charging purposes. It shall be further unlawful for any person to obstruct, block or otherwise bar access to stalls or spaces designated as electric charging

stations. Vehicles parked or standing in violation of this ordinance shall be subject to being towed.

Towing: Subject to the requirements set forth in California Vehicle Code Section 22511, any peace officer or any regularly employed and salaried employee of the City who is authorized to engage and is engaged in directing traffic or enforcing parking laws and regulations may remove, or cause to be removed, a vehicle in violation of this section.

INTRODUCED AND READ for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of September 2023, by the following roll call vote:

AYES:
NOES
ABSENT
ABSTAIN

Mayor Jan Jernigan

Attest: _____
City Clerk, Dale Jones. CMC

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 10th day of October 2023.

AYES:
NOES
ABSENT
ABSTAIN

Mayor Jan Jernigan

(Seal)

Attest: _____
City Clerk, Dale Jones. CMC

Approved as to form:

City Attorney John Pinkney



City of Needles, California Request for City Council Action

Item 6.

☒ CITY COUNCIL ☐ NPUA ☒ HACN ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Civil Rights Certification Public Hearing

Background: Accept the Annual Civil Rights Certification for the Housing Authority of the City of Needles. The Housing Authority of the City of Needles has an obligation to ensure that families and individuals are not subjected to discrimination on the basis of race, color, or national origin. The Civil Rights Certification ensures that the Needles Housing Authority of the City of Needles conforms with the Civil Rights Act 1964, Fair Housing Act 1973, Section 504 of the Rehabilitation Act of 1973, and the American Disabilities Act.

No Changes have been made to the Administrative Plan for the Housing Choice Voucher Program last amended August 1, 2018, available on the City of Needles Website.

Submitted By: Patrick Martinez, Assistant City Manager
Angelica Deerner, Housing Manager

Recommended Action: Accept and File the Civil Rights Certification with United States Department of Housing and Urban Development

City Management Review: Rick

Date: 9/6/23

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Agenda Item: 6

Civil Rights Certification (Qualified PHAs)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0226
Expires 3/31/2024

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the fiscal year beginning 7/01/2023 in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the mission, goals, and objectives of the public housing agency and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 *et seq.*), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.

Housing Authority of the City of Needles

CA022

PHA Name

PHA Number/HA Code

I hereby certify that all the statement above, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Executive Director:

Name of Board Chairperson:

Richard Daniels

Janet Jernigan

Signature

Date 9/12/2023

Signature

Date 9/12/2023

The United States Department of Housing and Urban Development is authorized to collect the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 *et seq.*, and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. The information is collected to ensure that PHAs carry out applicable civil rights requirements.

Public reporting burden for this information collection is estimated to average 0.16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

ADMINISTRATIVE PLAN

FOR THE

HOUSING CHOICE VOUCHER PROGRAM

Approved by the HACSB Board of Commissioners: January 8, 2014
Amended by the HACSB Board of Commissioners: May 7, 2014
Amended by the HACSB Board of Commissioners: January 7, 2015
Amended by the HACSB Board of Commissioners: December 7, 2016
Amended by the HACSB Board of Commissioners: October 4, 2017
Amended by the HACSB Board of Commissioners: August 1, 2018

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GLOSSARY

Introduction

ABOUT THE REFERENCES CITED IN THE ADMINISTRATIVE PLAN

AUTHORITIES FOR POLICIES IN THE ADMINISTRATIVE PLAN

The authority for PHA policies is derived from many sources. Primary among these sources are federal statutes, federal regulations, and guidance issued by HUD. State law also directs PHA policy. State law must be followed where such law exists and does not conflict with federal regulations. Industry practice may also be used to develop policy as long as it does not conflict with federal requirements or prohibitions.

HUD

HUD provides the primary source of PHA policy through federal regulations, HUD notices, and handbooks. Compliance with federal regulations, current HUD notices, and current HUD handbooks is mandatory.

HUD also provides guidance to PHAs through other means such as HUD-published guidebooks, expired HUD notices, and expired handbooks. Basing PHA policy on HUD guidance is optional, as long as PHA policies comply with federal law, federal regulations and mandatory policy. Because HUD has already determined that the guidance it provides is consistent with mandatory policies, PHA reliance on HUD guidance provides the PHA with a “safe harbor.”

Material posted on the HUD website can provide further clarification of HUD policies. For example, FAQs on the HUD website can provide direction on the application of federal regulations in various aspects of the program.

State Law

Where there is no mandatory federal guidance, PHAs must comply with state law, if it exists. Where state law is more restrictive than federal law, but does not conflict with it, the PHA should follow the state law.

Industry Practice

Where no law or HUD authority exists on a particular subject, industry practice may support PHA policy. Industry practice refers to a way of doing things or a policy that has been adopted by a majority of PHAs.

RESOURCES CITED IN THE ADMINISTRATIVE PLAN

The model administrative plan cites several documents. Where a document or resource is cited frequently, it may be abbreviated. Where it is cited only once or twice, the model administrative plan may contain the entire name of the document or resource. Following is a key to abbreviations used for various sources that are frequently cited in the administrative plan and a list of references and document locations that are referenced in the model administrative plan or that may be helpful to you.

Abbreviations

Throughout the model administrative plan, abbreviations are used to designate certain documents in citations. The following is a table of abbreviations of documents cited in the model administrative plan.

Abbreviation	Document
CFR	Code of Federal Regulations
HCV GB	Housing Choice Voucher Program Guidebook (7420.10G), April 2001.
HUD-50058 IB	HUD-50058 Instruction Booklet
RHIIP FAQs	Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions.
VG	PIH Notice 2004-01 Verification Guidance, March 9, 2004.
HB 4350.3	Occupancy Requirements of Subsidized Multifamily Housing Programs

Resources and Where to Find Them

Following is a list of resources helpful to the PHA or referenced in the model administrative plan, and the online location of each.

Document and Location
Code of Federal Regulations http://www.gpoaccess.gov/cfr/index.html
Earned Income Disregard FAQ www.hud.gov/offices/pih/phr/about/ao_faq_eid.cfm
Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Final Rule http://edocket.access.gpo.gov/2008/pdf/E8-19435.pdf
Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data http://www.hud.gov/offices/pih/programs/ph/rhiip/docs/eivsecguidepha.pdf
Executive Order 11063 http://www.hud.gov/offices/fheo/FHLaws/EXO11063.cfm

Federal Register http://www.access.gpo.gov/su_docs/aces/fr-cont.html
General Income and Rent Determination FAQs www.hud.gov/offices/pih/programs/ph/rhiip/fag_gird.cfm
Housing Choice Voucher Program Guidebook (7420.10G), April 2001 www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm
HUD-50058 Instruction Booklet http://portal.hud.gov/hudportal/documents/huddoc?id=50058i.pdf
Joint Statement of the Department of Housing and Urban Development and the Department of Justice, issued May 17, 2004 http://www.hud.gov/offices/fheo/library/huddojstatement.pdf
Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007 http://www.hud.gov/offices/fheo/promotingfh/FederalRegistepublishedguidance.pdf
Notice PIH 2012-10, Verification of Social Security Numbers (SSNs) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report http://portal.hud.gov/huddoc/pih2012-10.pdf
Notice PIH 2017-12, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System https://www.hud.gov/sites/documents/PIH2017-12EIVNOTICE.PDF
Notice PIH 2010-26 (HA), Nondiscrimination and Accessibility Notice http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf
OMB Circular A-133 http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2010
Project-Based Voucher Program; Final Rule http://www.gpo.gov/fdsys/pkg/FR-2005-10-13/pdf/05-20035.pdf

Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions.
www.hud.gov/offices/pih/programs/ph/rhiip/faq.cfm

VAWA Final Rule
<http://www.gpo.gov/fdsys/pkg/FR-2010-10-27/pdf/2010-26914.pdf>

Verification FAQ
www.hud.gov/offices/pih/programs/ph/rhiip/faq_verif.cfm

Verification Guidance, March 2004 (attachment to Notice PIH 2004-1)
<http://www.hud.gov/offices/pih/publications/notices/04/verifguidance.pdf>

The HUD Web site is <http://portal.hud.gov/hudportal/HUD>.

Guidebooks, handbooks and other HUD resources may be found at the HUDClips Web site:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips

Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The PHA receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development. The PHA is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The PHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The PHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the PHA and its programs with emphasis on the HCV program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the PHA, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE PHA

1-I.A. OVERVIEW

This part explains the origin of the PHA's creation and authorization, the general structure of the organization, and the relationship between the PHA Board and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF THE PHA

The Section 8 tenant-based and project-based Housing Choice Voucher (HCV) assistance programs are funded by the federal government and administered by the Housing Authority of the City of Santa Barbara (HACSB) for the jurisdiction of Southern Santa Barbara County (south coast region of Santa Barbara County (as defined by the Census tracts listed in Appendix 7).

The officials of a PHA are known as commissioners or, collectively, as the board of commissioners. Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which the PHA conducts business, ensuring that policies are followed by PHA staff and ensuring that the PHA is successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions of the PHA are taken through written resolutions, adopted by the board of commissioners and entered into the official records of the PHA.

The principal staff member of the PHA is the executive director (ED), hired and appointed by the board of commissioners. The executive director is directly responsible for carrying out the policies established by the board and is delegated the responsibility for hiring, training and supervising the PHA staff in order to manage the day-to-day operations of the PHA. The executive director is responsible for ensuring compliance with federal and state laws and directives for the programs managed. In addition, the executive director's duties include budgeting and financial planning for the agency.

1-I.C. PHA MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

HACSB Policy

The Housing Authority of the City of Santa Barbara is a local public agency created under State law for the purpose of providing safe, decent, and quality affordable housing and support services to income eligible persons through a variety of Federal, State, local, and private resources.

1-I.D. THE PHA'S PROGRAMS

The following programs are included under this administrative plan:

HACSB Policy

The PHA's administrative plan is applicable to the operation of the Housing Choice Voucher program and all HACSB tenant-based and project-based Section 8 programs. Exceptions to the project based program are outlined in Chapter 17.

1-I.E. THE PHA'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the PHA is committed to providing excellent service to HCV program participants, owners, and to the community. The PHA's standards include:

- Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service needs.
- Promote fair housing and the equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the PHA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the PHA's support systems and a high level of commitment to our employees and their development.

The PHA will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff with information related to the overall operation of the program. There have been many changes to the program since its inception in 1974 and a brief history of the program will assist the reader to better understand the program.

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

The Housing and Community Development (HCD) Act of 1974 created a new federally assisted housing program – the Section 8 Existing program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. Assuming that the housing met certain basic physical standards of quality (“housing quality standards”) and was within certain HUD-established rent limitations (“fair market rents”), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family’s adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

1-II.B. HCV PROGRAM BASICS

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. The PHA is afforded choices in the operation of the program which are included in the PHA's administrative plan, a document approved by the board of commissioners of the PHA.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in the PHA's jurisdiction and may also be eligible to move under portability to other PHAs' jurisdictions.

When a family is determined to be eligible for the program and funding is available, the PHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, the PHA will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

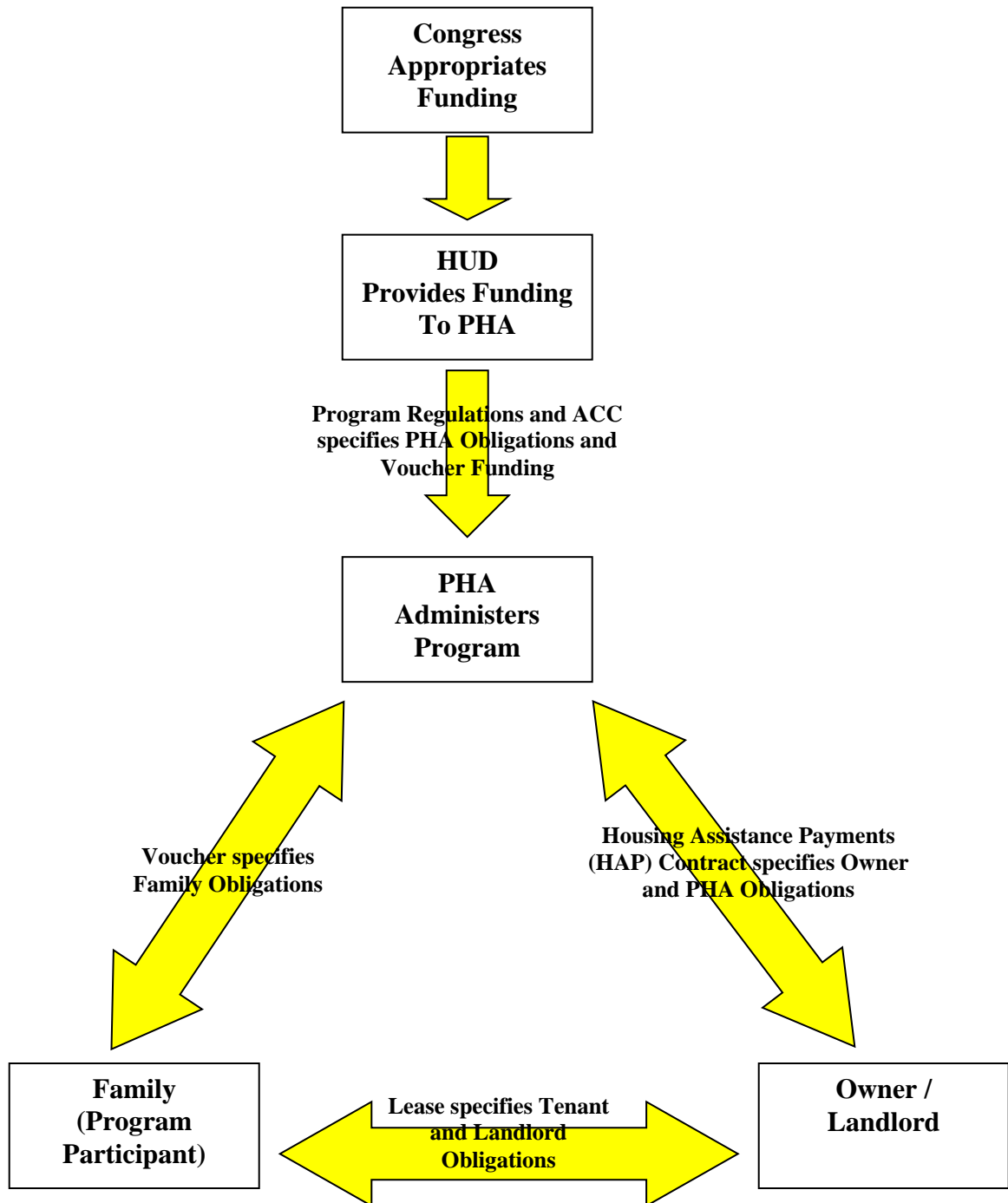
Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. The PHA continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

1-II.C. THE HCV PARTNERSHIPS

To administer the HCV program, the PHA enters into a contractual relationship with HUD (Consolidated Annual Contributions Contract). The PHA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

For the HCV program to work and be successful, all parties involved – HUD, the PHA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

The chart on the following page illustrates key aspects of these relationships.

The HCV Relationships:

What does HUD do?

HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement HCV housing program legislation passed by Congress;
- Allocate HCV program funds to PHAs;
- Provide technical assistance to PHAs on interpreting and applying HCV program requirements;
- Monitor PHA compliance with HCV program requirements and PHA performance in program administration.

What does the PHA do?

The PHA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies to administer the program;
- Review applications from interested applicants to determine whether they are eligible for the program;
- Maintain a waiting list and select families for admission;
- Issue vouchers to eligible families and provide information on how to lease a unit;
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
- Make housing assistance payments to the owner in a timely manner;
- Recertify families for continued eligibility under the program;
- Ensure that owners and families comply with their contractual obligations;
- Provide families and owners with prompt, professional service;
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the PHA's administrative plan, and other applicable federal, state and local laws.

What does the owner do?

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine suitability as renters.
 - The PHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
 - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Comply with the terms of the Housing Assistance Payments contract executed with the PHA;
- Comply with all applicable fair housing laws and do not discriminate against anyone;
- Maintain the housing unit in accordance with Housing Quality Standards (HQS) and make necessary repairs in a timely manner;
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

What does the family do?

The family has the following responsibilities:

- Provide the PHA with complete and accurate information as determined by the PHA to be necessary for administration of the program;
- Make their best and most timely efforts to locate qualified and suitable housing;
- Attend all appointments scheduled by the PHA;
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice;
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family;
- Comply with the terms of the lease with the owner;
- Comply with the family obligations of the voucher;
- Not commit serious or repeated violations of the lease;
- Not engage in drug-related or violent criminal activity;
- Notify the PHA and the owner before moving or terminating the lease;
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit;
- Promptly notify the PHA of any changes in family composition;
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: The Fair Housing Act
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

PART III: THE HCV ADMINISTRATIVE PLAN

1-III.A. OVERVIEW AND PURPOSE OF THE PLAN

The administrative plan is required by HUD. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's agency plan. This administrative plan is a supporting document to the PHA agency plan, and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define the PHA's local policies for operation of the housing programs in accordance with federal laws and regulations. All issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable law. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The PHA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

Administration of the HCV program and the functions and responsibilities of PHA staff shall be in compliance with the PHA's personnel policy and HUD regulations as well as all federal, state and local fair housing laws and regulations.

1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54]

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan. They are as follow:

- Selection and admission of applicants from the PHA waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapter 4);
- Issuing or denying vouchers, including PHA policy governing the voucher term and any extensions or suspensions of the voucher term. 'Suspension' means stopping the clock on the term of a family's voucher after the family submits a request for approval of the tenancy. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to the PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);

- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);
- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12) ;
- How to determine who remains in the program if a family breaks up (Chapter 3);
- Informal review procedures for applicants (Chapter 16);
- Informal hearing procedures for participants (Chapter 16);
- The process for establishing and revising voucher payment standards, including policies on administering decreases in the payment standard during the HAP contract term (Chapter 16);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 16);
- Interim redeterminations of family income and composition (Chapter 11);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10);
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and
- PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

Mandatory vs. Discretionary Policy

HUD makes a distinction between:

- Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and
- Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects PHAs to adopt local policies and procedures that are consistent with mandatory policies in areas where HUD gives the PHA discretion. The PHA's administrative plan is the foundation of those policies and procedures. HUD's directions require PHAs to make policy choices that provide sufficient guidance to staff and ensure consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory, but provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully think through those decisions.

1-III.C. ORGANIZATION OF THE PLAN

The plan is organized to provide information to users in particular areas of operation.

1-III.D. UPDATING AND REVISING THE PLAN

The PHA will revise this administrative plan as needed to comply with changes in HUD regulations. The original plan and any changes must be approved by the board of commissioners of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

HACSB Policy

The PHA will review and update the plan at least once a year, and more often if needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation. Any updates to the plan will be made available for public comment not less than 10 days prior to presenting them to the board of commissioners for approval. Plan changes that are considered a significant amendment or modification to the annual plan will be made available to the public not less than 45 days prior to presenting them to the board commissioners for approval.

Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring PHAs to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the PHA's housing choice voucher (HCV) operations.

This chapter describes HUD regulations and PHA policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the PHA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the housing choice voucher program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the PHA to ensure meaningful access to the HCV program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register*.

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20
- Violence Against Women Reauthorization Act of 2013 (VAWA)

When more than one civil rights law applies to a situation, the laws will be read and applied together.

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

HACSB Policy

No state or local nondiscrimination laws or ordinances apply.

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”)

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

HACSB Policy

The PHA does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Providing Information to Families and Owners

The PHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, the PHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. HUD requires the PHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

- Upon receipt of a housing discrimination complaint, the PHA is required to:
- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

HACSB Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing.

The PHA will attempt to remedy discrimination complaints made against the PHA.

The PHA will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The PHA must ensure that persons with disabilities have full access to the PHA's programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

HACSB Policy

The PHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:

“If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority.”

The PHA will display posters and other housing information and signage in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodations may include making home visits, extending the voucher term, or approving an exception payment standard in order for a participant to lease an accessible dwelling unit.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an “undue financial and administrative burden” for the PHA, or result in a “fundamental alteration” in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider’s operations.

Types of Reasonable Accommodations

When needed, the PHA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the PHA range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the PHA's programs and services.

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual's disability.

HACSB Policy

The PHA will encourage the family to make its request in writing. However, the PHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.

If a person's disability is obvious or otherwise known to the PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the PHA, the PHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the PHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that the PHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the PHA will dispose of it. In place of the information, the PHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26].

The PHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the overall size of the PHA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PHA may verify the need for the requested accommodation.

HACSB Policy

After a request for an accommodation is presented, the PHA will respond, in writing, within 10 business days. The initial response may be a request for additional information, scheduling of appointment or other written response as deemed necessary and appropriate for the PHA to obtain adequate information from which to make a determination as to whether the request is reasonable.

If the PHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the PHA's operations), the PHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

If the PHA denies a request for an accommodation because there is no nexus between the requested accommodation and the disability, or if the PHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the PHA will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family.

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the PHA to ensure that persons with disabilities related to hearing and vision have reasonable access to the PHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

HACSB Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

2-II.G. PHYSICAL ACCESSIBILITY

The PHA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This plan describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of PHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, the PHA will include a current list of available accessible units known to the PHA and will assist the family in locating an available accessible unit, if necessary.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of the PHA's informal review process and their right to request an informal review. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.

When a participant family's assistance is terminated, the notice of termination must inform them of the PHA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, the PHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the PHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the PHA must make the accommodation.

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

The PHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the PHA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA.

2-III.B. ORAL INTERPRETATION

The PHA will offer competent interpretation services free of charge, upon request, to the LEP person.

HACSB Policy

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The interpreter may be a family member or friend.

The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible and possible, according to its language assistance plan (LAP), the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents. Where feasible and possible, the PHA will encourage the use of qualified community volunteers.

2-III.C. WRITTEN TRANSLATION

Translation is the replacement of a written text from one language into an equivalent written text in another language.

HACSB Policy

In order to comply with written-translation obligations, the PHA will take the following steps:

The PHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally;
or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the PHA does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, the PHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If the PHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the PHA's Housing Choice Voucher program and services.

HACSB Policy

If it is determined that the PHA serves very few LEP persons, and the PHA has very limited resources, the PHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If the PHA determines it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

**EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER
FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]**

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase “physical or mental impairment” includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the \$480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.

Chapter 3

ELIGIBILITY

INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
 - Qualify as a family as defined by HUD and the PHA.
 - Have income at or below HUD-specified income limits.
 - Qualify on the basis of citizenship or the eligible immigrant status of family members.
 - Provide social security number information for household members as required.
 - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny assistance.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c); FR Notice 02/03/12; Notice PIH 2014-20]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.

HACSB Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application, and must notify the PHA if the family's composition changes.

Household

Household is a broader term that includes additional people who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY

Family Breakup [24 CFR 982.315; Notice PIH 2017-08]

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault or stalking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault and stalking, see section 16-IX.D of this plan.)
- In accordance with Notice PIH 2017-08, for HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers, when the veteran is the perpetrator of domestic violence, dating violence, sexual assault, or stalking, the victim must continue to be assisted. Upon termination of the perpetrator’s HUD–VASH voucher, the victim should be given a regular HCV if one is available, and the perpetrator’s HUD–VASH voucher should be used to serve another eligible family. If a regular HCV is not available, the victim will continue to use the HUD–VASH voucher, which must be issued to another eligible family upon the voucher’s turnover.
- If a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the PHA is bound by the court’s determination of which family members continue to receive assistance.

HACSB Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision or an agreement among the original family members, the PHA will determine which family will retain their placement on the waiting list or continue to receive assistance. In making its determination, the PHA will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is the victim of domestic violence, dating violence, sexual assault or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity; and (5) the recommendations of social service professionals. If all factors are equal, the assistance will remain with the current head of household.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of an assisted family who remains in the unit when other members of the family have

left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on “Caretakers for a Child.”

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head or spouse.

HACSB Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, CO-HEAD, AND OTHER ADULT

A family may have a spouse or co-head, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

HACSB Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *co-head* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head.

HACSB Policy

Minors who are emancipated under state law may be designated as a co-head.

Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a dependent allowance as described in Chapter 6.

Joint Custody of Dependents

HACSB Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 51 percent or more of the time, or if the family has been granted physical custody of the minor child.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as school records, court orders, or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or co-head, qualifies the family for a dependent allowance, and (2) the earned income of such an FTS is treated differently from the income of other family members.

HACSB Policy

Full-time student dependents are any full-time student household member, other than the head of household, spouse, co-head, household member over the age of 24, or any member with their own dependents. Dependents will be defined by the IRS definition of Qualifying Child or Qualifying Relative. (IRS Publication 501)

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or co-head is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or co-head is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with the policies in Chapter 12.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has expressed or implied authority to so consent.

HACSB Policy

A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days).

Upon request, families must identify and provide documentation of the residence to which the guest will return. In the absence of such documentation, the guest will be considered an unauthorized household member. The PHA may terminate assistance for families that allow unauthorized household members (see Chapter 12 of this Plan).

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

HACSB Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

HACSB Policy

Generally an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

HACSB Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household. Members 18 years of age or older who are attending school away from home must still attend required household appointments. Should they not be able or willing to attend

appointments they will be considered absent family members and will be removed from the household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

HACSB Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Co-head

HACSB Policy

An employed head, spouse, or co-head absent from the unit more than 90 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

HACSB Policy

The PHA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent for up to 180 days. If the family certifies that the family member is confined on a permanent basis, they may present, and the PHA will consider, any additional documentation or evidence.

Return of Permanently Absent Family Members

HACSB Policy

The family must request PHA approval for the return of any adult family members that the PHA previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.M. LIVE-IN AIDE

A *live-in aide* is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The income of a live-in aide is not counted in the calculation of annual income for the family [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

HACSB Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, or clinical social worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. Continued approval is subject to PHA verification at each annual reexamination.

If already housed, the family will be required to submit written authorization from the landlord naming the proposed live-in aide and stating that they will allow him/her to reside in the unit. This must be received by HACSB on or before the scheduled appointment to add the live in aide.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is:

- 1) Not obligated for the support of the person(s) needing the care and;
- 2) Would not be living in the unit except to provide the necessary supportive services.

The proposed live-aide must pass the HACSB eligibility process for live-in aides.

The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; or

The person has committed drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act; or

The person has been terminated from Section 8 assistance or evicted from HACSB owned/managed housing for program violations.

The PHA will notify the family of its decision in writing within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request.

If approved, the live-in aide must attend recertification appointments with the family.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definitions of the Income Limits [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. In order to be income eligible, an applicant family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

HACSB Policy

The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by the PHA.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the PHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plans for local governments within the PHA's jurisdiction.

HACSB Policy

HACSB has established that the income eligibility limit for initial occupancy into the Section 8 program is set at 80 percent of the area median income (*Low Income*).

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

HACSB Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or co-head (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

HACSB Policy

The PHA will not provide assistance to a family before the verification of at least one family member.

When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

HACSB Policy

The PHA will verify the citizenship status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230; HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or co-head, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION **[24 CFR 5.612, FR Notice 4/10/06, FR Notice 9/21/2016]**

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

Dependent Child

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

HACSB Policy

The PHA will consider a student “independent” from his or her parents and the parents’ income will not be considered when determining the student’s eligibility if the following four criteria are all met:

The individual is of legal contract age under state law.

The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education’s definition of independent student.

To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

The individual is at least 24 years old by December 31 of the award year for which aid is sought

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s state of legal residence

The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes

The individual is a graduate or professional student

The individual is married

The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liaison

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director

A financial aid administrator

The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances

The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.

The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If the PHA determines that an individual meets the definition of a *vulnerable youth* such a determination is all that is necessary to determine that the person is an *independent student* for the purposes of using only the student's income for determining eligibility for assistance.

The PHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

The PHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

HACSB Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

Person with Disabilities

The PHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1).

Veteran

HACSB Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

HACSB Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liaison

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director

A financial aid administrator

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

HACSB Policy

For any student who is subject to the 5.612 restrictions, the PHA will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

Determine whether the student is independent from his/her parents in accordance with the definition of *independent student* in this section

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If the PHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the PHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

HACSB Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

If the student's parents are married and living together, the PHA will obtain a joint income declaration and certification of joint income from the parents.

If the student's parent is widowed or single, the PHA will obtain an income declaration and certification of income from that parent.

If the student's parents are divorced or separated, the PHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, the PHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. The PHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, the PHA will use the income limits for the jurisdiction in which the parents live.

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability. (See Chapter 10.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, or stalking if the applicant is otherwise qualified for assistance (See section 3-III.G.)

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

HACSB Policy

The PHA will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime, is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use sale or manufacture of illegal drugs.

HACSB Policy

Currently engaged in is defined as any use, sale, or manufacture of illegal drugs during the previous twelve months.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

HACSB Policy

In determining reasonable cause, the PHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. The PHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing

HACSB Policy

The PHA will deny assistance if any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine, regardless of whether the activity took place on the premises of federally assisted housing or on other premises.

- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

HACSB Policy

The PHA will deny assistance if any household member is subject to any registration requirement under a state sex offender registration program

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

HACSB Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past 5 years.

Records of arrests for drug-related or violent criminal activity within the past 5 years, although a record of arrest(s) will not be used as the basis for the denial or proof that the applicant engages in disqualifying criminal activity.

Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 5 years.

A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing.

Per the alternative requirements listed in the *Federal Register* notice dated December 29, 2014, PHAs are no longer permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [FR Notice 12/29/14].

HACSB Policy

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the PHA.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.

If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

3-III.D. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

HACSB Policy

The PHA will perform a criminal background check for every adult household member.

The PHA will run a live scan fingerprint check through the Federal Bureau of Investigation (FBI) system, for each adult household member.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

HACSB Policy

The PHA will use an agency approved database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA has the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

HACSB Policy

The PHA will not conduct additional screening to determine an applicant family's suitability for tenancy, unless in the case of PHA owned housing, in which case suitability will be screened.

Suitability for PHA owned housing will include consideration of the following factors:

- History of payment of rent and utilities
- Caring for a unit and premises
- Respecting the rights of other residents to the peaceful enjoyment of their housing
- Criminal activity that is a threat to the health, safety, or property of others
- Behavior of all household members as related to the grounds for denial
- Compliance with any other essential conditions of tenancy

Background checks will include:

Past Performance in Meeting Financial Obligations, Especially Rent

PHA and landlord references for the past five years, gathering information about past performance meeting rental obligations such as rent payment record, late payment record, whether the PHA/landlord ever began or completed lease termination for non-payment, and whether utilities were ever disconnected in the unit. PHAs and landlords will be asked if they would rent to the applicant family again.

If an applicant has no rental payment history the PHA will check court records of eviction actions and other financial judgments, and credit reports. A lack of credit history will not disqualify someone from becoming a public housing resident, but a poor credit rating may.

Applicants with no rental payment history will also be asked to provide the PHA with personal references. The references will be requested to complete a verification of the applicant's ability to pay rent if no other documentation of ability to meet financial obligations is available.

If previous landlords or the utility company do not respond to requests from the PHA, the applicant may provide other documentation that demonstrates their ability to meet financial obligations (e.g. rent receipts, cancelled checks, etc.)

Disturbances of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect Health, Safety, or Welfare of Other Tenants, or Cause Damage to the Unit or the Development

PHA and landlord references for the past five years, gathering information on whether the applicant kept a unit clean, safe and sanitary; whether they violated health or safety codes; whether any damage was done by the applicant to a current or previous unit or the development, and, if so, how much the repair of the damage cost; whether the applicant's housekeeping caused insect or rodent infestation; and whether the neighbors complained about the applicant or whether the police were ever called because of disturbances.

Police and court records within the past five years will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest or conviction.

Home visits may be used to determine the applicant's ability to care for the unit.

Any history of disturbances or disruptive behavior at any PHA owned or managed property including affiliated offices.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

The PHA may not disclose to the owner any confidential information provided to the PHA by the family in response to a PHA request for documentation of domestic violence, dating violence, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

HACSB Policy

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the initial HQS inspection or before.

Upon request, the PHA will provide the owner with a family's tenancy history, as known. The PHA will not provide any criminal history information to the owner.

3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

HACSB Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

HACSB Policy

The PHA will consider the following facts and circumstances prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, or stalking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record of arrest(s) will not be used as the basis for denial, an arrest may, however, trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses or the applicant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member's Name from the Application

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

HACSB Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon PHA request.

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HACSB Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the PHA will determine whether the behavior is related to the stated disability. If so, upon the family's request, the PHA will determine whether admitting the family as a reasonable accommodation is appropriate. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, the PHA will notify the family in writing and schedule a tenant briefing, as discussed in Chapter 5.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

HACSB Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

HACSB Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the PHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the PHA to dispute the information within that 10-day period, the PHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault or stalking are contained in Section 3-III.G.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program “on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.”

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

HACSB Policy

The PHA acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the PHA’s policies.

While the PHA is not required to identify whether adverse factors that resulted in the applicant’s denial are a result of domestic violence, dating violence, sexual assault, or stalking, the applicant may inform the PHA that their status as a victim is directly related to the grounds for the denial. The PHA will request that the applicant provide enough information to the PHA to allow the PHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

The PHA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan as well as include a copy of the form HUD-5382. The PHA will request that an applicant wishing to claim protection under VAWA notify the PHA within 1 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

HACSB Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault or stalking, the PHA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D of this plan.

Perpetrator Documentation

HACSB Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:
 Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*
 In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

(A) In General

The term “developmental disability” means a severe, chronic disability of an individual that:

- (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (ii) is manifested before the individual attains age 22;
- (iii) is likely to continue indefinitely;
- (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and
- (v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) Infants and Young Children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

- (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) *Is regarded as having an impairment* means:

- (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
- (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
- (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION
[20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of “Institution of Higher Education” From 20 U.S.C. 1001

- (a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” means an educational institution in any State that
 - (1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;
 - (2) Is legally authorized within such State to provide a program of education beyond secondary education;
 - (3) Provides an educational program for which the institution awards a bachelor’s degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;
 - (4) Is a public or other nonprofit institution; and
 - (5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted pre-accreditation status by such an agency or association that has been recognized by the Secretary for the granting of pre-accreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.
- (b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” also includes—
 - (1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and
 - (2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.
- (c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of “Institution of Higher Education” From 20 U.S.C. 1002

(a) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term “institution of higher education” for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(A) A proprietary institution of higher education (as defined in subsection (b) of this section);

(B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

(A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

(i) In the case of a graduate medical school located outside the United States—

(I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

- (ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.
- (B) Advisory panel
 - (i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—
 - (I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and
 - (II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.
 - (ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.
- (C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.
- (D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.
- (3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
 - (A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;
 - (B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

- (C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or
 - (D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.
- (4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—
- (A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or
 - (B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.
- (5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.
- (6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

- (1) Principal criteria. For the purpose of this section, the term “proprietary institution of higher education” means a school that—
 - (A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;
 - (B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;
 - (C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;
 - (D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;
 - (E) Has been in existence for at least 2 years; and
 - (F) Has at least 10 percent of the school’s revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.
- (2) Additional institutions. The term “proprietary institution of higher education” also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

- (1) Principal criteria. For the purpose of this section, the term “postsecondary vocational institution” means a school that—
 - (A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;
 - (B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and
 - (C) Has been in existence for at least 2 years.
- (2) Additional institutions. The term “postsecondary vocational institution” also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in the administrative plan and the annual plan.

The PHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the PHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and PHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the PHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process the PHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide the PHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the PHA policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. The PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

HACSB Policy

Depending upon the length of time that applicants may need to wait to receive assistance, the PHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Families may obtain and complete application forms from the PHA's website at any time. Once the family has completed their online application, the family will receive an electronic notice of confirmation.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

The PHA must take steps to ensure that the application process is accessible to those who might have difficulty complying with the normal, standard PHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The PHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the PHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

PHAs are required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

The PHA must review each complete application received and make a preliminary assessment of the family's eligibility. The PHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

HACSB Policy

All applicant families will be placed on the waiting list, when open. If the PHA can determine from the information provided that a family is ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of receiving a complete application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

Eligible for Placement on the Waiting List

HACSB Policy

The online application system provides immediate notification of placement on the waiting list when complete applications are submitted.

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by the PHA.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The PHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]

The PHA's HCV waiting list must be organized in such a manner to allow the PHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires the PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

HACSB Policy

HACSB will maintain one waiting list for the Tenant Based HCV program.

A separate waiting list will be maintained for the Project-Based Voucher program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

HACSB Policy

The PHA will not merge the HCV waiting list with the waiting list for any other program the PHA operates.

A separate waiting list will be maintained for the Project-Based Voucher program.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

A PHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the PHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

HACSB Policy

The PHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Where the PHA has particular preferences or funding criteria that require a specific category of family, the PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

HACSB Policy

The PHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The PHA will give public notice by publishing the relevant information in suitable media outlets.

4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]

The PHA must conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the PHA to admit a specified percentage of extremely low income families to the program (see Chapter 4, Part III), the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

HACSB Policy

The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

HACSB Policy

While the family is on the waiting list, the family must immediately inform the PHA of changes in contact information, including current residence, mailing address, phone number, family composition and income. The changes must be submitted in writing.

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires the PHA to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

HACSB Policy

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the PHA not later than 30 calendar days from the date of the PHA letter.

If the family fails to respond within 30 calendar days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 30 calendar days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, the Director of Housing Programs, the Housing Management Supervisor or designee may reinstate the family if it is determined that the lack of response was due to PHA error, or to circumstances beyond the family's control.

Removal from the Waiting List

HACSB Policy

If at any time an applicant family is on the waiting list, the PHA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.

If a family is removed from the waiting list because the PHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the PHA's decision (see Chapter 16) [24 CFR 982.201(f)].

Inactive Status

HACSB Policy

At any time prior to the PHA conducting an eligibility appointment, an applicant that wishes to put their application on hold, or "Inactive Status", can do so upon receipt of a written request. Applicants who opt to place their applications on inactive status will not be scheduled in for eligibility appointments nor offered units in the PBV Program. Applications will remain on inactive status until which time the applicant request in writing to reactivate their applications to pending. Applicants on inactive status must continue to respond to requests for information or updates.

PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families are selected from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences for which the family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, the PHA may admit such families whether or not they are on the waiting list, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. The PHA must maintain records showing that such families were admitted with special program funding.

Targeted Funding [24 CFR 982.204(e)]

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

HACSB Policy

The types of targeted funding administered by the PHA include:

- 5 year Mainstream
- Family Unification Program (FUP)
- Non-elderly Disabled (NED)
- Veteran Affairs Supportive Housing (VASH)

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

HACSB Policy

In accordance with 24 CFR 983.260, the PHA is required to give priority for continued tenant-based assistance to a project-based family that chooses to terminate their lease after the first year of occupancy, has given the owner advanced written notice of their intent to vacate, has notified the PHA and requested to move with continued tenant-based assistance, prior to moving and only if in good standing with the project Based unit owner [Chapter 17-VII.C].

The PHA will offer preferences to its tenant-based HCV program as follows:

The PHA will first offer a preference to any family that has been terminated from its HCV program due to insufficient program funding or to any project-based family that has fulfilled the requirements of their first year of occupancy and has requested to move with tenant based assistance.

Preferences will be provided next to resident families (families that reside, work, or who have been hired to work within HACSB's jurisdiction) who meet the criteria of categories 1 through 5 below, prioritized as listed.

Category 1 - Program Facilitation

A family is being offered a voucher to facilitate the operation of the Housing Authority's programs. These will include:

- a. To meet the special needs of the client (e.g. families that need to move closer to specific medical or social services and require relocation from HACSB owned or managed developments; or HOME (TBRA) participants who will have exhausted the 24 month subsidy limit).
- b. The need to move families who are over or under housed in HA owned or managed units when no suitable units are available for transfer
- c. Residents of HACSB owned/managed supportive housing developments are offered PBV assistance in an HACSB owned/managed unit to facilitate the operation of the Housing Authority's supportive housing programs. A formal case management

assessment (i.e. SPDAT) will be conducted to substantiate that the resident no longer requires supportive housing.

Category 2-Resident Families – Lease In Place

A resident family that is willing and able to lease in place. The family has been identified as residing in place for a minimum of three months in a unit where the property owner or landlord will enter into a Section 8 HAP contract. The family must stay in the unit for a period of no less than 12 months after Section 8 assistance begins. The unit must also meet all requirements for the program. No more than ten percent (10%) of new admissions per year will be assisted as a result of receiving the Lease in Place preference.

Within the resident Lease In Place category, families for HCV or PBV assistance will be ranked and selected by the number of preference points received as applicable below:

(4 points) Displaced Family Preference

Families that have been displaced from housing within the PHA's jurisdiction due to governmental action or disaster

(2 points) Residency Preference

Families who live, work, or who have been hired to work within the South coast region of Santa Barbara County

(2 points) Rent Burden Preference

Families not currently receiving any housing assistance (e.g. residing in federal, state, local, or privately subsidized developments, receiving ongoing rental assistance) and families residing in a HACSB locally financed or HACSB managed property that have a rent burden exceeding 50% of household gross annual income

(1 point) Veteran Preference

Active members of the United States Armed Forces, Veterans of the United States Armed Forces, or spouses and surviving spouses of U.S. Veterans where the veteran was discharged other than dishonorably

(-21 points) Single, Non-Elderly, Non-Disabled

Single household member applicants who do not meet HUD's definition of disabled nor who are at minimum 62 years of age

Category 3 – Resident Families - Special Needs

A resident family that has been identified as having one of the following special needs and has been unable, due to this need, to obtain adequate housing. No more than twenty-five percent (25%) of new admissions per year will be assisted as a result of receiving the Special Needs preference. Special Needs preference verifications will only be granted twice per 18 month period per applicant family.

Special Needs families are categorized as follows:

1. **Transitional Housing:** Tenants of transitional housing programs (THP) within the jurisdiction of HACSB, which include a programmatic component who have successfully completed the program obligations and have demonstrated the ability and desire to live independently. Transitional Housing Programs are programs with a predetermined length of tenancy. A referral letter from the THP is required.
2. **NED:** Non-elderly disabled persons who have lived in a health care institution for a minimum of three (3) months and are looking to transition into the community, or who, without housing assistance, are at risk of institutionalization. A referral from a health care professional or social service professional and a letter verifying the applicant's length of stay in the institution is required. For those applicants at risk of institutionalization, a referral letter from CHANCE, Tri-Counties Regional Center, Independent Living Resource Center, PathPoint or applicable local social service providers will be required.
3. **Domestic Violence Displacement:** A family that has been displaced or faces imminent displacement within the jurisdiction of HACSB, due to actual or threatened physical domestic violence against one or more members of the applicant family within the last eighteen (18) months. Verification from Domestic Violence Solutions, law enforcement, or court documentation will be required.
4. **Homeless Assistance:** Seniors or disabled individuals who have been determined by results of the Vulnerability Index (VI) or Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) to be both medically vulnerable and chronically homeless -OR-

Families who have documentation of homelessness and/or have been determined by results of the Family VI-SPDAT to be chronically homeless.

Referrals from C3H's Housing Placement Working Group will be accepted for those ranked in the top 150 of the VI and/or with a score of 10 or higher on the VI-SPDAT. VI referrals will require a written agreement from the referring agency and/or case manager to provide for at least one (1) year case/crisis management services from the date that the client is housed.

Applicants admitted to the program under the Homeless Assistance preference will be issued HCV or TBRA assistance as determined by the Housing Authority. Available program funding as well length of time on the HCV waiting list will be considered when determining which subsidy type to issue. Applicants with the Homeless Assistance preference who have been on the HCV waiting list for less than a year at the time they are selected off the waiting list for an eligibility determination will be issued TBRA assistance if determined eligible.

Within the resident Special Needs category, families for HCV or PBV assistance will be ranked and selected by the number of preference points received as applicable below:

(4 points) Displaced Family Preference

Families that have been displaced from housing within the PHA's jurisdiction due to governmental action or disaster

(2 points) Residency Preference

Families who live, work, or who have been hired to work within the South coast region of Santa Barbara County

(2 points) Rent Burden Preference

Families not currently receiving any housing assistance (e.g. residing in federal, state, local, or privately subsidized developments, receiving ongoing rental assistance) and families residing in a HACSB locally financed or HACSB managed property that have a rent burden exceeding 50% of household gross annual income

(1 point) Veteran Preference

Active members of the United States Armed Forces, Veterans of the United States Armed Forces, or spouses and surviving spouses of U.S. Veterans where the veteran was discharged other than dishonorably

(-21 points) Single, Non-Elderly, Non-Disabled

Single household member applicants who do not meet HUD's definition of disabled nor who are at minimum 62 years of age

Category 4 - Resident Families – non Special Needs

Those families that are not being offered vouchers for program facilitation and are not categorized as special needs families will then be selected by the number of points received as applicable below:

(4 points) Displaced Family Preference

Families that have been displaced from housing within the PHA's jurisdiction due to governmental action or disaster

(2 points) Residency Preference

Families who live, work, or who have been hired to work within the South coast region of Santa Barbara County

(2 points) Rent Burden Preference

Families not currently receiving any housing assistance (e.g. residing in federal, state, local, or privately subsidized developments, receiving ongoing rental assistance) and families residing in a HACSB locally financed or HACSB managed property that have a rent burden exceeding 50% of household gross annual income

(1 point) Veteran Preference

Active members of the United States Armed Forces, Veterans of the United States Armed Forces, or spouses and surviving spouses of U.S. Veterans where the veteran was discharged other than dishonorably

(-21 points) Single, Non-Elderly, Non-Disabled

Single member household applicants who do not meet HUD's definition of disabled nor who are at minimum 62 years of age

Category 5 - Non-Resident Families

Non-resident families will then be selected by the number of points received as applicable below:

(2 points) Rent Burden Preference

Families not currently receiving any housing assistance (e.g. residing in federal, state, local, or privately subsidized developments, receiving ongoing rental assistance)

(1 point) Veteran Preference

Active members of the United States Armed Forces, Veterans of the United States Armed Forces, or spouses and surviving spouses of U.S. Veterans where the veteran was discharged other than dishonorably

(-21 points) Single, Non-Elderly, Non-Disabled

Single household member applicants who do not meet HUD's definition of disabled nor who are at minimum 62 years of age

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

HACSB Policy

The PHA will monitor progress in meeting the income targeting requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

Order of Selection

The PHA system of preferences may select families based on local preferences according to the date and time of application or by a random selection process (lottery) [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

HACSB Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the PHA's hierarchy of preferences. As a tie-breaker, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA.

Documentation will be maintained by the PHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the PHA does not have to ask higher placed families each time targeted selections are made. Targeted funding for both FUP and VASH will require referrals from Santa Barbara County Social Services or authorized agency and the Department of Veterans Affairs respectively.

4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, the PHA must notify the family.

HACSB Policy

The PHA will notify the family by first class mail when they are selected from the waiting list. The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- All documents that must be provided at the interview, including information about what constitutes acceptable documentation

- Should the family fail to respond, the notice also serves as a notice of denial and family will be removed from the waiting list.

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list.

4-III.E. THE APPLICATION INTERVIEW

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a PHA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

HACSB Policy

Families selected from the waiting list are required to participate in an eligibility interview.

All adult household members are required to attend the interview.

All household members must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity.) If the family representative does not provide the required documentation at the time of the interview, he or she will be required to provide it within 10 business days.

Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 60 days. If not all household members have disclosed their SSNs at the next time the PHA is issuing vouchers, the PHA will issue a voucher to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English or Spanish. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. Applicants who fail to attend one scheduled interview without PHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.F. COMPLETING THE APPLICATION PROCESS

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information, the PHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted funding admission, or selection preference that affected the order in which the family was selected from the waiting list.

HACSB Policy

If the PHA determines that the family is ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to the waiting list. The PHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

If the PHA determines that the family is eligible to receive assistance, the PHA will place the family on an eligible waiting list. Once vouchers are available the PHA will invite families from the eligible waiting list to attend a briefing in accordance with the policies in Chapter 5. It may be necessary to have the family update their information prior to attending a briefing if verification become stale, more than 60-days old.

See Chapter 17 regarding the unit offers for PBV subsidy.

Chapter 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, the PHA must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing the HUD-required documents and other information the family needs to know in order to lease a unit under the program. Once the family is fully informed of the program's requirements, the PHA issues the family a voucher. The voucher includes the unit size for which the family qualifies based on the PHA's subsidy standards, as well as the issue and expiration date of the voucher. The voucher is the document that authorizes the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and PHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses the PHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

HUD regulations require the PHA to conduct mandatory briefings for applicant families who qualify for a voucher. The briefing provides a broad description of owner and family responsibilities, explains the PHA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

5-I.B. BRIEFING [24 CFR 982.301]

The PHA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups. At the briefing, the PHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

HACSB Policy

Briefings will be conducted in group meetings.

Generally, all adult household members are required to attend the briefing.

Families that attend group briefings and still need individual assistance will be referred to an appropriate PHA staff person.

Briefings will be conducted in English or Spanish. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan (See Chapter 2).

Notification and Attendance

HACSB Policy

Families may be notified of their eligibility for assistance at the time they are invited to attend a briefing, or prior to the invitation to attend a briefing. The briefing notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, the applicant will be denied and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to attend a scheduled briefing will be scheduled for another briefing automatically. The PHA will notify the family of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings, without prior PHA approval, will be denied assistance (see Chapter 3).

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the PHA's jurisdiction;
- An explanation of how portability works. The PHA may not discourage the family from choosing to live anywhere in the PHA jurisdiction or outside the PHA jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order;
- The PHA must inform the family of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family's assistance;
- The advantages of areas that do not have a high concentration of low-income families; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

Briefing Packet [24 CFR 982.301(b)]

Documents and information provided in the briefing packet must include the following:

- The term of the voucher, and the PHA's policies on any extensions or suspensions of the term. If the PHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family, how the PHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the PHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of the PHA policy on providing information about families to prospective owners.
- The PHA subsidy standards including when and how exceptions are made.
- The HUD brochure on how to select a unit.
- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A list of landlords known to the PHA who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to the PHA that may assist the family in locating a unit. PHAs must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to the PHA.
- The family obligations under the program, including any obligations of a welfare-to-work family.
- The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.

- PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- An explanation of the advantages of moving to an area that does not have a high concentration of low-income families

If the PHA is located in a metropolitan area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)]:

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction
- Information about the characteristics of these areas including job opportunities, schools, transportation, and other services
- An explanation of how portability works, including a list of portability contact persons for neighboring PHAs with names, addresses, and telephone numbers

Additional Items to Be Included in the Briefing Packet

In addition to items required by the regulations, PHAs may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7, Notice PIH 2017-12].

HACSB Policy

The PHA will provide the following additional materials in the briefing packet:

The form HUD-5380 domestic violence certification form and the form HUD-5382 notice of occupancy rights, which contains information on VAWA protections for victims of domestic violence, dating violence, sexual assault, and stalking

A PHA required housing search document

The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*

“Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

“What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. The PHA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required By Family Obligations

HACSB Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the PHA of a change, notifying the PHA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to the PHA, the notice must be in writing.

Family Obligations [24 CFR 982.551]

The family obligations of the voucher are listed as follow:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

HACSB Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

- The family must not commit any serious or repeated violation of the lease.

HACSB Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.

HACSB Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the PHA at the same time the owner is notified.

- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

HACSB Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The PHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (sections I.K and I.M), and Chapter 11 (section II.B).

- The family must not sublease the unit, assign the lease, or transfer the unit.

HACSB Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

HACSB Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the PHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

The PHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. The PHA must also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of the voucher term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, the PHA determines the appropriate number of bedrooms under the PHA subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when the PHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA subsidy standards.

HACSB Policy

The PHA will assign one bedroom for each two persons within the household, except in the following circumstances:

Live-in aides will be allocated a separate bedroom.

Single person families will be allocated one bedroom.

The PHA will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	Persons in Household (Minimum – Maximum)
Single Room Occupancy (SRO)	1
0 Bedroom	1-2
1 Bedroom	1-2
2 Bedrooms	3-4
3 Bedrooms	5-6
4 Bedrooms	7-8
5 Bedrooms	9-10

*See Chapter 8 Housing Quality Standards for Occupancy Standards

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, the PHA may grant an exception to its established subsidy standards if the PHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member's disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

HACSB Policy

The PHA will consider granting an exception for health or disability.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. The family's continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination.

The PHA will consider the living room a sleeping area. The living room will be considered a sleeping area for no more than 1 (one) household member. Requests for exceptions to subsidy standards will reviewed to determine if the allocated bedroom size includes a living room that could be used for sleeping area. The PHA will notify the family of its determination within 10 business days of receiving the family's request and related documentation. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, the PHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that the PHA has determined the family to be eligible for the program, and that the PHA expects to have money available to subsidize the family if the family finds an approvable unit. However, the PHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the PHA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after the PHA has determined that the family is eligible for the program based on verification of information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

HACSB Policy

Vouchers will be issued to eligible applicants immediately following the mandatory briefing.

The PHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the PHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

HACSB Policy

Prior to issuing any vouchers, the PHA will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If the PHA determines that there is insufficient funding after a voucher has been issued, the PHA may rescind the voucher and place the affected family back on the waiting list.

5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

HACSB Policy

The initial voucher term will be 60 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 60-day period unless the PHA grants an extension.

Extensions of Voucher Term [24 CFR 982.303(b)]

The PHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that the PHA can approve. Discretionary policies related to extension and expiration of search time must be described in the PHA's administrative plan [24 CFR 982.54].

PHAs must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of the PHA's decision to approve or deny an extension. The PHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

HACSB Policy

Before an extension will be granted, the family must provide to the PHA a completed housing search document. Upon receipt of a completed housing search document, the PHA will approve one 60-day extension upon written request from the family.

The PHA will approve additional extensions only in the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities.

It is necessary due to reasons beyond the family's control, as determined by the PHA. Following is a list of extenuating circumstances that the PHA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family

Other family emergency

Obstacles due to employment

Whether the family has already submitted requests for tenancy approval that were not approved by the PHA

Whether family size or other special circumstances make it difficult to find a suitable unit

Any request for an additional extension must include the reason(s) an additional extension is necessary. The PHA may require the family to provide documentation to support the request or obtain verification from a qualified third party.

All requests for extensions to the voucher term must be made in writing and submitted to the PHA prior to the expiration date of the voucher (or extended term of the voucher).

No more than 180-days total searching time will be approved.

Requests for extensions beyond the 180 day maximum will only be considered in the case of reasonable accommodation and must be approved by the Director of Housing Programs, Housing Management Supervisor or Designee. In no case shall extensions exceed 240 days.

The PHA will decide whether to approve or deny an extension request within 10 business days of the date the request is received, and will immediately provide the family written notice of its decision.

Suspensions of Voucher Term [24 CFR 982.303(c)]

At its discretion, a PHA may adopt a policy to suspend the housing choice voucher term if the family has submitted a Request for Tenancy Approval (RTA) during the voucher term. “Suspension” means stopping the clock on a family’s voucher term from the time a family submits the RTA until the time the PHA approves or denies the request [24 CFR 982.4]. The PHA’s determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

HACSB Policy

When a Request for Tenancy Approval is received by the PHA, the term of the voucher will be suspended while the PHA processes the request.

Expiration of Voucher Term

Once a family’s housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the PHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

HACSB Policy

If an applicant family’s voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RTA), the PHA will require the family to reapply for assistance.

Chapter 6

INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:

- Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.
- Part II: Adjusted Income. Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.
- Part III: Calculating Family Share and PHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining PHA subsidy and required family payment.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph [5.609(c)].
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

HACSB Policy

Generally an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

HACSB Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

HACSB Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

HACSB Policy

An employed head, spouse, or cohead absent from the unit more than 90 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

HACSB Policy

The PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent for a period up to 180 days. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

HACSB Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 51 percent or more of the time or has legal physical custody.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as school records, court orders, or an IRS return showing which family has claimed the child for income tax purposes.

Caretakers for a Child

HACSB Policy

The approval of a caretaker is at the owner and PHA's discretion and subject to the owner and PHA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, the PHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the PHA will extend the caretaker's status as an eligible visitor.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.
- (4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. ANTICIPATING ANNUAL INCOME

The PHA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

The PHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

PHAs are required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows PHAs to use tenant-provided documents (pay stubs) to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.

HACSB Policy

When EIV is obtained and the family does not dispute the EIV employer data, the PHA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the PHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

The PHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7.:

In such cases, the PHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the PHA annualized projected income.

When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If the PHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the PHA would calculate annual income as follows: $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the PHA's policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided third-party documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

HACSB Policy

For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]

This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2009-19].

HACSB Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

Children's Earnings

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a

student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs

Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Resident Service Stipend

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

State and Local Employment Training Programs

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

HACSB Policy

The PHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The PHA defines *incremental earnings and benefits* as the difference between: (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program, and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the PHA's interim reporting requirements.

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

HACSB Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance

The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617; Streamlining Final Rule (SFR) Federal Register 3/8/16]

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID.

HACSB Policy

While qualification for the disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Participants qualifying prior to May 9, 2016, will have the disallowance calculated under the "Original Calculation Method" described below which requires a maximum lifetime disallowance period of up to 48 consecutive months. Participants qualifying on or after May 9, 2016, will be subject to the "Revised Calculation Method" Which shortens the lifetime disallowance period to 24 consecutive months.

Under both the original and new methods, the EID eligibility criteria, the benefit amount, the single lifetime eligibility requirement and the ability of the applicable family member to stop and restart employment during the eligibility period are the same.

Original Calculation Method

Initial 12-Month Exclusion

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

HACSB Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

Lifetime Limitation

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

HACSB Policy

During the 48-month eligibility period, the PHA will schedule and conduct an interim reexamination each time there is a change in the EID family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Revised Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

HACSB Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the PHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

HACSB Policy

During the second 12-month exclusion period, the PHA will exclude 100 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.

EID for projects converted under the Rental Assistance Demonstration (RAD) Program

The following exceptions apply to those projects converted to Project-Based Voucher (PBV) assistance under the RAD program:

- Existing tenants of projects converted under the RAD program who are employed and receiving the EID exclusion at the time of conversion, will continue to receive the EID after conversion in accordance with regulations at 24 CFR § 5.617. Upon expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.
- Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and receiving the EID at the time of RAD conversion, to

continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limited EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

Business Expenses

Net income is “gross income less business expense” [HCV GB, p. 5-19].

HACSB Policy

To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below. No portion of rent from a subsidized housing unit even if a portion of the rental is used from which to run the business out of will be included as a business expense.

Business Expansion

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

HACSB Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

HACSB Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

HACSB Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the PHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid.

Investments do not include the value of labor contributed to the business without compensation.

Co-owned BusinessesHACSB Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the HCV program. However, HUD requires that the PHA include in annual income the anticipated “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

Optional policies for family self-certification of assets are found in Chapter 7.

General Policies

Income from Assets

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

HACSB Policy

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family’s anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

HACSB Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]

When net family assets are \$5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the PHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The "safe harbor" is now for the PHA to establish a passbook rate within 0.75 percent of a national average.
- The PHA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

HACSB Policy

The PHA will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The PHA will review the passbook rate annually, in November of each year. The rate will not be adjusted unless the current PHA rate is no longer within 0.75 percent of the

national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on January 1 following the November review.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

HACSB Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the PHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the PHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the PHA will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The *HVC Guidebook* permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

HACSB Policy

The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$5,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments. Assets placed in trust received through settlements or judgment will be considered an asset or income as outlined in Chapter 6.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

HACSB Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

HACSB Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PHA may verify the value of the assets disposed of if other information available to the PHA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

HACSB Policy

In determining the value of a savings or checking account, the PHA will use the current balance of accounts if total family assets total under \$5,000. If assets total over \$5,000 the PHA will use 3rd party verifications to verify account balances

In determining the anticipated income from an interest-bearing checking or savings account, the PHA will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

HACSB Policy

In determining the market value of an investment account, the PHA will use the value of the account on the most recent investment report or value as reported on the 3rd party verification.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the PHA will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

HACSB Policy

In determining the equity, the PHA will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The PHA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the PHA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

HACSB Policy

For the purposes of calculating expenses to convert to cash for real property, the PHA will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

HACSB Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the PHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

HACSB Policy

In determining the value of personal property held as an investment, the PHA will use the family's estimate of the value. The PHA may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

HACSB Policy

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14].

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)]. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [FR Notice 11/24/08].

HACSB Policy

When a delayed-start payment is received and reported during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family share and PHA subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the PHA.

Treatment of Overpayment Deductions from Social Security Benefits

The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income [Notice PIH 2012-1].

HACSB Policy

The PHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)].
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)].
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].
Note: EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump-sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [FR Notice 11/24/08].

6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the PHA must include in annual income “imputed” welfare income. The PHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

Alimony and Child Support

The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

HACSB Policy

The PHA will count court-awarded amounts for alimony and child support unless the PHA verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

HACSB Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the PHA. For contributions that may vary from month to month (e.g., utility payments), the PHA will include an average amount based upon past history.

6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9) and Notice PIH 2015-21]

In 2005, Congress passed a law (for Section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9); FR 4/10/06; and Notice PIH 2015-21]

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition and any other required fees and charges received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the PHA will use the definitions of *dependent child*, *institution of higher education*, and *parents* in section 3-II.E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- *Tuition and fees* are defined in the same manner in which the Department of Education defines *tuition and fees* [Notice PIH 2015-21].
 - This is the amount of tuition and required fees covering a full academic year most frequently charged to students.
 - The amount represents what a typical student would be charged and may not be the same for all students at an institution.
 - If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an academic year is used to estimate average tuition.

- Required fees include all fixed-sum charges that are required of a large proportion of all students. Examples include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (i.e., nursing program).
- Expenses related to attending an institution of higher education must **not** be included as tuition. Examples include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed-sum charges.

Student Financial Assistance Excluded from Annual Income [24 CFR 5.609(c)(6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in section 3-II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
 - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
 - (c) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
 - (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
 - (e) Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
 - (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
 - (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
 - (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts

- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent-product liability litigation*, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (r) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for

those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249) (See See Section 6-I.L. for exceptions.)

- (v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [PHA] must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) Unreimbursed medical expenses of any elderly family or disabled family;
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

HACSB Policy

Generally, the PHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), the PHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the PHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The PHA may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

HACSB Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used as a reference to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, non-cosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance premiums or the cost of a health maintenance organization (HMO)
Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

Families That Qualify for Both Medical and Disability Assistance Expenses

HACSB Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

HACSB Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the PHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the PHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work” [HCV GB, p. 5-30].

HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

HACSB Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

HACSB Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the PHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

HACSB Policy

The PHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the PHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance ExpensesHACSB Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.F. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

Clarifying the Meaning of *Child* for This Deduction

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household are included when determining the family’s child care expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

HACSB Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family’s request, the PHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

HACSB Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member’s efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member’s job search efforts are not commensurate with the child care expense being allowed by the PHA.

Furthering EducationHACSB Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully EmployedHACSB Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person’s earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

The PHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

HACSB Policy

When the child care expense being claimed is to enable a family member to work, only one family member’s income will be considered for a given period of time. When more than one family member works during a given period, the PHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

HACSB Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the PHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

HACSB Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the PHA will use a schedule of child care costs from a local entity that either subsidizes child care costs or licenses child care providers. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.

PART III: CALCULATING FAMILY SHARE AND PHA SUBSIDY

6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the PHA

The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

HACSB Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

HACSB Policy

The minimum rent for this locality is \$50.

Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the PHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the PHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)

PHA Subsidy [24 CFR 982.505(b)]

The PHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

Utility Reimbursement [24 CFR 982.514(b); 982.514(c)]

When the PHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

HACSB Policy

The PHA will make utility reimbursements to the family.

The PHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is \$15.00 or less. Reimbursements must be made once per calendar-year quarter and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The PHA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship.

HACSB Policy

The PHA will issue all utility reimbursements monthly.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Overview

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

HACSB Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

HACSB Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

HACSB Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced other circumstances determined by the PHA.

HACSB Policy

The PHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

HACSB Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less.

Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption	
Assume the PHA has established a minimum rent of \$35.	
Family Share – No Hardship	Family Share – With Hardship
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$35 Minimum rent	\$35 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

HACSB Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The PHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

HACSB Policy

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

HACSB Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

HACSB Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505; 982.503(b)]

Overview

The PHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA's payment standards. The establishment and revision of the PHA's payment standard schedule are covered in Chapter 16.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the PHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, the PHA must use the appropriate payment standard for the exception area.

The PHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

Changes in Payment Standards

When the PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

Decreases

If a PHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, the PHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect [FR Notice 11/16/16].

However, if the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount. At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule, or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas).

In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change. The PHA's policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.

HACSB Policy

If a PHA changes its payment standard schedule resulting in a lower payment standard amount, during the term of a HAP contract, the PHA will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

The PHA will not establish different policies for decreases in the payment standard for designated areas within their jurisdiction.

Increases

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

Changes in Family Unit Size

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR..

6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using PHA subsidy standards, whichever is the lower of the two. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

Utility Allowance Revisions

At reexamination, the PHA must use the PHA current utility allowance schedule [HCV GB, p. 18-8].

HACSB Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the PHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, the PHA subsidy would be reduced to \$250.

EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609

(a) *Annual income means all amounts, monetary or not, which:*

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) *Annual income includes, but is not limited to:*

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31¹; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

¹ Text of 45 CFR 260.31 follows.

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of “assistance”] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they

are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See Section 6-I.M. for a list of benefits that qualify for this exclusion.]

EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES
24 CFR 5.617 Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income.

(a) Applicable programs. The disallowance of earned income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) Definitions. The following definitions apply for purposes of this section.

Baseline income. The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person with disabilities (who is a member of a qualified family).

Disallowance. Exclusion from annual income.

Previously unemployed includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least \$500.

(c) Disallowance of increase in annual income—

(1) *Initial twelve month exclusion.* During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) *Second twelve month exclusion and phase-in.* Upon expiration of the 12-month period defined in paragraph (c)(1) of this section and for the subsequent 12-month period, the responsible entity must exclude from annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

(3) *Maximum 2-year disallowance.* The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) of this section is limited to a lifetime 24-month period. The disallowance applies for a maximum of 12 months for disallowance under paragraph (c)(1) of this section and a maximum of 12 months for disallowance under paragraph (c)(2) of this section, during the 24- month period starting from the initial exclusion under paragraph (c)(1) of this section.

(4) *Effect of changes on currently participating families.* Families eligible for and participating in the disallowance of earned income under this section prior to *May 9, 2016* will continue

to be governed by this section in effect as it existed immediately prior to that date (see 24 CFR parts 0 to 199, revised as of April 1, 2016).

(d) Inapplicability to admission. The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) Applicability. This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) Definitions. The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) Imputed welfare income.

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular

reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of PHA decision.

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in

accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) PHA relation with welfare agency.

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or

hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2017-12]

INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in Notice PIH 2017-12 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy [Notice PIH 2017-12]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

In order of priority, the forms of verification that the PHA will use are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third-Party Verification (may be provided by applicant or participant)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

HACSB Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 days of the PHA request. The documents must not be damaged, altered or in any way illegible.

Print-outs from Web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with who provided the document, the date the original was viewed, and initial or sign the copy.

Any family self-certifications must be made in a format acceptable to the PHA and must be signed in the presence of a PHA representative or PHA notary public.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

HACSB Policy

The PHA will document, in the family file, the following:

- Reported family annual income
- Value of assets
- Expenses related to deductions from annual income
- Other factors influencing adjusted income

When the PHA is unable to obtain third-party verification, the PHA will document in the family file the reason that third-party verification was not available [24 CFR 982.516(a)(2); Notice PIH 2017-12].

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

See Chapter 6 for the PHA's policy on the use of UIV/EIV to project annual income.

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. The EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system.

EIV Income Reports

The data shown on income reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

HACSB Policy

The PHA will obtain income reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.

Income reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through income reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on social security number, name, and date of birth.

PHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2017-12].

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

HACSB Policy

The PHA will identify participants whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.

The PHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

Upfront Income Verification Using Non-HUD Systems (Optional)

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

HACSB Policy

The PHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

The Work Number

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the PHA by the family. If written third-party verification is not available, the PHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

Written Third-Party Verification [Notice PIH 2017-12]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

HACSB Policy

Third-party documents provided by the family must be dated within 60 days of the PHA request date.

If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation.

As verification of earned income, the PHA will require the family to provide the two most current, consecutive pay stubs.

Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, the PHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

HACSB Policy

The PHA will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the PHA.

Oral Third-Party Verification [Notice PIH 2017-12]

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

HACSB Policy

In collecting third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the PHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

When Third-Party Verification is Not Required [Notice PIH 2017-12]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

HACSB Policy

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

HACSB Policy

The PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

Value of Assets and Asset Income [24 CFR 982.516(a)]

For families with net assets totaling \$5,000 or less, the PHA may accept the family's declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

HACSB Policy

The PHA will require copies of at least the most current bank statements for all accounts for households with net assets totaling less than \$5,000. For households with assets totaling over \$5,000, the PHA will send third-party verifications and require a minimum of 3 consecutive months' bank statements.

7-I.E. SELF-CERTIFICATION

When HUD required third-party verification, self-certification, or "tenant declaration," is used as a last resort when the PHA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded

- Net family assets total \$5,000 or less and the PHA has adopted a policy to accept self-certification at annual recertification, when applicable
- The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income (See Chapter 11)

When the PHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family's file must be documented to explain why third-party verification was not available.

HACSB Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

The PHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

HACSB Policy

The PHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicles identification card	Custody agreement
U.S. military discharge (DD 214)	Health and Human Services ID
Current U.S. passport	Certified school records
Current employer identification card	

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the PHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the PHA and be signed in the presence of a PHA representative or PHA notary public.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the PHA has reason to doubt the identity of a person representing him or herself to be a participant.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2012-10]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change his or her declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The PHA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)

- An original SSA-issued document, which contains the name and SSN of the individual

- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

The PHA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, is illegible, or appears to be forged.

HACSB Policy

The PHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 90 calendar days from the date of admission into the program. The PHA must grant one additional 90-day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

HACSB Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, the PHA will terminate the individual's assistance.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be granted if the PHA

determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

PHA Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

When a participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

HACSB Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

HACSB Policy

The PHA will verify each disclosed SSN by:

Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

HACSB Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the PHA will not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

HACSB Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the PHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

HACSB Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

HACSB Policy

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a marital relationship, the PHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

HACSB Policy

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a separation or divorce, the PHA will require the family to provide documentation of the divorce or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult MemberHACSB Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

Foster Children and Foster AdultsHACSB Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

General Requirements

HACSB Policy

The PHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family reports full-time student status for an adult other than the head, spouse, or cohead.

The family reports child care expenses to enable a family member to further his or her education.

The family includes a student enrolled in an *institution of higher education*.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

HACSB Policy

In accordance with the verification hierarchy described in section 7-1.B, the PHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see section Exhibit 3-2).

The student is at least 24 years old.

The student is a veteran, as defined in section 3-II.E.

The student is married.

The student has at least one dependent child, as defined in section 3-II.E.

The student is a person with disabilities, as defined in section 3-II.E, and was receiving assistance prior to November 30, 2005.

If the PHA cannot verify at least one of these exemption criteria, the PHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, the PHA will then proceed to verify either the student's parents' income eligibility (see section 7-III.J) or the student's independence from his/her parents (see below).

Independent Student

HACSB Policy

The PHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Reviewing the student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is \$0, except in cases in which the PHA determines that the student is a *vulnerable youth* (see section 3-II.E)

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7-II.F. DOCUMENTATION OF DISABILITY

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at <http://www.hhs.gov/ocr/privacy/>.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance

- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

HACSB Policy

For family members claiming disability who receive disability benefits from the SSA, the PHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, the PHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the PHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to the PHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403.

HACSB Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

HACSB Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

PHA Verification [HCV GB, pp. 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The PHA must verify any preferences claimed by an applicant that determined placement on the waiting list.

HACSB Policy

The PHA will first offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. The PHA will verify this preference using the PHA's termination records.

Preferences will be provided next to resident families (families that reside, work, or who have been hired to work within HACSB's jurisdiction).

Resident families who meet one of the two categories below, prioritized as listed:

Category 1 - Program Facilitation: The PHA will verify through PHA records.

Category 2 – Lease In Place: The PHA will verify through verification from the current landlord/property owner and copy of a lease agreement or utility bill proving residency. If issued a voucher as a result of this preference and the unit fails to meet UPCS-V standards or for any other reason client is unable to lease in place, the voucher will expire and the applicants returned to the waitlist, with the lease in place preference removed.

Category 2 - Special Needs: Special Needs families fall into one of the following distinct populations:

Transitional Housing

Verified through a referral letter from the Transitional Housing Program.

NED

Verified through a referral from a health care professional or social service professional and a letter verifying the applicant's length of stay in the institution, or, for those applicants at risk of institutionalization, verified through a referral letter from CHANCE, Tri-Counties Regional Center, Independent Living Resource Center, PathPoint or applicable local social service providers.

Domestic Violence Displacement

A family that has been displaced or faces imminent displacement from within the PHA's jurisdiction due to actual or threatened physical domestic violence against one or more members of the applicant family within the last eighteen (18) months. Verified through VAWA verification requirements per Chapter 16.

Homeless Assistance

Verified by referral from C3H's Housing Placement Working Group, or homeless service provider. Referrals for seniors or disabled individuals who have been determined by results of the Vulnerability Index (VI) or Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) to be both medically vulnerable and chronically homeless and families who have documentation of homelessness and/or have been determined by results of the Family VI-SPDAT to be chronically homeless, must state applicant's rank on the Vulnerability Index (VI), and/or score on the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT). Applicants must be ranked in the top 150 rank on the VI and/or with a score of 10 or higher on the VI-SPDAT.

VI referrals will also require written agreement from the referring agency and/or case manager ensuring a minimum of one (1) year case/crisis management services from the date that the client is housed.

Applicants will be eligible to receive a special needs preference no more than once per year. If an applicant declines the Section 8 program or is issued a voucher that subsequently expires, upon reapplying for the Section 8 Waitlist, the applicant will not be able to receive a special need preference for one year following the date of application.

Within the Resident Special Needs category, the Resident non-Special Needs category, and the non-Resident category, families/individuals receive the below preference points as applicable:

Displaced Family Preference

Verified by reviewing documents provided from a local government agency.

Residency Preference

Families or individuals who live, work, or who have been hired to work within the South coast region of Santa Barbara County (as defined by the Census tracts listed in Appendix 7). Residency will be verified by reviewing applicant documentation including utility bills,

rental agreements, letters of hire, bank statements, employer documentation, and referrals from local shelters and social service agencies.

Rent Burden Preference

Families or individuals who are not currently receiving any housing assistance (e.g. residing in federal, state, local, or privately subsidized developments and/or receiving ongoing rental assistance) will be verified by review of an existing lease and verification provided by their current owner/landlord. This preference will also apply to families/individuals who are residing in a HACSB owned or managed property and have a rent burden exceeding 50% of gross annual household income will be verified using PHA records and verifications.

Veteran Preference

Verified by review of form DD-214 or other official documents issued by the U.S. Veterans Administration. Spouses of veterans who are separated but not divorced must provide their marriage certificate and; spouses of deceased veterans must provide their marriage certificate and the death certificate of the veteran.

Families applying to project-based developments may receive preference for a specific development based on that family having applied to a Project Based Voucher assisted development and who is being referred to HACSB by the owner of that development. This is verified through the review of the owner referral letter.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

HACSB Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

Wages

HACSB Policy

For wages other than tips, the family must provide at minimum originals of the three most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

HACSB Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The PHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the PHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the PHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the PHA will require the family to provide

documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

Social Security/SSI Benefits

HACSB Policy

To verify the SS/SSI benefits of applicants, the PHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the PHA will help the applicant request a benefit verification letter from SSA's Web site at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter they will be required to provide it to the PHA.

To verify the SS/SSI benefits of participants, the PHA will obtain information about social security/SSI benefits through the HUD EIV System, and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the PHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the PHA will help the participant request a benefit verification letter from SSA's Web site at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the participant has received the benefit verification letter they will be required to provide it to the PHA.

7-III.D. ALIMONY OR CHILD SUPPORT

HACSB Policy

The methods the PHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the following order of priority:

Copies of the receipts and/or payment stubs for the 60 days prior to PHA request

Third-party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Family's self-certification of amount received

If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

HACSB Policy

The PHA will verify the value of assets disposed of only if:

The PHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the PHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The PHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately \$5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the PHA will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

HACSB Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and will request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.G. RETIREMENT ACCOUNTS

HACSB Policy

The PHA will mail out third party verifications to verify retirement or similar accounts, and will also collect written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the PHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the PHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the PHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments. IRS 1099 forms, statements dated Dec. 31st of the most recent year end, and a current statement will be collected.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

HACSB Policy

The PHA will accept the family's self-certification as verification of fully excluded income. The PHA may request additional documentation if necessary to document the income source.

The PHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.I. ZERO ANNUAL INCOME STATUS

HACSB Policy

Families reporting \$5,000 per year or less in annual income will be required to attend an interim reexamination appointment and complete zero income forms at least once every 3 months. In addition, the PHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by families claiming to have \$5,000 or less in annual income.

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the PHA would not be able to determine whether or to what extent the income is to be excluded (see section 7-III.H).

HACSB Policy

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the PHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, the PHA will request written verification of the student's tuition amount.

If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents or a vulnerable youth in accordance with PHA policy [24 CFR 5.612 FR Notice 4/10/06, p. 18146, and FR Notice 9/12/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

HACSB Policy

If the PHA is required to determine the income eligibility of a student's parents, the PHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in section 3-II.E). The PHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the PHA. The required information must be submitted (postmarked) within 10 business days of the date of the PHA's request or within any extended timeframe approved by the PHA.

The PHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

HACSB Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

Written family certification as to costs anticipated to be incurred during the upcoming 12 months will only be accepted in cases where the family is certifying to the amounts to be repaid on an existing repayment agreement or medical credit card. Proof of amounts self-certified to be repaid will be verified at subsequent annual reexaminations. If the self-certified amounts were not paid, out of pocket expenses for the following reexamination will be reduced to offset the excess allowance previously given.

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the PHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

HACSB Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

HACSB Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the PHA will verify:

- The anticipated repayment schedule

- The amounts paid in the past, and

- Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

HACSB Policy

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

HACSB Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the PHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

HACSB Policy

The PHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

HACSB Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the PHA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

HACSB Policy

The family (and the care provider) will be required to certify that the child care expenses are not paid or reimbursed to the family from any source.

Pursuing an Eligible Activity

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

HACSB Policy

Information to be Gathered

The PHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the PHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the PHA will request family-provided verification from the agency of the member's job seeking efforts to date, and require the family to submit to the PHA any reports provided to the other agency.

Job interview appointment letters provided by the family may also be accepted as verification of job seeking efforts.

In the event third-party verification is not available, the PHA will provide the family with a form on which the family member must record job search efforts. The PHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The PHA will request third-party documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment

The PHA will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

HACSB Policy

The PHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The PHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The PHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

HACSB Policy

The actual costs the family incurs will be compared with the PHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the PHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS
FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]**

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

Elderly Noncitizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

<ul style="list-style-type: none"> • Form I-551 Alien Registration Receipt Card (for permanent resident aliens) • Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> • "Admitted as a Refugee Pursuant to Section 207" • "Section 208" or "Asylum" • "Section 243(h)" or "Deportation stayed by Attorney General" • "Paroled Pursuant to Section 221 (d)(5) of the USCIS" 	<ul style="list-style-type: none"> • Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> • A final court decision granting asylum (but only if no appeal is taken); • A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90); • A court decision granting withholding of deportation; or • A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).
<ul style="list-style-type: none"> • Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210". 	<ul style="list-style-type: none"> • Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

Chapter 8

HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS

[24 CFR 982 Subpart I and 24 CFR 982.507]

INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits the PHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and PHA-established requirements.

All units must pass an HQS inspection prior to the approval of a lease and at least once every 24 months during the term of the contract, and at other times as needed, to determine that the unit meets HQS.

HUD is in the process of replacing HQS with an improved inspection standard called The Uniform Physical Condition Standards for Vouchers (UPCS-V) as mandated by Congress. UPCS-V is a Demonstration Program aimed to clarify and streamline inspection processes for PHAs and inspectors, while increasing owners and tenants access to detailed information about their homes. During the demonstration period, PHAs are encouraged to gradually implement the new standards before UPCS-V is formally adopted as the replacement to HQS to ensure the transition is seamless.

HACSB Policy

Effective immediately, UPSC-V standards will be utilized for all units requiring an initial inspection as a result of a new HAP contract. HQS standards will be utilized for all annual inspections and re-inspections through the end of the calendar year ending December 31, 2018. Effective January 1, 2019, all inspections will be conducted utilizing UPCS-V standards.

HUD also requires PHAs to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and PHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies the PHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

PART I: PHYSICAL STANDARDS

8-I.A. GENERAL HUD REQUIREMENTS

HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

A summary of HUD performance criteria is provided in Exhibit 8-1. Additional guidance on these requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

UPCS-V Inspection Protocol

Inspectors are responsible for conducting inspections to determine compliance with the UPCS-V Inspection Protocol. There are five inspectable areas within UPCS-V:

- Unit
- Building Exterior

- Building System
- Common Area
- Site

UPCS-V is primarily centered on the condition of the Unit but includes items within the four additional areas, which negatively affect the habitability of the HCV unit or the Health and Safety of its Tenants.

Each inspectable area has multiple inspectable items. An inspectable item is a component of an inspectable area, which is to be evaluated under the UPCS-V Inspection Protocol. For example, while inspecting the Unit (inspectable area), the Inspector will evaluate the water heater (inspectable item).

During an inspection, the Inspector must examine all applicable inspectable items within each inspectable area.

- Observation: Occurs when there is an inspectable item with no deficiency (recorded in the inspection as No Observed Deficiency (NOD))
- Deficiency: Occurs when there is an inspectable item that is missing, flawed, or does not function as designed; item may Pass or Fail depending on the severity
- Not Applicable (NA): Occurs when an inspectable item does not appear in the HCV unit and is not required to be present

Based on the severity of the deficiency recorded, the inspection software will identify a Pass or Fail status for the item and the unit.

As UPCS-V is being developed and changed throughout the demonstration period, HUD will continue to publish updated UPCS-V manuals at HUD.gov as they are developed.

HACSB Policy

The most recently published UPCS-V manual will be maintained for viewing on HACSB's website www.hacsb.org

Tenant Preference Items

HUD requires the PHA to enforce minimum HQS but also recognizes that certain judgments about the acceptability of the unit are left to the family. For example, the PHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic appearance of the facilities is acceptable. Exhibit 8-2 summarizes those items that are considered tenant preferences.

Modifications to Provide Accessibility

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained. [24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

HACSB Policy

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to the PHA for review.

8-I.B. ADDITIONAL LOCAL REQUIREMENTS

The PHA may impose variations to the HQS as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families. HUD approval is required for variations to the HQS. HUD approval is not required if the variations are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

Thermal Environment [HCV GB p.10-7]

The PHA must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

HACSB Policy

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

UPCS-V, HVAC – Building System, Common Area, or Unit [UPCS-V v. 3.0 p. 37]

If the HVAC system does not operate because of seasonal conditions, this should not be recorded as a deficiency.

Clarifications of HUD Requirements

HACSB Policy

As permitted by HUD, the PHA has adopted the following specific requirements that elaborate on HUD standards.

Water Heaters

Water heaters must have a discharge pipe extends within 6 inches of the ground. The discharge pipe must be copper or galvanized pipe. PVC pipe is not allowed.

Walls

In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

Windows

Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather-tight seal.

Window screens must be in good condition (applies only if screens are present).

Doors

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

All interior doors must have no holes, have all trim intact, and be able to be opened without the use of a key.

Floors

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of base shoe, trim, or sealing for a "finished look." Vinyl base shoe is permitted.

Sinks

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

All sinks must have functioning stoppers.

Toilets

All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

Security

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

8-I.C. LIFE-THREATENING CONDITIONS [24 CFR 982.404(a); FR Notice 1/18/17]

HUD requires the PHA to define life-threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life-threatening conditions within 24 hours of PHA notification.

HACSB Policy

The following are considered life-threatening conditions:

Any condition that jeopardizes the security of the unit

Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural or LP gas or fuel oil leaks

A fuel storage vessel, fluid line, valve, or connection that supplies fuel to a HVAC unit is leaking or a strong odor is detected with potential for explosion or fire or that results in a health risk if inhaled

Any electrical problem or condition that could result in shock or fire

A light fixture is readily accessible, is not securely mounted to the ceiling or wall, and electrical connections or wires are exposed

A light fixture is hanging by its wires

A light fixture has a missing or broken bulb, and the open socket is readily accessible to the tenant during the day-to-day use of the unit

A receptacle (outlet) or switch is missing or broken and electrical connections or wires are exposed

An open circuit breaker position is not appropriately blanked off in a panel board, main panel board, or other electrical box that contains circuit breakers or fuses

A cover is missing from any electrical device box, panel box, switch gear box, control panel, etc., and there are exposed electrical connections

Any nicks, abrasions, or fraying of the insulation that exposes conducting wire

Exposed bare wires or electrical connections

Any condition that results in openings in electrical panels or electrical control device enclosures

Water leaking or ponding near any electrical device

Any condition that poses a serious risk of electrocution or fire and poses an immediate life-threatening condition

Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.

Utilities not in service, including no running hot water

Conditions that present the imminent possibility of injury

Obstacles that prevent safe entrance or exit from the unit

Any components that affect the function of the fire escape are missing or damaged

Stored items or other barriers restrict or prevent the use of the fire escape in the event of an emergency

The building's emergency exit is blocked or impeded, thus limiting the ability of occupants to exit in a fire or other emergency

Absence of a functioning toilet in the unit

Inoperable or missing smoke detector. Smoke detectors are required on each floor, including basements, excluding non-living attics

Inoperable or missing carbon monoxide detectors

Missing, damaged, discharged, overcharged, or expired fire extinguisher (where required)

Gas/oil-fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney venting

The chimney or venting system on a fuel-fired water heater is misaligned, negatively pitched, or damaged, which may cause improper or dangerous venting or gases

A gas dryer vent is missing, damaged, or is visually determined to be inoperable, or the dryer exhaust is not vented to the outside

A fuel-fired space heater is not properly vented or lacks available combustion air

A non-vented space heater is present

Safety devices on a fuel-fired space heater are missing or damaged

The chimney or venting system on a fuel-fired heating, ventilation, or cooling system is misaligned, negatively pitched, or damaged, which may cause improper or dangerous venting of gas

Deteriorating paint as defined at 24 CFR 35.110 in a unit built before 1978 that is to be occupied by a family with a child under six years of age if it would prevent the family from moving into the unit

UPCS-V

In addition to the above mentioned Life-Threatening or Emergency Conditions (LTE), UPCS-V identifies the following as LTEs:

Storage of liquid or natural gas inside the living space of a unit

A fire extinguisher (where required) that is missing, damaged, discharged, overcharged, or expired. (This applies only if the PHA has adopted an acceptability criteria variation to the housing quality standard to require fire extinguishers.) If an owner fails to correct life-threatening conditions as required by the PHA, the PHA will enforce the HQS in accordance with HUD requirements. See 8-II-G.

If a family fails to correct a family-caused life-threatening condition as required by the PHA, the PHA will enforce the family obligations. See 8-II.H.

The owner will be required to repair an inoperable smoke detector unless the PHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

HUD-Approved Variances – UPCS-V

HUD may grant approval for PHAs to use variances, which apply standards contained in local housing codes, other codes adopted by the PHA, or standards adopted as a result of local climatic or geographic conditions. The intent of these requirements is to ensure the utilization of standard housing units and to establish minimum criteria necessary for the Health and Safety of the occupants.

Variances may only be approved by HUD and only if the variance meets or exceeds the performance requirement without unduly limiting the amount and types of rental housing available. HUD will not approve a variance if the change is likely to adversely affect the health or safety of Tenants or severely restrict housing choice.

Once HUD-approved variances are incorporated into a specific PHA's inspection process, the Inspector should take these approved variances into account when determining if an inspectable area meets the minimum requirements based on the UPCS-V minimum standard. If an approved variance was used to qualify or disqualify a unit from the program, the Inspector must include a comment regarding the variance in the DCD

8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]**Family Responsibilities**

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain appliances owned by the family
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear that results in a breach of the HQS. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL [24 CFR 35.1225; FR Notice 1/13/17; Notice PIH 2017-13]

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six years of age, living in an HCV-assisted unit has been identified as having an elevated blood lead level, the PHA must complete an environmental investigation of the dwelling unit within 15 calendar days after being notified by a public health department or other medical health care provider. The environmental investigation must be completed in accordance with program requirements, and the result of the environmental investigation must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the environmental investigation report from the PHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and the PHA will take action in accordance with Section 8-II.G.

PHA reporting requirements, and data collection and record keeping responsibilities related to children with an elevated blood lead level are discussed in Chapter 16.

8-I.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.401, 24 CFR 982.403]

A dwelling unit must:

- Provide adequate space and security for the family
- Have at least one bedroom or living/sleeping room for each two persons

A unit that does not meet these HQS space standards is defined as *overcrowded*.

A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space [HCV GB p. 10-6]. A bedroom or living/sleeping room must have at least:

- One window
- Two electrical outlets in proper operating condition (permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets)

If the PHA determines that a unit is overcrowded because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

Occupancy Standards

Unit Size	Persons in Household
	(Minimum – Maximum)
Single Room Occupancy (SRO)	1
0 Bedroom	1-2
1 Bedroom	1-4
2 Bedrooms	2-6
3 Bedrooms	3-8
4 Bedrooms	4-10
5 Bedrooms	5-12

PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

The PHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections.* The PHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. *Annual/Biennial Inspections.* HUD requires the PHA to inspect each unit under lease at least annually or biennially, depending on PHA policy, to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.
- *Special Inspections.* A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Control Inspections.* HUD requires that a sample of units be inspected by a supervisor or other qualified individual to evaluate the work of the inspector(s) and to ensure that inspections are performed in compliance with the HQS.

Inspection of PHA-Owned Units [24 CFR 982.352(b)]

The PHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a PHA-owned unit. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of each inspection to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

Inspection Costs [Notice PIH 2016-05]

The PHA may not charge the family for unit inspections or reinspections [24 CFR 982.405(e)]. In the case of inspections of PHA-owned units, the PHA may compensate the independent agency from ongoing administrative fee for inspections performed. The PHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

The PHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, the PHA may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies the PHA that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to the PHA's administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

PHA Policy

The PHA will not charge a fee for failed reinspections.

Notice and Scheduling

The family must allow the PHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

HACSB Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 7:30 a.m. and 7:00 p.m. Generally inspections will be conducted on business days only. In the case of a life-threatening emergency, the PHA will give as much notice as possible, given the nature of the emergency.

Owner and Family Inspection Attendance

HUD permits the PHA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

HACSB Policy

At initial inspection of a vacant unit, the PHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

When a family occupies the unit at the time of inspection an adult family member or an adult authorized to represent the family must be present for the inspection.

8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]

Initial Inspections [FR Notice 1/18/17]

The PHA may, but is not required to, approve assisted tenancy and start HAP if the unit fails HQS inspection, but only if the deficiencies identified are non-life-threatening. Further, the PHA may, but is not required to, authorize occupancy if a unit passed an alternative inspection in the last 24 months.

HACSB Policy

The unit must pass the HQS inspection on or before the effective date of the HAP contract.

The PHA will not rely on alternative inspections and will conduct an HQS inspection for each unit prior to executing a HAP contract with the owner.

Timing of Initial Inspections

HUD requires PHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

HACSB Policy

The PHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

Inspection Results and Re-inspections

HACSB Policy

If any HQS violations are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by the PHA for good cause. The PHA will re-inspect the unit within 5 business days of the date the owner notifies the PHA that the required corrections have been made.

If the time period for correcting the deficiencies (or any PHA-approved extension) has elapsed, or the unit fails HQS at the time of the re-inspection, the PHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. The PHA may agree to conduct a second re-inspection, for good cause, at the request of the family and owner.

Following a failed re-inspection, the family may submit a new Request for Tenancy Approval after the owner has made repairs, if they are unable to locate another suitable unit.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

HACSB Policy

If utility service is not available for testing at the time of the initial inspection, the PHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. The PHA will re-inspect the unit to confirm that utilities are operational before the HAP contract is executed by the PHA.

Appliances [Form HUD-52580]HACSB Policy

If the family is responsible for supplying the stove and/or refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the PHA. The PHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

8-II.C. ANNUAL / BIENNIAL HQS INSPECTIONS [24 CFR 982.405 and 982.406, Notice PIH 2016-05]

Scheduling the Inspection

Each unit under HAP contract must be inspected within 24 months of the last full HQS inspection. If a PHA desires to make inspections on a more frequent basis, it may do so.

HACSB Policy

If an adult family member or other authorized adult cannot be present on the scheduled date, the family should request that the PHA reschedule the inspection. The PHA and family will agree on a new inspection date that generally should take place within 5 business days of the originally-scheduled date. The PHA may schedule an inspection more than 5 business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, the PHA will automatically schedule a second inspection. Generally, if the family misses two scheduled inspections without PHA approval, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

The PHA will conduct a full HQS inspection within 12 months following the initial inspection. If the HQS inspection passes, subsequent inspection will be conducted biennially. If any inspection following the initial inspection fails the HQS inspection, subsequent inspections will be conducted on an annual basis.

The PHA will not rely on an alternative inspection standards.

8-II.D. SPECIAL INSPECTIONS [24 CFR 982.405(g)]

If a participant or government official reports a life-threatening condition which the owner would be required to repair within 24 hours, the PHA must inspect the unit within 24 hours of notification. If the reported condition is not life-threatening, the PHA must inspect the unit within 15 days of notification.

HACSB Policy

During a special inspection, the PHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

At the PHA's discretion, the PHA may elect to conduct a full annual inspection.

8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b); HCV GB, p. 10-32]

HUD requires a PHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, annual, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, the PHA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

HACSB Policy

When life-threatening conditions are identified, the PHA will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the PHA's notice.

When failures that are not life-threatening are identified, the PHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any PHA-approved extension), the owner's HAP will be abated in accordance with PHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any PHA-approved extension, if applicable) the family's assistance will be terminated in accordance with PHA policy (see Chapter 12).

Extensions

For conditions that are life-threatening, the PHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, the PHA may grant an exception to the required time frames for correcting the violation, if the PHA determines that an extension is appropriate [24 CFR 982.404].

HACSB Policy

Extensions will be granted in cases where the PHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

A repair cannot be completed because required parts or services are not available.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

Reinspections

HACSB Policy

HUD does not require PHAs to physically reinspect to verify that an HQS fail has been corrected, with the exception of initial HQS inspections and all PBV unit HQS inspections.

The PHA will always physically reinspect for life-threatening HQS fail items.

For non-life threatening fails, at the PHA's discretion only, the PHA may accept the following as verification that the fail item has been cured:

1. Where items can be cured through viewing electronically, Skype or other electronic viewing means;
2. The owner or the tenant may submit a picture clearly demonstrating that the fail item has been repaired;
3. Owner email where the email address clearly is that of the owner or property manager; or
4. Certification signed by the owner and the tenant that the fail item has been repaired.

If a re-inspection takes place, the PHA will conduct a re-inspection immediately following the end of the corrective period, or any PHA approved extension.

The family and owner will be given reasonable notice of the re-inspection appointment. If the deficiencies have not been corrected by the time of the re-inspection, the PHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with PHA policies. If the PHA is unable to gain entry to the unit in order to conduct the scheduled re-inspection, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

8-II.G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations.

HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by the PHA, HUD requires the PHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

HACSB Policy

The PHA will make all HAP abatements effective the first of the month following the expiration of the PHA specified correction period (including any extension).

The PHA will inspect abated units within 5 business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. The PHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. The PHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

HACSB Policy

The maximum length of time that HAP may be abated is 90 days. However, if the owner completes corrections and notifies the PHA before the termination date of the HAP contract, the PHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by the PHA is 30 days.

8-II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

PART III: RENT REASONABLENESS [24 CFR 982.507]

8-III.A. OVERVIEW

Except in the case of certain LIHTC- and HOME-assisted units, no HAP contract can be approved until the PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

PHA-Owned Units [24 CFR 982.352(b)]

In cases where an HCV family is receiving assistance in a PHA-owned unit, the PHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of the rent reasonableness determination to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-Initiated Rent Determinations

The PHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. The PHA (or independent agency in the case of PHA-owned units) will assist the family with the negotiations upon request. At initial occupancy the PHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

HACSB Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, the PHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises the PHA will consider unit size and length of tenancy in the other units.

The PHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after the PHA's receipt of the owner's request or on the date specified by the owner, whichever is later.

PHA- and HUD-Initiated Rent Reasonableness Determinations

HUD requires the PHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the fair market rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the PHA to make a determination at any other time. The PHA may decide that a new determination of rent reasonableness is needed at any time.

HACSB Policy

In addition to the instances described above, the PHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the PHA determines that the initial rent reasonableness determination was in error or (2) the PHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

LIHTC- and HOME-Assisted Units [24 CFR 982.507(c)]

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD's HOME Investment Partnerships (HOME) Program, a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

For LIHTCs, if the rent requested by the owner does exceed the LIHTC rents for non-voucher families, the PHA must perform a rent comparability study in accordance with program regulations. In such cases, the rent shall not exceed the lesser of: (1) the reasonable rent as determined from the rent comparability study; or (2) the payment standard established by the PHA for the unit size involved.

8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires PHAs to take into consideration the factors listed below when determining rent comparability. The PHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made
- Amenities, services, and utilities included in the rent

Units that Must Not Be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

Note: Notice PIH 2011-46, issued August 17, 2011, provides further guidance on the issue of what constitutes an assisted unit.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the PHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the PHA information regarding rents charged for other units on the premises.

8-III.D . PHA RENT REASONABLENESS METHODOLOGY

How Market Data Is Collected

HACSB Policy

The PHA or its authorized contractor will collect and maintain data on market rents in the PHA's jurisdiction. Information sources may include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 12 months old will be eliminated from the database.

How Rents Are Determined

HACSB Policy

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. The PHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the PHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference—not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $\$500 \times 11 \text{ months} = 5500 / 12 \text{ months} = \text{actual monthly rent of } \488 .

The PHA will notify the owner of the rent the PHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The PHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 5 business days of the PHA's request for information or the owner's request to submit information.

EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS

Note: This document provides an overview of HQS. For more detailed information see the following documents:

- 24 CFR 982.401, Housing Quality Standards (HQS)
- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Sanitary Facilities

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

Food Preparation and Refuse Disposal

The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.

Space and Security

The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.

Thermal Environment

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

Illumination and Electricity

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.

UPCS-V Electricity Requirements

All outlets within 6 feet of a water source must be equipped with a ground fault circuit interrupter (GFCI) for all UPCS-V inspections.

Structure and Materials

The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

Interior Air Quality

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one open-able window or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.

Water Supply

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

Lead-Based Paint

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective tenants before the lease is signed,
- provide all prospective families with "Protect Your Family from Lead in Your Home",
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities within 30 days when identified by the PHA
- Notify tenants each time such an activity is performed
- Conduct all work in accordance with HUD safe practices
- As part of ongoing maintenance ask each family to report deteriorated paint.
- Maintain covered housing without deteriorated paint if there is a child under six in the family

For units occupied by elevated blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by the PHA). If lead hazards are identified during the environmental investigation, the owner must complete hazard reduction activities within 30 days.

See HCV GB p. 10-15 for a detailed description of these requirements. For additional information on lead-based paint requirements see 24 CFR 35, Subparts A, B, M, and R.

Access

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

All living areas of a unit must be accessible through one main entryway. Units which require a person to exit the unit to an outside area in order to access another area of the unit are not permissible.

Site and Neighborhood

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

Sanitary Condition

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

Smoke Detectors

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

Hazards and Health/Safety

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS RELATED TO HOUSING QUALITY

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

- *Sanitary Facilities.* The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.
- *Food Preparation and Refuse Disposal.* The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.
- *Space and Security.* The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.
- *Energy conservation items.* The family may determine whether the amount of insulation, presence of absence of storm doors and windows and other energy conservation items are acceptable.
- *Illumination and Electricity.* The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

- (6) *Structure and Materials.* Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.
- (7) *Indoor Air.* Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.
- (8) *Sanitary Conditions.* The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.
- (9) *Neighborhood conditions.* Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

Families have no discretion with respect to lead-based paint standards and smoke detectors.

Chapter 9

GENERAL LEASING POLICIES

INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for the PHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, the PHA must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by the PHA and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the PHA, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

9-I.A. TENANT SCREENING

The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The PHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of the PHA's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before PHA approval of the tenancy, the PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. The PHA must also inform the owner or manager of his/her rights and obligations under the Violence against Women Act of 2013 (VAWA) [24 CFR 5.2005(a)(2)].

The PHA must provide the owner with the family's current and prior address (as shown in the PHA records) and the name and address (if known to the PHA) of the landlord at the family's current and prior address [24 CFR 982.307(b)(1)].

The PHA is permitted, but not required, to offer the owner other information in the PHA's possession about the tenancy history or drug trafficking of family members [24 CFR 982.307(b)(2)].

The PHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

The PHA may not disclose to the owner any confidential information provided by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(b)(4)].

HACSB Policy

The PHA will not screen applicants for family behavior or suitability for tenancy unless in the case of PHA owned housing, in which case suitability will be screened.

The PHA will provide the owner information in the PHA's possession about the tenancy history, if requested.

9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request the PHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to the PHA:

- Completed Request for Tenancy Approval (RTA) – Form HUD-52517
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for the PHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

HACSB Policy

The RTA must be signed by both the family and the owner.

The owner may not submit the RTA on behalf of the family.

Completed RTA (including the proposed dwelling lease) must be submitted as hard copies and in-person.

The family may not submit, and the PHA will not process, more than one (1) RTA at a time.

When the family submits the RTA the PHA will review the RTA for completeness.

If the RTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RTA, the PHA will notify the family and the owner of the deficiencies.

Missing information and/or missing documents will only be accepted as hard copies, in-person, by mail, or by fax. The PHA will not accept missing information over the phone.

The PHA will also review the terms of the RTA for consistency with the terms of the proposed lease.

If the terms of the RTA are not consistent with the terms of the proposed lease, the PHA will notify the family and the owner of the discrepancies.

Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person, by mail or by fax. The PHA will not accept corrections by phone.

Because of the time sensitive nature of the tenancy approval process, the PHA will attempt to communicate with the owner and family by phone, fax, or email. The PHA will use mail when the parties cannot be reached by phone, fax, or email.

9-I.C. OWNER PARTICIPATION

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. There are also criteria for which the PHA must disapprove an owner. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I.D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the PHA's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

The PHA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

PHA-Owned Units [24 CFR 982.352(b)]

Otherwise eligible units that are owned or substantially controlled by the PHA issuing the voucher may also be leased in the voucher program. In order for a PHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and the PHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA.

HACSB Policy

The PHA does have eligible PHA-owned units available for leasing under the voucher program.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, the PHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that the PHA has chosen to allow.

The regulations do require the PHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401]

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the HQS standards, as well as the process for HQS inspection at initial lease-up.

Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the family share cannot exceed 40 percent of the family's adjusted monthly income. The term "family share" refers to the amount the family pays toward rent and utilities. The gross rent for the unit minus the total housing assistance payment (HAP) for the unit equals the family share. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

9-I.E. LEASE AND TENANCY ADDENDUM

The family and the owner must execute a written dwelling lease agreement for the assisted unit. This written lease is a contract between the tenant family and the owner; the PHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease for the assisted tenants is in such standard form.

All provisions in the HUD-required Tenancy Addendum must be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

HACSB Policy

The PHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant(s):
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family

Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.

The HUD program regulations permit the PHA to approve a shorter initial lease term if certain conditions are met.

HACSB Policy

The PHA will approve an initial lease term of less than one (1) year if it will improve the opportunities for leasing for the tenant as it is the standard market practice.

During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be stated in the dwelling lease if they exist.

The PHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if the PHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

HACSB Policy

The PHA will allow the owner to collect any security deposit amount the owner determines is appropriate. Therefore, no modifications to the HAP contract will be necessary.

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner as approved by the PHA minus the PHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

HACSB Policy

The PHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

PHA Review of Lease

The PHA will review the dwelling lease for compliance with all applicable requirements.

HACSB Policy

If the dwelling lease is incomplete or incorrect, the PHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-person, by mail, or by fax. The PHA will not accept missing and corrected information over the phone.

Because the initial leasing process is time-sensitive, the PHA will attempt to communicate with the owner and family by phone, fax, or email. The PHA will use mail when the parties can't be reached by phone, fax, or email.

The PHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if the PHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

HACSB Policy

The PHA will not review the owner's lease for compliance with state/local law.

9-I.F. TENANCY APPROVAL [24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the PHA must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, the PHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by the PHA and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by the PHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

HACSB Policy

The PHA will complete its determination within 10 business days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the PHA, the PHA will obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.

Corrections to the RTA/proposed lease will only be accepted as hard copies, in-person, by mail, or by fax. The PHA will not accept corrections over the phone.

If the PHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. The PHA will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, the PHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between the PHA and the owner of the dwelling unit. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract.

The HAP contract form is prescribed by HUD.

If the PHA has given approval for the family of the assisted tenancy, the owner and the PHA must execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

The PHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

The PHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

The PHA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60 day period is void, and the PHA may not pay any housing assistance payment to the owner.

HACSB Policy

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to the PHA. The PHA will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and the PHA will execute the HAP contract. The PHA will not execute the HAP contract until the owner has submitted IRS form W-9. The PHA will ensure that the owner receives a copy of the executed HAP contract.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract are required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances
- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the proposed changes. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of the rent to owner, the owner must notify the PHA at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. The PHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or terminate the tenancy in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

HACSB Policy

Where the owner is requesting a rent increase, the PHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

Rent increases will go into effect on the first of the month following the 60 day period after the owner notifies the PHA of the rent change or on the date specified by the owner, whichever is later.

Chapter 10

MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

INTRODUCTION

Freedom of housing choice is a hallmark of the housing choice voucher (HCV) program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and PHA policies governing moves within or outside the PHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under the PHA's HCV program, whether the family moves to another unit within the PHA's jurisdiction or to a unit outside the PHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the PHA's jurisdiction. This part also covers the special responsibilities that the PHA has under portability regulations and procedures.

PART I: MOVING WITH CONTINUED ASSISTANCE

10-I.A. ALLOWABLE MOVES

HUD lists six regulatory conditions under which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)]. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)].

HACSB Policy

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give the PHA a copy of the termination agreement.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give the PHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member [24 CFR 982.314(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to the PHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.314(b)(4), 24 CFR 982.353(b)]. The PHA must adopt an emergency transfer plan as required by regulations at 24 CFR 5.2007(e).

HACSB Policy

If a family requests permission to move with continued assistance based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault or stalking, the PHA will request documentation in accordance with section 16-IX.D of this plan.

The PHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases the PHA will document the waiver in the family's file.

Before granting an emergency transfer, the PHA will ensure the victim is eligible to receive continued assistance based on the citizenship or immigration status of the victim.

The PHA has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan.

- The PHA has terminated the assisted lease for the family's unit for the owner's breach [24 CFR 982.314(b)(1)(i)].
- The PHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the PHA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

10-I.B. RESTRICTIONS ON MOVES

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which a PHA may deny a family permission to move and two ways in which a PHA may restrict moves by a family.

Denial of Moves

HUD regulations permit the PHA to deny a family permission to move under the following conditions:

Insufficient Funding

The PHA may deny a family permission to move either within or outside the PHA's jurisdiction if the PHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)]. However, Notice PIH 2016-092 significantly restricts the ability of PHAs to deny permission to move due to insufficient funding and places further requirements on PHAs regarding moves denied due to lack of funding. The requirements found in this notice are mandatory.

HACSB Policy

The PHA will deny a family permission to move on grounds that the PHA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the PHA; (b) the PHA can demonstrate that the move will, in fact, result in higher subsidy costs; (c) the PHA can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs; and (d) for portability moves, the receiving PHA is not absorbing the voucher.

If the PHA does not have sufficient funding for continued assistance, but the family must move from their unit (e.g., the unit failed HQS), the family may move to a higher cost unit if the move is within the PHA's jurisdiction. The PHA, however, will not allow the family to move under portability in this situation if the family wishes to move to a higher cost area.

For both moves within the PHA's jurisdiction and outside under portability, the PHA will not deny a move due to insufficient funding if the PHA previously approved the move and subsequently experienced a funding shortfall if the family cannot remain in their current unit. The PHA will rescind the voucher in this situation if the family will be allowed to remain in their current unit.

The PHA will create a list of families whose moves have been denied due to insufficient funding. The PHA will keep the family's request open indefinitely, and when funds become available, the families on this list will take precedence over families on the waiting list. The PHA will use the same procedures for notifying families with open requests to move when funds become available as it uses for notifying families on the waiting list (see section 4-III.D).

The PHA will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

Grounds for Denial or Termination of Assistance

The PHA may deny a family permission to move if it has grounds for denying or terminating the family's assistance [24 CFR 982.314(e)(2)].

HACSB Policy

If the PHA has grounds for denying or terminating a family's assistance, the PHA will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. In general, it will deny a family permission to move for this reason; however it retains the discretion to allow for moves under special circumstances.

If the family owes the PHA money, including if the family is currently under any existing repayment agreement, the PHA will deny the family permission to move.

Restrictions on Elective Moves [24 CFR 982.314(c)]

HUD regulations permit the PHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the PHA to prohibit more than one elective move by a participant family during any 12-month period. However, such prohibitions, if adopted, do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section 10-I.A.) In addition, the PHA may not establish a policy permitting moves only at reexamination [Notice PIH 2016-09].

HACSB Policy

The PHA will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within the PHA's jurisdiction or outside it under portability.

The PHA will also deny a family permission to make more than one elective move during any 12-month period. This policy applies to all assisted families residing in the PHA's jurisdiction.

The PHA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), or to address an emergency situation over which a family has no control.

In addition, the PHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

10-I.C. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify the PHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside the PHA's jurisdiction under portability, the notice to the PHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2)]. The notices must be in writing [24 CFR 982.5].

Approval

HACSB Policy

Upon receipt of a family's notification that it wishes to move, the PHA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B. The PHA will notify the family in writing of its determination within 10 business days following receipt of the family's notification.

Reexamination of Family Income and Composition

HACSB Policy

For families approved to move to a new unit within the PHA's jurisdiction, the PHA may perform a new annual reexamination.

For families moving into or families approved to move out of the PHA's jurisdiction under portability, the PHA will follow the policies set forth in Part II of this chapter.

Voucher Issuance and Briefing

HACSB Policy

For families approved to move to a new unit within the PHA's jurisdiction, the PHA will issue a new voucher within 10 business days of the PHA's written approval to move. The family's attendance at a mover briefing is required. The PHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and the PHA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of the PHA's jurisdiction under portability, the PHA will follow the policies set forth in Part II of this chapter.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, the PHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

PART II: PORTABILITY

10-II.A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The PHA that issues the voucher is called the **initial PHA**. The PHA that has jurisdiction in the area to which the family wants to move is called the **receiving PHA**.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA provides all housing services for the family and bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance with its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2016-09].

PHAs commonly act as both the initial and receiving PHA because families may move into or out of their jurisdiction under portability. Each role involves different responsibilities. The PHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

In administering portability, the initial PHA and the receiving PHA must comply with financial procedures required by HUD, including the use of HUD-required forms [24 CFR 982.355(e)(5)].

PHAs must also comply with billing and payment deadlines. HUD may reduce an administrative fee to an initial or receiving PHA if the PHA does not comply with HUD portability requirements [24 CFR 982.355(e)(7)].

10-II.B. INITIAL PHA ROLE

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA may choose the receiving PHA [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the PHA's jurisdiction under portability. HUD regulations and PHA policy determine whether a family qualifies.

Applicant Families

Under HUD regulations, most applicant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance. If a PHA intends to deny a family permission to move under portability due to insufficient funding, the PHA must notify HUD within 10 business days of the determination to deny the move [24 CFR 982.355(e)].

HACSB Policy

In determining whether or not to deny an applicant family permission to move under portability because the PHA lacks sufficient funding or has grounds for denying assistance to the family, the initial PHA will follow the policies established in section 10-I.B of this chapter. If the PHA does deny the move due to insufficient funding, the PHA will notify HUD in writing within 10 business days of the PHA's determination to deny the move.

In addition, the PHA may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

HACSB Policy

The PHA will allow for portability for applicant families within the first 12 months that they are admitted to the program. However, nonresident families will only be permitted to exercise portability after they have spent a minimum of 60-days, or the initial voucher term, searching for a unit within the PHAs jurisdiction. Prior to requesting portability the family must request an extension of voucher term. If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the PHA's jurisdiction at the time that the family's eligibility was determined, the family will be considered a nonresident family.

The PHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating

violence, sexual assault or stalking. However, any exception to this policy is subject to the approval of the receiving PHA [24 CFR 982.353(c)(3)].

Participant Families

The initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. The Violence against Women Act of 2013 (VAWA) creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.353(b)].

HACSB Policy

The PHA will determine whether a participant family may move out of the PHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. The PHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(3)]. The family must specify the area to which the family wishes to move [Notice 2012-42].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.355(c)(1)]. If the applicant family is not income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2016-09].

Participant Families

The income eligibility of a participant family is not re-determined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2), 24 CFR 982.355(c)(1)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

HACSB Policy

For a participant family approved to move out of its jurisdiction under portability, the PHA generally will conduct a reexamination of family income and composition only if the family's annual reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

The PHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require the PHA to provide information on portability to all applicant families that qualify to lease a unit outside the PHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

HACSB Policy

No formal briefing will be required for a participant family wishing to move outside the PHA's jurisdiction under portability. However, the PHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5).

The PHA will provide the name, address, and phone of the contact for the PHA in the jurisdiction to which they wish to move. The PHA will advise the family that they will be under the PHA's policies and procedures, including subsidy standards and voucher extension policies.

Voucher Issuance and Term

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, the PHA will follow the regulations and procedures set forth in Chapter 5.

HACSB Policy

For participating families approved to move under portability, the PHA will issue a new voucher within 10 business days of the PHA's written approval to move.

The term of the voucher will be 120 days

Voucher Extensions and Expiration

HACSB Policy

The PHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of the PHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the initial PHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within 60 days following the expiration date of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

Preapproval Contact with the Receiving PHA

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via e-mail or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether it will approve or deny the move [24 CFR 982.355(c)(3)].

HACSB Policy

The PHA will use e-mail, when possible, to contact the receiving PHA regarding whether the receiving PHA will administer or absorb the family's voucher.

Initial Notification to the Receiving PHA

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family [24 CFR 982.355(c)(3); 24 CFR 982.355(c)(7)]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(6)].

HACSB Policy

Because the portability process is time-sensitive, the PHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. The initial PHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, e-mail address, and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. The PHA will pass this information along to the family. The PHA will also ask for the name, address, telephone number, fax and e-mail of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA

The initial PHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2016-09]
- A copy of the family's voucher [Notice PIH 2016-09]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2016-09]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(4), Notice PIH 2016-09]

HACSB Policy

In addition to these documents, the PHA will provide the following information, if available, to the receiving PHA:

Social security numbers (SSNs)

Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system

Documentation of legal identity

Documentation of citizenship or eligible immigration status

Documentation of participation in the earned income disallowance (EID) benefit

Documentation of participation in a family self-sufficiency (FSS) program

The PHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

Initial Billing Deadline [Notice PIH 2016-09]

The deadline for submission of initial billing is 90 days following the expiration date of the voucher issued to the family by the initial PHA. In cases where suspension of the voucher delays the initial billing submission, the receiving PHA must notify the initial PHA of delayed billing before the billing deadline and document the delay is due to the suspension. In this case, the initial PHA must extend the billing deadline by 30 days.

If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must notify the initial PHA in writing. The initial PHA may report to HUD it may report to HUD the receiving PHA's failure to comply with the deadline.

If the initial PHA will honor the late billing, no action is required.

HACSB Policy

If the PHA has not received an initial billing notice from the receiving PHA within the billing deadline, it will contact the receiving PHA to inform them that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. The PHA will send the receiving PHA a written confirmation of its decision by mail.

The PHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2016-09]

If the receiving PHA is administering the family's voucher, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, the initial PHA must promptly reimburse the receiving PHA for the lesser of 80 percent of the initial PHA ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill [24 CFR 982.355(e)(2)].

The initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of over leasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

HACSB Policy

The initial PHA will utilize direct deposit to ensure that the payment is received by the deadline unless the receiving PHA notifies the initial PHA that direct deposit is not acceptable to them.

Annual Updates of Form HUD-50058

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the initial PHA fails to receive an updated 50058 by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family. The initial PHA must continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. The initial PHA may seek absorption of the vouchers by following steps outlined in Notice PIH 2016-09.

Denial or Termination of Assistance [24 CFR 982.355(c)(17)]

At any time, either the initial PHA or the receiving PHA may make a determination to deny or terminate assistance with the family in accordance with 24 CFR 982.552 and 24 CFR 982.553. (For PHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. RECEIVING PHA ROLE

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)]. HUD may determine in certain instances that a PHA is not required to accept incoming portable families, such as a PHA in a declared disaster area. However, the PHA must have approval in writing from HUD before refusing any incoming portable families [24 CFR 982.355(b)].

Administration of the voucher must be in accordance with the receiving PHA's policies. This requirement also applies to policies of Moving to Work agencies. The receiving PHA procedures and preferences for selection among eligible applicants do not apply to the family, and the receiving PHA waiting list is not used [24 CFR 982.355(c)(10)]. The family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(c)(12)], and the receiving PHA's policies on extensions of the voucher term apply [24 CFR 982.355(c)(14)].

Responding to Initial PHA's Request

The receiving PHA must respond via e-mail or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed [24 CFR 982.355(c)(3)]. If the receiving PHA informs the initial PHA that it will be absorbing the voucher, the receiving PHA cannot reverse its decision at a later date without consent of the initial PHA [24 CFR 982.355(c)(4)].

HACSB Policy

The PHA will use e-mail, when possible, to notify the initial PHA whether it will administer or absorb the family's voucher.

Initial Contact with Family

When a family moves into the PHA's jurisdiction under portability, the family is responsible for promptly contacting the PHA and complying with the PHA's procedures for incoming portable families [24 CFR 982.355(c)(3)]. The family's failure to comply may result in denial or termination of the receiving PHA's voucher [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA must contact the initial PHA to determine if it will extend the voucher [24 CFR 982.355(c)(13)]. An informal hearing is not required when a voucher has expired without the family leasing a unit.

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2016-09]. (For more on this topic, see later under "Denial or Termination of Assistance.")

Briefing

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search [Notice PIH 2016-09].

HACSB Policy

The PHA will not require the family to attend a briefing. The PHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual briefing, will orally inform the family about the PHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

Income Eligibility and Reexamination

The receiving PHA does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(9)]. If the receiving PHA opts to conduct a new reexamination for a current participant family, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit [24 CFR 982.355(c)(11)].

HACSB Policy

For any family moving into its jurisdiction under portability, the PHA will conduct a new reexamination of family income and composition. However, the PHA will not delay issuing the family a voucher for this reason. Nor will the PHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and the PHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, the PHA will rely upon any verifications provided by the initial PHA to the extent that they (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Voucher Issuance

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(15)].

Timing of Voucher Issuance

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2012-42].

HACSB Policy

When a family ports into its jurisdiction, the PHA will issue the family a voucher based on the paperwork provided by the initial PHA unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with the PHA's procedures. The PHA will update the family's information when verification has been completed.

Voucher Term

The term of the receiving PHA's voucher may not expire before 30 calendar days from the expiration of the initial PHA's voucher [24 CFR 982.355(c)(13)]. If the initial PHA extends the term of the voucher, the receiving PHA's voucher may not expire before 30 days from the new expiration date of the initial PHA's voucher [Notice PIH 2016-09].

HACSB Policy

The receiving PHA's voucher will expire 30 calendar days from the expiration of the initial PHA's voucher. If the initial PHA extends the term of the voucher, the receiving PHA's voucher will expire 30 calendar days from the new expiration date of the initial PHA's voucher.

Voucher Extensions [24 CFR 982.355(c)(6), Notice 2016-09]

Once the receiving PHA issues the portable family a voucher, the receiving PHA's policies on extensions of the voucher term apply. The receiving PHA must inform the initial PHA of any extension granted to the term of the voucher. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

HACSB Policy

The PHA generally will not extend the term of the voucher that it issues to an incoming portable family unless the PHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

The PHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Voucher Suspensions [24 CFR 982.303, 24 CFR 982.355(c)(15)]

If the family submits a request for tenancy approval during the term of the receiving PHA's voucher, the PHA must suspend the term of that voucher. The term of the voucher stops from the date that the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied [24 CFR 982.4(b)] (see Section 5-II.E).

Notifying the Initial PHA

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [Notice PIH 2016-09]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction [Notice PIH 2016-09].

Administering a Portable Family's Voucher

Portability Billing [24 CFR 982.355(e)]

To cover assistance for a portable family that was not absorbed, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. The amount of the housing assistance payment for a portable family in the receiving PHA's program is determined in the same manner as for other families in the receiving PHA's program.

The receiving PHA may bill the initial PHA for the lesser of 80 percent of the initial PHA's ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill (i.e., the receiving PHA may bill for the lesser of 80 percent of the initial PHA's prorated ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee).

If both PHAs agree, the PHAs may negotiate a different amount of reimbursement.

HACSB Policy

Unless the PHA negotiates a different amount of reimbursement with the initial PHA, the PHA will bill the initial PHA the maximum amount of administrative fees allowed, ensuring any administrative fee proration has been properly applied.

Initial Billing Deadline

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) in time that the notice will be **received** no later than 90 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2016-09]. This deadline may be extended for 30 additional days if the delay is due to suspension of the voucher's term (see Initial Billing Section). A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

HACSB Policy

The PHA will send its initial billing notice by fax or e-mail, if necessary, to meet the billing deadline but will also send the notice by regular mail.

If the receiving PHA fails to send the initial billing by the deadline it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is overleased) [Notice PIH 2016-09].

Ongoing Notification Responsibilities [Notice PIH 2016-09, HUD-52665]

Annual Reexamination. The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

HACSB Policy

The PHA will send a copy of the updated HUD-50058 by regular mail no later than 10 business days after the effective date of the reexamination.

Change in Billing Amount. The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount. If the receiving PHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

Late Payments [Notice PIH 2016-09]

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments [Notice PIH 2016-09]

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2016-09.

Denial or Termination of Assistance

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement [HUD-52665; Notice PIH 2016-09].

HACSB Policy

If the PHA elects to deny or terminate assistance for a portable family, the PHA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. The PHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. The receiving PHA will furnish the initial PHA with a copy of the review or hearing decision.

Absorbing a Portable Family

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that the PHA has funding available under its annual contributions contract (ACC) [24 CFR 982.355(d)(1), Notice PIH 2016-09].

If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vii)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, the receiving PHA must send an updated form HUD-52665 to the initial PHA no later than 10 business days following the effective date of the termination of the billing arrangement. [Notice PIH 2016-09].

HACSB Policy

If the PHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, the PHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If the PHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice, but no later than 10 business days following the effective date of the termination of the billing arrangement.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability [24 CFR 982.355(e)(4)].

Chapter 11

REEXAMINATIONS

INTRODUCTION

The PHA is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and PHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

The PHA must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

11-I.B STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(b)]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income and may choose whether to verify non-fixed income amounts in years where no fixed-income review is required. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

HACSB Policy

The PHA will streamline the annual reexamination process by applying the verified COLA or interest rate to fixed-income sources. The PHA will document in the file how the determination that a source of income was fixed was made.

If a family member with a fixed source of income is added, the PHA will use third-party verification of all income amounts for that family member.

If verification of the COLA or rate of interest is not available, the PHA will obtain third-party verification of income amounts.

Third-party verification of fixed sources of income will be obtained during the intake process and at least once every three years thereafter.

Third-party verification of non-fixed income will be obtained annually regardless of the percentage of family income received from fixed sources.

11-I.C. SCHEDULING ANNUAL REEXAMINATIONS

The PHA must establish a policy to ensure that the annual reexamination for each family is completed *within* a 12-month period, and may require reexaminations more frequently [HCV GB p. 12-1].

HACSB Policy

The PHA will begin the annual reexamination process 90 days in advance of its scheduled effective date. Generally, the PHA will schedule annual reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, the PHA will not perform a new annual reexamination.

The PHA also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity the option to complete Form HUD-92006 at this time [Notice PIH 2009-36].

HACSB Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by all adult household members, including live-in aide. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the PHA to request a reasonable accommodation (see Chapter 2).

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled interview, the PHA will send a second notification with a new interview date and appointment time.

If a family fails to attend two scheduled interviews without PHA approval, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, and to any alternate address provided in the family's file.

An advocate, interpreter, or other assistant may assist the family in the interview process. The family and the PHA must execute a certification attesting to the role and the assistance provided by any such third party.

11-I.D. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

HACSB Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a PHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documents or forms related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 30 calendar days of the interview, or as requested by the PHA. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time period (plus any extensions), the family will be sent a notice of termination (See Chapter 12). Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

HACSB Policy

At the annual reexamination, the PHA will ask whether the tenant, or any member of the tenant's household, is subject to a sex offender registration requirement in any state. The PHA will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 12.)

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the PHA has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers

- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.E. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from his or her parents or is considered a vulnerable youth in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

HACSB Policy

During the annual reexamination process, the PHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from his/her parents or is considered a vulnerable youth based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the PHA will process a reexamination in accordance with the policies in this chapter.

11-I.F. EFFECTIVE DATES

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

HACSB Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If the PHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If the PHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA.

If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the PHA by the date specified, and this delay prevents the PHA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

11-II.A. OVERVIEW

Family circumstances may change between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes. HUD regulations also permit the PHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted [HCV GB, p. 12-10].

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition changes. The PHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and PHA policies describing what changes families are required to report, what changes families may choose to report, and how the PHA will process both PHA- and family-initiated interim reexaminations.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The family is required to report all changes in family composition. The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition. However, due to family obligations under the program, the PHA has limited discretion in this area.

HACSB Policy

The PHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring PHA Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 982.551(h)(2)].

HACSB Policy

The family must inform the PHA of the birth, adoption, or court-awarded custody of a child within 30 calendar days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the PHA must make appropriate adjustments in the family share of the rent and the HAP payment at the effective date of either the annual or interim reexamination[24 CFR 982.516(e)(2)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

HACSB Policy

Families must request PHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or 30 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the PHA prior to the individual moving into the unit.

The PHA will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II). Any adult family member that moves out of the unit may not move in for one year from the date the family member moved out.

The PHA will not approve the addition of a foster child, foster adult or other adult household member if it will cause a violation of HQS space standards.

If the PHA determines an individual meets the PHA's eligibility criteria and documentation requirements, the PHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If the PHA determines that an individual does not meet the PHA's eligibility criteria or documentation requirements, the PHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The PHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify the PHA if any family member no longer lives in the unit

[24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

HACSB Policy

If a family member ceases to reside in the unit, the family must inform the PHA immediately and no later than 30 calendar days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the PHA immediately and no later than 30 calendar days.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the PHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

PHA-Initiated Interim Reexaminations

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

HACSB Policy

The PHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the PHA will conduct an interim reexamination at the start and conclusion of the 24-month eligibility period.

If the family has reported zero income or that they receive less than \$2,400 annual income (gross income after exclusions), the PHA will conduct an interim reexamination at minimum, once every 4 months, as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the PHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

The PHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a fraud complaint.

Family-Initiated Interim Reexaminations

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

Required Reporting

HUD regulations give the PHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

HACSB Policy

Families are required to report all increases in income within 30 calendar days of the date the change takes effect. Changes in employment resulting in an increase of two-hundred dollars (\$200) or more per month, changes in position, and/or place of employment will require an interim reexamination.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. The PHA must process the request if the family reports a change that will result in a reduced family income [HCV GB, p. 12-9].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

HACSB Policy

If a family reports a change that it was not required to report and that would result in an increase in the family share of the rent, the PHA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the family share of rent, the PHA will conduct an interim reexamination. See Section 11-II.D. for effective dates.

Families may report changes in income or expenses at any time.

11-II.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

HACSB Policy

The family may notify the PHA of changes only in writing. If the family provides oral notice, the PHA will require the family to submit the changes in writing.

Generally, the family will be required to attend an interview for an interim reexamination.

Based on the type of change reported, the PHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 30 calendar days or as requested by the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, by fax, or in person.

Effective Dates

The PHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames [HCV GB, p. 12-10].

HACSB Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported, all required documentation was submitted and the change was verified.

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the PHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When the PHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the PHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
 - If the payment standard amount has *increased*, the increased payment standard will be applied at the *first annual* reexamination following the effective date of the increase in the payment standard.
 - If the payment standard amount has *decreased*, during the term of a HAP contract, the PHA is not required to reduce the payment standard as the HAP contract remains in effect. At the family's *second annual* reexamination, the PHA may, but is not required to, apply the decreased payment standard or may gradually implement the reduced payment standard (See Chapter 6 for the PHA's policy on decreases in the payment standard).
- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

HACSB Policy

If a unit is overcrowded:

Overcrowding is considered a non-life threatening HQS fail. If the PHA determines that a unit is overcrowded because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. As soon as possible will be defined as no longer than 90-days. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

If a unit is under occupied:

If the PHA determines that a unit is under occupied because of a decrease in family size or change in family composition, including the removal of live in aide, the PHA will make notify the family that effective as of the family's first annual reexamination or 90-days from the change, whichever is sooner, the family's payment standard will change to the appropriate payment standard. The family will also be given the option to move to an appropriate sized unit.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the PHA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the PHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the PHA must use the PHA current utility allowance schedule [HCV GB p/18-8].

HACSB Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

HACSB Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment. The notice also will state the procedures for requesting an informal hearing.

11-III.D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.

Chapter 12

TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify mandatory and optional grounds for which a PHA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter describes the policies that govern mandatory and optional terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the family or by the PHA.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that the PHA will use in evaluating decisions on whether to terminate assistance due to actions or inactions of the family where termination is an option. It specifies the alternatives that the PHA may consider in lieu of termination, the criteria the PHA will use when deciding what action to take, and the steps the PHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part describes the HUD policies that govern the owner's right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

12-I.A. OVERVIEW

HUD requires the PHA to terminate assistance for certain actions and inactions of the family and when the family no longer requires assistance due to increases in family income. HUD permits the PHA to terminate assistance for certain other actions or inactions of the family. In addition, a family may decide to withdraw from the program and terminate their HCV assistance at any time by notifying the PHA.

12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by the PHA is reduced to zero, the family's assistance terminates automatically 180 days after the last HAP payment.

HACSB Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the PHA of the change and request an interim reexamination before the expiration of the 180-day period. A change in circumstance is defined as a change that is of no fault of the family, i.e. employer pay cut, employer layoffs, loss of benefits, death of a family member.

12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that the PHA terminate housing assistance payments on behalf of the family at any time.

HACSB Policy

The request to terminate assistance should be made in writing and signed by the head of household, and spouse or cohead if applicable. Before terminating the family's assistance, the PHA will follow the notice requirements in Section 12-II.F.

12-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires the PHA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005(c)(1)]

The PHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. As discussed further in section 12-II.E, incidents of actual or threatened domestic violence, dating violence, stalking, sexual assault or sexual assault may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

HACSB Policy

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In such cases the PHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in section 12-II.C. In making its decision, the PHA will consider the factors described in sections 12-II.D and 12-II.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests.

Failure to Provide Consent [24 CFR 982.552(b)(3)]

The PHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]

The PHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2012-10]

The PHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family to be noncompliant.

HACSB Policy

The PHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]

The PHA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

HACSB Policy

The PHA will terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on any premises, whether federally-assisted housing or not.

Lifetime Registered Sex Offenders [Notice PIH 2012-28]

Should a PHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

HACSB Policy

The PHA will terminate assistance if any household member is subject to any sex offender registration requirement.

In this situation, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must terminate assistance for the household.

Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with his/her parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the PHA must terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and PHA policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]

The PHA must immediately terminate program assistance for deceased single member households.

12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Mandatory Policies [24 CFR 982.553(b) and 982.551(I)]

HUD requires the PHA to establish policies that permit the PHA to terminate assistance if the PHA determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity
- Any household member has violated the family's obligation not to engage in violent criminal activity

Use of Illegal Drugs and Alcohol Abuse

HACSB Policy

The PHA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous twelve months.

The PHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

HACSB Policy

The PHA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

The PHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), 24 CFR 5.2005(c)]

HUD permits the PHA to terminate assistance under a number of other circumstances. It is left to the discretion of the PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act of 2013 explicitly prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, stalking, sexual assault or sexual assault as reasons for terminating the assistance of a victim of such abuse.

Additionally, per the alternative requirements listed in the *Federal Register* notice dated December 29, 2014, PHAs are no longer permitted to terminate assistance to a family due to the family's failure to meet its obligations under the Family Self-Sufficiency (FSS) contract of participation [FR Notice 12/29/14].

HACSB Policy

The PHA **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency(FSS) program, unless in the case of a FUP Youth where failure to meet obligations under an FSS program contract is a mandatory reason for termination of assistance.

The PHA **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related PHA policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA, or landlord or property owner in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the PHA.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel, including agents or contractors of the PHA.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

HACSB Policy

Except in the case of absence for medical reasons, if the family is absent from the unit for more than 90 consecutive calendar days, the family's assistance will be terminated. In the case of absence due to verified medical reasons, a family may not be absent for more than 180- consecutive calendar days. Notice of termination will be sent in accordance with Section 12-II.F.

Insufficient Funding [24 CFR 982.454]

The PHA may terminate HAP contracts if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

HACSB Policy

The PHA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If the PHA determines there is a shortage of funding, prior to terminating any HAP contracts, the PHA will determine if any other actions can be taken to reduce program costs.

In the event that the PHA decides to stop issuing vouchers as a result of a funding shortfall, and the PHA is not assisting the required number of special purpose vouchers (NED families and family unification program (FUP) families), when the PHA resumes issuing vouchers, the PHA will issue vouchers first to the special purpose voucher families on its waiting list until it has reached the required number of special purpose vouchers, when applicable.

If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the PHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, the PHA will inform the local HUD field office. The PHA will terminate the minimum number needed in order to reduce HAP costs to a level within the PHA's annual budget authority.

If the PHA must terminate HAP contracts due to insufficient funding, the PHA will do so in accordance with the following criteria and instructions:

Families comprising the required number of special purpose vouchers, including non-elderly disabled (NED) and family unification program (FUP) will be the last to be terminated.

Families that have been on the program the longest will be terminated first, excluding the elderly and disabled families.

PART II: APPROACH TO TERMINATION OF ASSISTANCE

12-II.A. OVERVIEW

The PHA is required by regulation to terminate a family's assistance for certain actions or inactions of the family. For other types of actions or inactions of the family, the regulations give the PHA the authority to either terminate the family's assistance or to take another action. This part discusses the various actions the PHA may choose to take when it has discretion, and outlines the criteria the PHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the family of the PHA's intent to terminate assistance.

12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]

Termination of assistance for a participant may include any or all of the following:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to enter into a new HAP contract or approve a lease, or
- Refusing to process a request for or to provide assistance under portability procedures.

12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, the PHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

HACSB Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon PHA request.

Repayment of Family Debts

HACSB Policy

If a family owes amounts to the PHA, as a condition of continued assistance, the PHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the PHA of the amount owed. See Chapter 16 for policies on repayment agreements.

12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

For criminal activity, HUD permits the PHA to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

HACSB Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

The PHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

HACSB Policy

The PHA will consider the following facts and circumstances when making its decision to terminate assistance:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, sexual assault, or sexual assault

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record of arrest(s) will not be used as the basis for termination, an arrest may, however, trigger an investigation to determine whether the participant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses or the participant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the PHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HACSB Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the PHA will determine whether the behavior is related to the disability. If so, upon the family's request, the PHA will determine whether alternative measures are appropriate as a reasonable accommodation. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

This section describes the protections against termination of assistance that the Violence against Women Act of 2013 (VAWA) provides for victims of domestic violence, dating violence, and stalking. For general VAWA requirements, key VAWA definitions, and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan.

VAWA Protections against Termination

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault, or stalking. (*Note: The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program, as do the limitations discussed under the next heading.*)

First, VAWA provides that a PHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to the PHA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.314(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [24 CFR 5.2005(c)(1)].

Third, it provides that criminal activity directly related to domestic violence, dating violence, sexual assault or stalking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, sexual assault, or stalking [24 CFR 5.2005(c)(2)].

Fourth, it gives PHAs the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of a PHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault, or stalking so long as the PHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of a PHA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault or stalking if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

In order to demonstrate an actual and imminent threat, the PHA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

HACSB Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, sexual assault, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the PHA will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within an immediate time frame

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest the PHA's determination that he or she is an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing.

Documentation of Abuse [24 CFR 5.2007]

HACSB Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, sexual assault, or stalking claims protection under VAWA, the PHA will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

The PHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases the PHA will document the waiver in the individual's file.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives the PHA the explicit authority to “terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others” without terminating assistance to “or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant” [24 CFR 5.2009(a)]. This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if the PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that the PHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

If the perpetrator remains in the unit, the PHA continues to pay the owner until the PHA terminates the perpetrator from the program. The PHA must not stop paying HAP until 30 days after the owner bifurcates the lease to evict the perpetrator. The PHA may pay HAP for the full month if the 30-day period will end mid-month [Notice PIH 2017-08].

If the perpetrator is the only participant eligible to receive assistance, the PHA will provide any remaining participant a chance to establish eligibility for the program. If the remaining participant cannot do so, the PHA will provide them with 30 days to establish eligibility for another housing program prior to termination of the HAP contract.

HACSB Policy

The PHA will terminate assistance to a family member if the PHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, the PHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse

submitted to the PHA by the victim in accordance with this section and section 16-IX.D. The PHA will also consider the factors in section 12-II.D. Upon such consideration, the PHA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If the PHA does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

12-II.F. TERMINATION NOTICE

HUD regulations require PHAs to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

HACSB Policy

Whenever a family's assistance will be terminated, the PHA will send a written notice of termination to the family and to the owner. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other PHA policies, or the circumstances surrounding the termination require.

When the PHA notifies an owner that a family's assistance will be terminated, the PHA will, if appropriate, advise the owner of his/her right to offer the family a separate, unassisted lease.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination that the PHA sends to the family must meet the additional HUD and PHA notice requirements discussed in section 16-III.C of this plan. VAWA 2013 expands notification requirements to require PHA's to provide notice of VAWA rights and the HUD 5382 form when a PHA terminates a household's housing benefits.

HACSB Policy

Whenever the PHA decides to terminate a family's assistance because of the family's action or failure to act, the PHA will include in its termination notice the VAWA information described in section 16-IX.C of this plan and a form HUD-5382 and form HUD-5380. The PHA will request that a family member wishing to claim protection under VAWA notify the PHA within 14 business days.

Still other notice requirements apply in two situations:

- If a criminal record is the basis of a family's termination, the PHA must provide a copy of the record to the subject of the record and the tenant so that they have an opportunity to dispute the accuracy and relevance of the record [24 CFR 982.553(d)(2)].
- If immigration status is the basis of a family's termination, as discussed in section 12-I.D, the special notice requirements in section 16-III.D must be followed.

PART III: TERMINATION OF TENANCY BY THE OWNER

12-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; the PHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy. Termination of tenancy for certain reasons will also result in termination of assistance as discussed in this section.

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310, 24 CFR 5.2005(c), and Form HUD-52641-A, Tenancy Addendum]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, stalking, or sexual assault and the victim is protected from eviction by the Violence against Women Act of 2013 (see section 12-II.E). A serious lease violation includes failure to pay rent or other amounts due under the lease. However, the PHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any *covered person*—meaning any member of the household, a guest, or another person under the tenant's control—commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises)
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises
- Any violent criminal activity on or near the premises
- Any drug-related criminal activity on or near the premises

However, in the case of criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction. This is the case except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault, or stalking, and the tenant or an affiliated individual is the victim or threatened victim of the domestic violence, dating violence, sexual assault, or stalking.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision
- The owner’s desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent)

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give the PHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give the PHA a copy of any eviction notice (see Chapter 5).

HACSB Policy

If the eviction action is finalized in court, the owner must provide the PHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h), 24 CFR 982.310(h)(4)]

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, stalking, or sexual assault is limited by the Violence against Women Act of 2013 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

12-III.E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if the PHA has no other grounds for termination of assistance, the PHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

HACSB Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

HACSB Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, stalking or sexual assault will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.

HACSB Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the PHA at the same time the owner is notified.

- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

HACSB Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The PHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

HACSB Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

HACSB Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the PHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

Chapter 13

OWNERS

INTRODUCTION

Owners play a major role in the HCV program by supplying decent, safe, and sanitary housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

The chapter is organized in two parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in the PHA’s HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the PHA and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including PHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]

Recruitment

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

HACSB Policy

The PHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The PHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers

- Contacting property owners and managers by phone or in-person

- Holding periodic owner recruitment/information meetings

- Participating in community based organizations comprised of private property and apartment owners and managers

- Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, the PHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

HACSB Policy

All PHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

The PHA will provide owners with a handbook that explains the program, including HUD and PHA policies and procedures, in easy-to-understand language.

The PHA will give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated PHA contact person.

- Coordinating inspection and leasing activities between the PHA, the owner, and the family.

- Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.

- Providing other written information about how the program operates, including answers to frequently asked questions.

Additional services may be undertaken on an as-needed basis, and as resources permit.

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires the PHA to assist families in their housing search by providing the family with a list of landlords or other parties known to the PHA who may be willing to lease a unit to the family, or to help the family find a unit. Although the PHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to the PHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

HACSB Policy

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify the PHA. The PHA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential unassisted tenant. The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the PHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RTA is a copy of the owner's proposed dwelling lease, including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate requirements for the approval of an assisted tenancy.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The PHA will inspect the owner's dwelling unit at least annually to ensure that the unit continues to meet HQS requirements. See chapter 8 for a discussion of the HQS standards and policies for HQS inspections at initial lease-up and throughout the family's tenancy.

The PHA must determine that the proposed rent for the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, if the gross rent exceeds the applicable payment standard, the PHA must ensure that the family share does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. The HUD Tenancy Addendum includes the HUD requirements governing the tenancy and must be added word-for-word to the owner's lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The PHA and the owner must execute a Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HUD requirements for execution of the HAP contract.

13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Compliance with all of the owner's obligations under the housing assistance payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the PHA information required under the HAP contract
- Collecting the security deposit, the tenant rent, and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services that are not the responsibility of the family as specified in the lease
- Allow reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Complying with the Violence against Women Reauthorization Act of 2013 (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family (see 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); and 24 CFR 982.452(b)(1))

13-I.D. OWNER QUALIFICATIONS

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

The PHA must not approve the assisted tenancy if the PHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the PHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]

The PHA must not approve a tenancy if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The PHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19]

The PHA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the PHA (except a participant commissioner)
- Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The PHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the PHA must include the following [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, the PHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the PHA or assistance under the HCV program for an eligible PHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the PHA, description of the nature of the investment, including disclosure/divestiture plans.

Where the PHA has requested a conflict of interest waiver, the PHA may not execute the HAP contract until HUD has made a decision on the waiver request.

HACSB Policy

In considering whether to request a conflict of interest waiver from HUD, the PHA will consider certain factors such as consistency of the waiver with state and local laws, the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest, the nature of any financial investment in the property and plans for disclosure/divestiture, and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit the PHA to disapprove a request for tenancy for various actions and inactions of the owner.

If the PHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

HACSB Policy

The PHA will refuse to approve a request for tenancy if the PHA becomes aware that any of the following are true:

The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The owner has engaged in any drug-related criminal activity, violent criminal activity, or a registered sex offender;

The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

The owner has a history or practice of renting units that fail to meet state or local housing codes; or

The owner has not paid state or local real estate taxes, fines, or assessment.

In considering whether to disapprove owners for any of the discretionary reasons listed above, the PHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, the PHA may, on a case-by-case basis, choose to approve an owner.

Legal Ownership of Unit

The following represents PHA policy on legal ownership of a dwelling unit to be assisted under the HCV program.

HACSB Policy

The PHA will only enter into a contractual relationship with the legal owner of a qualified unit, or to a party which has legal authority to enter into a lease with the tenant and a HAP Contract with the PHA.

No tenancy will be approved without acceptable documentation of legal ownership or authorization (e.g., deed of trust, proof of taxes for most recent year).

13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the PHA.

The owner must cooperate with the PHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the PHA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

The HAP contract represents a written agreement between the PHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the PHA's obligations. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of the family approved by the PHA to occupy the unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and use their assistance to lease the space for the manufactured home. See chapter 15 for a discussion of any special housing types included in the PHA's HCV program.

When the PHA has determined that the unit meets program requirements and the tenancy is approvable, the PHA and owner must execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic contract information: the names of the tenant and all household members, the address of the contract unit, start and end dates of initial lease term, the amount of initial monthly rent to owner, the amount of initial housing assistance payment, the utilities and appliances to be supplied by owner and tenant, and the signatures of the PHA representative and owner [HCV Guidebook, pp. 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, PHAs do have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. PHA policy on the amount of security deposit an owner may collect is found in Chapter 9.

PHAs also have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the PHA is deemed received by the owner (e.g., upon mailing by the PHA or actual receipt by the owner).

HACSB Policy

The PHA has not adopted a policy that defines when the housing assistance payment by the PHA is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- PHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- PHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the PHA. The tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II.C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, the PHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. The PHA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the PHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant and the HAP payment is equal to the rent to owner as specified in the lease.

The family is not responsible for payment of the HAP payment, and the PHA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the rent to owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the PHA, the excess amount must be returned immediately. If the PHA determines that the owner is not entitled to all or a portion of the HAP, the PHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from the PHA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units

on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]

The PHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for late penalties if the PHA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The PHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the PHA's control. In addition, late payment penalties are not required if the PHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

Termination of HAP Payments [24 CFR 982.311(b)]

The PHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the PHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

HACSB Policy

The owner must inform the PHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform the PHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide the PHA with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, the PHA will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform the PHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS
- If the owner has violated any obligation under any other HAP contract under Section 8
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulation for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

If the PHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

The PHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination of the HAP contract. The PHA may also obtain additional relief by judicial order or action.

The PHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The PHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

HACSB Policy

Before the PHA invokes a remedy against an owner, the PHA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, the PHA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the PHA will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

13-II.E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;
- The lease expires;
- The PHA terminates the HAP contract;
- The PHA terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since the PHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the PHA;
- The Annual Contributions Contract (ACC) between the PHA and HUD expires
- The PHA elects to terminate the HAP contract.

HACSB Policy

The PHA may elect to terminate the HAP contract in each of the following situations:

Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];

The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;

The unit does not meet HQS [24 CFR 982.404] – see chapter 8;

The family breaks up [HUD Form 52641] – see chapter 3;

The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the PHA terminates the HAP contract, the PHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

HACSB Policy

In all cases, the PHA will provide the owner with 30 days notice of HAP contract termination. The owner is not entitled to any housing assistance payment after this period, and must return to the PHA any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]

The HAP contract cannot be assigned to a new owner without the prior written consent of the PHA.

An owner under a HAP contract must notify the PHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the PHA.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the PHA finds acceptable. The new owner must provide the PHA with a copy of the executed agreement.

HACSB Policy

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

The PHA must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 10 business days of receiving the owner's request, the PHA will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to the PHA that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;

- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;

- The effective date of the HAP contract assignment;

- A written agreement to comply with the terms of the HAP contract; and

- A certification that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, the PHA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the PHA will process the leasing in accordance with the policies in Chapter 9.

Chapter 14

PROGRAM INTEGRITY

INTRODUCTION

The PHA is committed to ensuring that subsidy funds made available to the PHA are spent in accordance with HUD requirements.

This chapter covers HUD and PHA policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and detecting program abuse. PHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and participants with form HUD-52675, “Debts Owed to PHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

HACSB Policy

To ensure that the PHA’s HCV program is administered according to the highest ethical and legal standards, the PHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The PHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

The PHA will provide each applicant and participant with a copy of “Is Fraud Worth It?” (Form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The PHA will provide each applicant and participant with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH ~~2010~~2017-1912.

The PHA will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key PHA forms and form letters that request information from a family or owner.

PHA staff will be required to review and explain the contents of all HUD- and PHA-required forms prior to requesting family member signatures.

At every regular reexamination, PHA staff will explain any changes in HUD regulations or PHA policy that affect program participants.

The PHA will provide owners with ongoing information about the program, with an emphasis on actions and situations to avoid.

The PHA will provide each PHA employee with the necessary training on program rules and the organization’s standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false

statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the PHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires the PHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

HACSB Policy

In addition to the SEMAP quality control requirements, the PHA will employ a variety of methods to detect errors and program abuse.

The PHA routinely will use HUD and other non-HUD sources of up-front income verification. This includes The Work Number and any other private or public databases available to the PHA.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The PHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend \$500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

HACSB Policy

The PHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the PHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

HACSB Policy

The PHA will encourage staff, program participants, and the public to report possible program abuse.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the PHA Will Investigate

HACSB Policy

The PHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the PHA to investigate, the allegation must contain at least one independently verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The PHA will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 982.516]

The PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, the PHA will require HCV families to sign consent forms for the release of additional information.

Analysis and Findings

HACSB Policy

The PHA will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the PHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the PHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the PHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

HACSB Policy

In the case of family-caused errors or program abuse, the PHA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the PHA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

HACSB Policy

The PHA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the PHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).

PART II: CORRECTIVE MEASURES AND PENALTIES

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the PHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

HACSB Policy

Increases in the family share will be implemented on the first of the month following a written 30-day notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family or owner is required to reimburse the PHA or the PHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third party.

Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13]HACSB Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. The PHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, the PHA will terminate the family's assistance in accordance with the policies in Chapter 12.

PHA Reimbursement to Family [HCV GB p. 22-12]HACSB Policy

The PHA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

Prohibited Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

HACSB Policy

Any of the following will be considered evidence of family program abuse:

Payment to the owner in excess of amounts authorized by the PHA for rent, security deposit, and additional services

Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives

Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the PHA on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g. income, family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The PHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the PHA may, at its discretion, impose any of the following remedies.

- The PHA may require the family to repay excess subsidy amounts paid by the PHA, as described earlier in this section.
- The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- The PHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- The PHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to the PHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the PHA any excess subsidy received. The PHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, the PHA may allow the owner to pay in installments over a period of time [HCV GB p. 22-13].

HACSB Policy

In cases where the owner has received excess subsidy, the PHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

HACSB Policy

Any of the following will be considered evidence of owner program abuse:

Charging the family rent above or below the amount specified by the PHA

Charging a security deposit other than that specified in the family's lease

Charging the family for services that are provided to unassisted tenants at no extra charge

Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit

Knowingly accepting incorrect or excess housing assistance payments

Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives

Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the PHA

Residing in the unit with an assisted family

Remedies and Penalties

When the PHA determines that the owner has committed program abuse, the PHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any PHA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

14-II.D. PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

Repayment to the PHA

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by PHA staff [HCV GB. 22-12].

PHA Reimbursement to Family or Owner

The PHA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the PHA's administrative fee reserves [HCV GB p. 22-12].

Prohibited Activities

HACSB Policy

Any of the following will be considered evidence of program abuse by PHA staff:

- Failing to comply with any HCV program requirements for personal gain
- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the PHA
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of PHA activities, policies, or practices
- Misappropriating or misusing HCV funds
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program
- Committing any other corrupt or criminal act in connection with any federal housing program

14-II.E. CRIMINAL PROSECUTIONHACSB Policy

When the PHA determines that program abuse by an owner, family, or PHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, the PHA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II.F . FRAUD AND PROGRAM ABUSE RECOVERIES

The PHA may retain a portion of program fraud losses that the PHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

The PHA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits the PHA to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the PHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of the PHA related to the collection, these costs must be deducted from the amount retained by the PHA.

Chapter 15

SPECIAL HOUSING TYPES

[24 CFR 982 Subpart M]

INTRODUCTION

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. The PHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types.

HACSB Policy

The PHA will enter into a HAP Contract for Single Room Occupancy (SRO), Shared Housing, and Manufactured Homes.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].

This chapter consists of the following seven parts. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy

Part II: Congregate Housing

Part III: Group Homes

Part IV: Shared Housing

Part V: Cooperative Housing

Part VI: Manufactured Homes (including manufactured home space rental)

PART I: SINGLE ROOM OCCUPANCY

[24 CFR 982.602 through 982.605]

15-I.A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used.

15-I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on the PHA's payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero-bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-I.C. HOUSING QUALITY STANDARDS (HQS)

HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

- *Access:* Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety:* All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities:* At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- *Space and Security:* An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

PART II: CONGREGATE HOUSING

[24 CFR 982.606 through 982.609]

15-II.A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the one-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

15-II.C. HOUSING QUALITY STANDARDS

HQS requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below.

Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.

The housing quality standards applicable to lead-based paint do not apply.

PART III: GROUP HOME

[24 CFR 982.610 through 982.614 and HCV GB p. 7-4]

15-III.A. OVERVIEW

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used.

15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be zero- or one-bedroom, depending on the PHA's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the group home size. The prorata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the pro-rata share of the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the pro-rata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

15-III.C. HOUSING QUALITY STANDARDS

HQS requirements described in Chapter 8 apply to group homes except for the requirements stated below.

- *Sanitary Facilities:* A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service:* Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- *Space and Security:* Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
- *Structure and Material:* To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood:* Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
 - Dangerous walks or steps
 - Instability
 - Flooding, poor drainage
 - Septic tank back-ups
 - Sewage hazards
 - Mud slides
 - Abnormal air pollution
 - Smoke or dust
 - Excessive noise
 - Vibrations or vehicular traffic
 - Excessive accumulations of trash
 - Vermin or rodent infestation, and
 - Fire hazards.

The housing quality standards applicable to lead-based paint do not apply.

PART IV: SHARED HOUSING

[24 CFR 982.615 through 982.618]

15-IV.A. OVERVIEW

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the shared housing unit size.

The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the lower of the utility allowance for the family unit size (voucher size) or the pro-rata share of the utility allowance for the shared housing unit.

Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals \$200

The utility allowance for a 2-bedroom unit equals \$100

The pro-rata share of the utility allowance is \$150 (3/4 of \$200)

The PHA will use the 2-bedroom utility allowance of \$100.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA should consider whether sanitary and food preparation areas are private or shared.

15-IV.C. HOUSING QUALITY STANDARDS

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family:* Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security:* The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A zero-bedroom or one-bedroom unit may not be used for shared housing.

PART V: COOPERATIVE HOUSING

[24 CFR 982.619]

15-V.A. OVERVIEW

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.”

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used.

15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

15-V.C. HOUSING QUALITY STANDARDS

All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

PART VI: MANUFACTURED HOMES

[24 CFR 982.620 through 982.624]

15-VI.A. OVERVIEW

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis, and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in two different ways.

(1) A family can choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided in 15-VI.D below.

(2) HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space as well as certain other housing expenses. PHAs may, but are not required to, provide assistance for such families.

15-VI.B. SPECIAL POLICIES FOR MANUFACTURED HOME OWNERS WHO LEASE A SPACE

Family Income

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

Lease and HAP Contract

There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.

15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION [FR Notice 1/18/17]

Payment Standards

The PHA payment standard for manufactured homes is determined in accordance with 24 CFR 982.505 and is the payment standard used for the PHA's HCV program. It is based on the applicable FMR for the area in which the manufactured home space is located.

The payment standard for the family is the lower of the family unit size (voucher size) or the payment standard for the number of bedrooms in the manufactured home.

Utility Allowance

The PHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

If the amount of the monthly assistance payment for a family exceeds the monthly rent for the manufactured home space (including the owner's monthly management and maintenance charges), the PHA may pay the remainder to the family, lender, or utility company.

Space Rent

The rent for the manufactured home space (including other eligible housing expenses) is the total of:

- The rent charged for the manufactured home space;
- Owner maintenance and management charges for the space;
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- The applicable allowance for tenant-paid utilities.

Amortization Costs

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made. Any increase in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt service for set-up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

Housing Assistance Payment

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the manufactured home space rent (including other eligible housing expenses) minus the TTP.

Rent Reasonableness

Initially, and annually thereafter the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the manufactured home park or elsewhere.

15-VI.D. HOUSING QUALITY STANDARDS

Under either type of occupancy described in 15-VI.A above, the manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

Manufactured Home Tie-Down

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes the PHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the PHA. This part describes policies for recovery of monies that the PHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the PHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect a PHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VII: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes the PHA's responsibilities for reporting, data collection, and record keeping relative to children with elevated blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the PHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence against Women Act (VAWA): Notification, Documentation, and Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault and stalking; and maintaining the confidentiality of information obtained from victims.

PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

The PHA will maintain administrative fee reserves, or unrestricted net positions (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. HUD appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding provided prior to 2004 may be used for “other housing purposes permitted by state and local law,” in accordance with 24 CFR 982.155(b)(1).

If a PHA has not adequately administered its HCV program, HUD may prohibit use of funds in the UNA Account and may direct the PHA to use funds in that account to improve administration of the program, for HCV HAP expenses, or to reimburse ineligible expenses in accordance with the regulation at 24 CFR 982.155(b)(3).

HUD requires the PHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the UNP account without specific approval.

HACSB Policy

Expenditures from the UNP account will be made in accordance with all applicable federal requirements. Expenditures will not exceed \$50,000 per occurrence without the prior approval of the PHA’s Board of Commissioners.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

16-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow the PHA to adapt the program to local conditions. This part discusses how the PHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

HACSB Policy

Copies of the payment standard and utility allowance schedules are available for review on the PHA's website and in the PHA's offices during normal business hours.

Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

The PHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

Establishing and updating the PHA passbook rate, which is used to calculate imputed income from assets, is covered in Chapter 6 (see Section 6-I.G.).

16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7]

The payment standard sets the maximum subsidy payment a family can receive from the PHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

The PHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the PHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the PHA may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, the PHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

Updating Payment Standards

When HUD updates its FMRs, the PHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high 24 CFR 982.503(g)].

HACSB Policy

The PHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published, and at other times as determined necessary. In addition to ensuring the payment standards are always within the "basic range" the PHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: The PHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The PHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the PHA will consider increasing the payment standard. In evaluating rent burdens, the PHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The PHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The PHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: The PHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The PHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Changes to payment standard amounts will be effective on January 1st of every year, or within three months of the FMR effective date, whichever is earlier. The effective date is applicable both to HUD-required revisions and to discretionary revisions.

Exception Payment Standards [982.503(c)]

The PHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

Unit-by-Unit Exceptions [24 CFR 982.503(b) 24 CFR 982.505(d), Notice PIH 2010-26]

Unit-by-unit exceptions to the PHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the PHA's payment standard schedule.

When needed as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR for the unit size [24 CFR 982.503(b)]. The PHA may request HUD approval for an exception to the payment standard for a particular family if the required amount exceeds 120 percent of the FMR.

HACSB Policy

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, the PHA must determine that:

- There is a shortage of affordable units that would be appropriate for the family;
- The family's TTP would otherwise exceed 40 percent of adjusted monthly income; and
- The rent for the unit is reasonable.

"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, the PHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the PHA to set its payment standards at 90-110 percent of a higher FMR (the 50th, rather than the 40th percentile FMR). To support the request, the PHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- The PHA had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR; and
- The PHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the PHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the PHA's jurisdiction within the FMR area.

Decreases in the Payment Standard below the Basic Range [24 CFR 982.503(d)]

The PHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the PHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the PHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to the PHA about establishing utility allowance schedules.

Air Conditioning

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

HACSB Policy

The PHA has not included an allowance for air-conditioning in its schedule.

Reasonable Accommodation

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).

Utility Allowance Revisions

The PHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

The PHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PART III: INFORMAL REVIEWS AND HEARINGS

16-III.A. OVERVIEW

Both applicants and participants have the right to disagree with, and appeal, certain decisions of the PHA that may adversely affect them. PHA decisions that may be appealed by applicants and participants are discussed in this section.

The process for applicant appeals of PHA decisions is called the “informal review.” For participants (or applicants denied admission because of citizenship issues), the appeal process is called an “informal hearing.” PHAs are required to include informal review procedures for applicants and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d)(12) and (13)].

16-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements [*Federal Register* 60, no. 127 (3 July 1995): 34690].

Decisions Subject to Informal Review

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with the HQS due to family size or composition

HACSB Policy

The PHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the PHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

HACSB Policy

A request for an informal review must be made in writing and delivered to the PHA either in person, by email, by fax or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's denial of assistance.

The PHA must schedule and send written notice of the informal review within 10 business days of the family's request.

Informal Review Procedures [24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the PHA.

Informal Review Decision [24 CFR 982.554(b)]

The PHA must notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision.

HACSB Policy

In rendering a decision, the PHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice to the family.

The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the PHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA's subsidy standards, or the PHA determination to deny the family's request for exception from the standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with HQS because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

HACSB Policy

The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations.

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

HACSB Policy

In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of the PHA.

A brief statement of the reasons for the decision, including the regulatory reference.

The date the proposed action will take place.

A statement of the family's right to an explanation of the basis for the PHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

A copy of the PHA's hearing procedures.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

HACSB Policy

A request for an informal hearing must be made in writing and delivered to the PHA either in person, by fax, by email or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's decision or notice to terminate assistance.

The PHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

If the family does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the family appears within 30 minutes of the scheduled time, the hearing will be held. If the family does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family fails to appear and was unable to reschedule the hearing in advance, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the family can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

A hearing will only be rescheduled for good cause twice. Should the family fail to appear at the scheduled time for the second rescheduled hearing, the PHA's action will stand.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing, any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

HACSB Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date

The PHA must be given an opportunity to examine at the PHA offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, the PHA will automatically mail a letter to the participant requesting a copy of all documents that the participant intends to present or utilize at the hearing. The participant must make the documents available no later than 12:00 pm on the business day prior to the scheduled hearing date.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

HACSB Policy

The PHA will designate knowledgeable, professionals that may be PHA employees (other than the person who made or approved the decision or a subordinate of the person who made or approved the decision), or other qualified private individuals.

Attendance at the Informal Hearing

HACSB Policy

Hearings may be attended by a hearing officer and the following applicable persons:

A PHA representative(s) and any witnesses for the PHA

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the PHA as a reasonable accommodation for a person with a disability

If the family does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the family appears within 30 minutes of the scheduled time, the hearing will be held. If the family does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear, and the hearing will be presented to the hearing officer in the absence of the family.

If the family fails to appear and was unable to reschedule the hearing in advance, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the family can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

"Good cause" is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA's hearing procedures [24 CFR 982.555(4)(ii)].

HACSB Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

HACSB Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the PHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Procedures for Rehearing or Further Hearing**HACSB Policy**

The hearing officer, at his or her discretion may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

HACSB Policy

In rendering a decision, the hearing officer will consider the following matters:

PHA Notice to the Family: The hearing officer will determine if the reasons for the PHA's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if the PHA and the family were given the opportunity to examine any relevant documents in accordance with PHA policy.

PHA Evidence to Support the PHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.

The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

- Name of the participant;
- Date, time and place of the hearing;
- Name of the hearing officer;
- Name of the PHA representative; and
- Name of family representative (if any).

Background: A brief, impartial statement of the reason for the hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the

evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.

Order: The hearing report will include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the PHA to restore the participant's program status.

Issuance of Decision [24 CFR 982.555(e)(6)]

A copy of the hearing must be furnished promptly to the family.

HACSB Policy

The hearing officer will provide two copies of a "Notice of Hearing Decision" to the PHA. The PHA will mail a copy of the notice to the participant by first-class mail. A copy will be maintained in the PHA's file.

Effect of Final Decision [24 CFR 982.555(f)]

The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

HACSB Policy

The PHA has the authority to determine that it is not bound by the decision of the hearing officer because the PHA was not required to provide a hearing, the decision exceeded the authority of the hearing officer, the decision conflicted with or contradicted HUD regulations, requirements, or the decision was otherwise contrary to federal, state, or local laws.

In such a case, the PHA will mail a "Notice of Final Decision" including the hearing officer's report to the participant via first-class mail. A copy of the "Notice of Final Decision" will be maintained in the PHA's file.

16-III.D. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

HACSB Policy

The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

HACSB Policy

The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

HACSB Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the PHA, as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

HACSB Policy

The PHA will not provide a transcript of an audio taped hearing.

Hearing Decision

The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO THE PHA

16-IV.A. OVERVIEW

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. This part describes the PHA's policies for recovery of monies owed to the PHA by families or owners.

HACSB Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the PHA holds the owner or participant liable to return any overpayments to the PHA.

The PHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or participant refuses to repay monies owed to the PHA, the PHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

16-IV.B. REPAYMENT POLICY

Owner Debts to the PHA

HACSB Policy

Any amount due to the PHA by an owner must be repaid by the owner within 30 days of the PHA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the PHA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments the PHA may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by the PHA.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA will ban the owner from future participation in the program and pursue other modes of collection.

Family Debts to the PHA

HACSB Policy

Any amount owed to the PHA by an HCV family must be repaid by the family. If the family is unable to repay the debt within 30 days, the PHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA will terminate assistance in accordance with the policies in Chapter 12 and pursue other modes of collection.

Repayment Agreement [24 CFR 792.103]

The term *repayment agreement* refers to a formal written document signed by a tenant or owner and provided to the PHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

General Repayment Agreement Guidelines for Families

Down Payment Requirement

HACSB Policy

Before executing a repayment agreement with a family, the PHA will generally require a down payment of 30 percent of the total amount owed. If the family can provide evidence satisfactory to the PHA that a down payment of 30 percent would impose an undue hardship, the PHA may, in its sole discretion, require a lesser percentage or waive the requirement.

Payment Thresholds

Notice PIH 2017-12 recommends that the total amount that a family must pay each month—the family’s monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family’s monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice PIH 2017-12 acknowledges that PHAs have the discretion to establish “thresholds and policies” for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

HACSB Policy

The PHA has established the following thresholds for repayment of debts:

Maximum amount for which HACSB will enter into a repayment agreement is \$5,000, unless approved by management.

Amounts between \$3,000 and \$5,000 must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.

Minimum monthly payment is \$25.

If a family can provide evidence satisfactory to the PHA that the threshold applicable to the family’s debt would impose an undue hardship, the PHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the PHA will consider all relevant information, including the following:

The amount owed by the family to the PHA

The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family’s control

The family’s current and potential income and expenses

The family’s current family share, as calculated under 24 CFR 982.515

The family’s history of meeting its financial responsibilities

Execution of the Agreement

HACSB Policy

Any repayment agreement between the PHA and a family must be signed and dated by the PHA and by all adults in the family.

Due Dates

HACSB Policy

All payments are due by the close of business on the 1st day of the month. If the 1st does not fall on a business day, the due date is the close of business on the first business

day after the 1st. Alternative payment due dates may be negotiated between the PHA and the family.

Late or Missed Payments

HACSB Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the PHA, the PHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the PHA will terminate assistance in accordance with the policies in Chapter 12.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the PHA will terminate assistance in accordance with the policies in Chapter 12.

No Offer of Repayment Agreement

HACSB Policy

The PHA generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family or if the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

Repayment Agreements Involving Improper Payments

Notice PIH 2017-12 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance

PART V: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

16-V.A. OVERVIEW

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure PHA performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each PHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect the PHA in several ways.

- High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHAs with an overall rating of “troubled” are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated “troubled” may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]

PHAs must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by PHA board resolution and signed by the PHA executive director. If the PHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director.

PHAs with less than 250 voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as “troubled” [24 CFR 985.105].

Failure of a PHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of “troubled.”

A PHA’s SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

Upon receipt of the PHA’s SEMAP certification, HUD will rate the PHA’s performance under each SEMAP indicator in accordance with program requirements.

HUD Verification Method

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The PHA or the Independent Auditor must select an unbiased sample that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the PHA's certification on the indicator due to the PHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

16-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than \$300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not be rated under SEMAP indicators 1-7.

SEMAP Indicators
<p>Indicator 1: Selection from the waiting list Maximum Score: 15</p> <ul style="list-style-type: none"> • This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list. • Points are based on the percent of families that are selected from the waiting list in accordance with the PHA's written policies, according to the PHA's quality control sample.
<p>Indicator 2: Rent reasonableness Maximum Score: 20</p> <ul style="list-style-type: none"> • This indicator shows whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units • Points are based on the percent of units for which the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the PHA's quality control sample.
<p>Indicator 3: Determination of adjusted income Maximum Score: 20</p> <ul style="list-style-type: none"> • This indicator measures whether the PHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent. • Points are based on the percent of files that are calculated and verified correctly, according to the PHA's quality control sample.
<p>Indicator 4: Utility allowance schedule Maximum Score: 5</p> <ul style="list-style-type: none"> • This indicator shows whether the PHA maintains an up-to-date utility allowance schedule. • Points are based on whether the PHA has reviewed the utility allowance schedule and adjusted it when required, according to the PHA's certification.

Indicator 5: HQS quality control inspections**Maximum Score: 5**

- This indicator shows whether a PHA supervisor reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.
- Points are based on whether the required quality control reinspections were completed, according to the PHA's certification.

Indicator 6: HQS enforcement**Maximum Score: 10**

- This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension.
- Points are based on whether the PHA corrects all HQS deficiencies in accordance with required time frames, according to the PHA's certification.

Indicator 7: Expanding housing opportunities**Maximum Points: 5**

- Only applies to PHAs with jurisdiction in metropolitan FMR areas.
- This indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.
- Points are based on whether the PHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the PHA's certification.

Indicator 8: FMR limit and payment standards**Maximum Points: 5 points**

- This indicator shows whether the PHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA's jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.
- Points are based on whether the PHA has appropriately adopted a payment standard schedule(s), according to the PHA's certification.

Indicator 9: Annual reexaminations**Maximum Points: 10**

- This indicator shows whether the PHA completes a reexamination for each participating family at least every 12 months.
- Points are based on the percent of reexaminations that are more than 2 months overdue, according to data from PIC.

Indicator 10: Correct tenant rent calculations**Maximum Points: 5**

- This indicator shows whether the PHA correctly calculates the family's share of the rent to owner.
- Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

Indicator 11: Pre-contract HQS inspections**Maximum Points: 5**

- This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.
- Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.

Indicator 12: Annual HQS inspections**Maximum Points: 10**

- This indicator shows whether the PHA inspects each unit under contract at least annually.
- Points are based on the percent of annual HQS inspections of units under contract that are more than 2 months overdue, according to data from PIC.

Indicator 13: Lease-up**Maximum Points: 20 points**

- This indicator shows whether the PHA enters HAP contracts for at least 98 percent of the number of the PHA's baseline voucher units in the ACC for the calendar year ending on or before the PHA's fiscal year, or whether the PHA has expended at least 98 percent of its allocated budget authority for the same calendar year. The PHA can receive 15 points if 95 to 97 percent of vouchers are leased or budget authority is utilized. Points are based on utilization of vouchers and HAP expenditures as reported in the voucher management system (VMS) for the most recently completed calendar year.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances**Maximum Points: 10**

- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether the PHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

Success Rate of Voucher Holders**Maximum Points: 5**

- Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

De-concentration Bonus Indicator**Maximum Points: 5**

- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50th percentile.
- Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.
- Points are based on whether the data that is submitted meets the requirements for bonus points.

PART VI: RECORD KEEPING

16-VI.A. OVERVIEW

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-VI.B. RECORD RETENTION [24 CFR 982.158]

During the term of each assisted lease, and for at least three years thereafter, the PHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the PHA must keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting PHA budget and financial statements for the program;
- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

Notice PIH 2014-20 requires PHAs to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

The PHA must keep confidential records of all emergency transfers requested by victims of domestic violence, dating violence, sexual assault, and stalking under the PHA's Emergency Transfer Plan, as well as the outcomes of such requests, and retain the records for a period of three years [24 CFR 5.2002(e)(12)].

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

16-VI.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

HACSB Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized PHA staff.

PHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data*.

HACSB Policy

Prior to utilizing HUD's EIV system, the PHA will adopt and implement EIV security procedures required by HUD.

Criminal Records

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information, or is obtained by a PHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

Documentation of Domestic Violence, Dating Violence, Sexual Assault or Stalking

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault or stalking, see section 16-IX.E.

PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL

16-VII.A. OVERVIEW

The PHA has certain responsibilities relative to children with elevated blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the PHA is subject to.

16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e); Notice PIH 2017-12]

The owner must report the name and address of a child identified as having an elevated blood lead level to the public health department within five business days of being so notified by any other medical health care professional. The owner must also notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days. The PHA may collaborate with the owner on the notification process, such as by agreeing with the owner to provide the required notifications on the owner's behalf.

HACSB Policy

The PHA will provide the public health department written notice of the name and address of any child identified as having an elevated blood lead level.

16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]

At least quarterly, the PHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an elevated blood lead level.

If the PHA obtains names and addresses of elevated blood lead level children from the public health department(s), the PHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the PHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the PHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

HACSB Policy

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the PHA is not providing such a report.

PART VIII: DETERMINATION OF INSUFFICIENT FUNDING

16-VIII.A. OVERVIEW

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.314(e)(1) and 982.454]. Insufficient funding may also impact the PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the PHA will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

16-VIII.B. METHODOLOGY

HACSB Policy

The PHA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the PHA's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, the PHA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if the PHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the PHA will be considered to have insufficient funding.

PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY

16-IX.A. OVERVIEW

The Violence against Women Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws take precedence over VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located primarily in the following sections: 3-I.C, “Family Breakup and Remaining Member of Tenant Family”; 3-III.G, “Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking”; 10-I.A, “Allowable Moves”; 10-I.B, “Restrictions on Moves”; 12-II.E, “Terminations Related to Domestic Violence, Dating Violence, or Stalking”; and 12-II.F, “Termination Notice.”

16-IX.B. DEFINITIONS [24 CFR 5.2003]

As used in VAWA:

- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights are allowed to remain intact.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

- The term *affiliated individual* means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
 - Any other individual, tenant or lawful occupant living in the household of that individual.
- The term *sexual assault* means:
 - Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks the capacity to consent
- The term *stalking* means:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

16-IX.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

HACSB Policy

The PHA will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.

A summary of the rights and protections provided by VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault or stalking (see sample notices in Exhibits 16-1 and 16-2)

The definitions of *domestic violence*, *dating violence*, sexual assault and *stalking* provided in VAWA (included in Exhibits 16-1 and 16-2)

An explanation of the documentation that the PHA may require from an individual who claims the protections provided by VAWA (included in Exhibits 16-1 and 16-2)

A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking

A statement of the PHA's obligation to keep confidential any information that it receives from a victim unless (a) the PHA has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information (included in Exhibits 16-1 and 16-2)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)

Contact information for local victim advocacy groups or service providers

Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]

PHAs are required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

HACSB Policy

The PHA will provide all applicants with information outlining their rights under VAWA at the time they attend an eligibility interview for housing assistance and as part of the briefing packet. The PHA will also include information about VAWA in all notices of denial of assistance (see section 3-III.G).

The PHA will provide all participants with information outlining their rights under VAWA at the time of admission (see section 5-I.B). The PHA will also include information about VAWA in all notices of termination of assistance, as provided in section 12-II.F.

The PHA will further provide information about VAWA to any applicant or participant who has possible domestic violence activity, police activity involving a domestic disturbance, other domestic disturbances, restraining orders, or related activity, prior to interviewing or questioning an applicant or participant about the related activity. If in the normal course of interviewing or questioning of police activity, disturbances or criminal activity it is revealed that there is a possible incident or activity related to a domestic disturbance, interviewing or questioning will temporarily stop, and the applicant or participant will be informed of their rights under VAWA before the interviewing or questioning resumes. Nothing in this section shall prohibit the PHA from questioning an applicant or participant regarding possible domestic violence activity, police activity involving a domestic disturbance, other domestic disturbances, restraining orders, or any other related or criminal activity.

The PHA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a participant following an incident of domestic violence, Notice PIH 2017-08 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk.

HACSB Policy

Whenever the PHA has reason to suspect that providing information about VAWA to a participant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary. For example, the PHA may decide not to send mail regarding VAWA protections to the victim's unit if the PHA believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, the PHA will take reasonable precautions to ensure that no one can overhear the conversation, such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

Notification to Owners and Managers [24 CFR 5.2005(a)(2)]

PHAs are required to notify owners and managers participating in the HCV program of their rights and obligations under VAWA.

HACSB Policy

The PHA will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the HCV program.

The VAWA information provided to owners will consist of the notice in Exhibit 16-2 and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

16-IX.D. DOCUMENTATION [24 CFR 5.2007]

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
- (2) A federal, state, tribal, territorial, or local police report or court record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical professional. Acceptable documentation also includes a record of an administrative agency, and documentation from a mental health professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [VAWA final rule].

HACSB Policy

Any request for documentation of domestic violence, dating violence, sexual assault or stalking will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The PHA may, in its discretion, extend the deadline for 10 business days.

In determining whether to extend the deadline, the PHA will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Any extension granted by the PHA will be in writing.

Once the victim provides documentation, the PHA will acknowledge receipt of the documentation within 10 business days.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

HACSB Policy

If presented with conflicting certification documents from members of the same household, the PHA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made.

If the PHA does not receive third-party documentation within the required timeframe (and any extensions) the PHA will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, the PHA will hold separate hearings for the applicants or tenants.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

HACSB Policy

If the PHA accepts an individual's statement or other corroborating evidence of domestic violence, dating violence, sexual assault or stalking, the PHA will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to the PHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

HACSB Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the PHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

EXHIBIT 16-1: SAMPLE NOTICE OF OCCUPANCY RIGHTS UNDER THE VIOLENCE AGAINST WOMEN ACT, FORM HUD-5380

[Insert Name of Housing Provider¹]

Notice of Occupancy Rights under the Violence Against Women Act²

To all Tenants and Applicants

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.³ The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that the housing choice voucher program is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA.”

Protections for Applicants

If you otherwise qualify for assistance under the housing choice voucher program, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

² Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.

³ Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

Protections for Tenants

If you are receiving assistance under the housing choice voucher program, you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Also, if you or an affiliated individual of yours is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under the housing choice voucher program solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

Removing the Abuser or Perpetrator from the Household

The PHA may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If the PHA chooses to remove the abuser or perpetrator, the PHA may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, the PHA must allow the tenant who is or has been a victim and other household members to remain in the unit for a period of time, in order to establish eligibility under the program or under another HUD housing program covered by VAWA, or, find alternative housing.

In removing the abuser or perpetrator from the household, the PHA must follow Federal, State, and local eviction procedures. In order to divide a lease, the PHA may, but is not required to, ask you for documentation or certification of the incidences of domestic violence, dating violence, sexual assault, or stalking.

Moving to Another Unit

Upon your request, the PHA may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. In order to approve a request, the PHA may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency transfer, the housing provider may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

1. You are a victim of domestic violence, dating violence, sexual assault, or stalking.

If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation, as described in the documentation section below.

2. You expressly request the emergency transfer. Your housing provider may choose to require that you submit a form, or may accept another written or oral request.

3. You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit. This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

The PHA will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

The PHA's emergency transfer plan provides further information on emergency transfers, and HP must make a copy of its emergency transfer plan available to you if you ask to see it.

Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking

The PHA can, but is not required to, ask you to provide documentation to “certify” that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from the PHA must be in writing, and the PHA must give you at least 14 business days (Saturdays, Sundays, and Federal holidays do not count) from the day you receive the request to provide the documentation. The PHA may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to the PHA as documentation. It is your choice which of the following to submit if the PHA asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by the PHA with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.
- A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.

- A statement, which you must sign, along with the signature of an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, “professional”) from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that the PHA has agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, the PHA does not have to provide you with the protections contained in this notice.

If the PHA receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), the PHA has the right to request that you provide third-party documentation within thirty 30 calendar days in order to resolve the conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, the PHA does not have to provide you with the protections contained in this notice.

Confidentiality

The PHA must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

The PHA must not allow any individual administering assistance or other services on behalf of the PHA (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.

The PHA must not enter your information into any shared database or disclose your information to any other entity or individual. The PHA, however, may disclose the information provided if:

- You give written permission to HP to release the information on a time limited basis.
- The PHA needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires the PHA or your landlord to release the information.

VAWA does not limit the PHA's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated

You can be evicted and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, the PHA cannot hold tenants who have been victims of domestic violence, dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if the PHA can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

1. Would occur within an immediate time frame, and
2. Could result in death or serious bodily harm to other tenants or those who work on the property.

If the PHA can demonstrate the above, the PHA should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

Other Laws

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

Non-Compliance with the Requirements of This Notice

You may report a covered housing provider's violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with **[insert contact information for any intermediary, if applicable]** or **[insert HUD field office]**.

For Additional Information

You may view a copy of HUD's final VAWA rule at <https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf>.

Additionally, the PHA must make a copy of HUD's VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact **[insert name of program or rental assistance contact information able to answer questions on VAWA]**.

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact **[Insert contact information for relevant local organizations]**.

For tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

For help regarding sexual assault, you may contact **[Insert contact information for relevant organizations]**

Victims of stalking seeking help may contact **[Insert contact information for relevant organizations]**.

Attachment: Certification form HUD-5382 **[form approved for this program to be included]**

**EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT,
OR STALKING AND ALTERNATE DOCUMENTATION,
FORM HUD-5382**

**CERTIFICATION OF
DOMESTIC VIOLENCE,
DATING VIOLENCE,
SEXUAL ASSAULT, OR STALKING,
AND ALTERNATE DOCUMENTATION**

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

- (1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, “professional”) from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of “domestic violence,” “dating violence,” “sexual assault,” or “stalking” in HUD’s regulations at 24 CFR 5.2003.
- (2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- (3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing

provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Date the written request is received by victim: _____
2. Name of victim: _____
3. Your name (if different from victim's): _____
4. Name(s) of other family member(s) listed on the lease: _____

5. Residence of victim: _____

6. Name of the accused perpetrator (if known and can be safely disclosed): _____

7. Relationship of the accused perpetrator to the victim: _____
8. Date(s) and times(s) of incident(s) (if known): _____
10. Location of incident(s): _____

In your own words, briefly describe the incident(s):

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date)

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Attachment: Certification form HUD-5382

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

**Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault,
or Stalking**

Housing Choice Voucher Program

Emergency Transfers

The PHA is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),⁴ the PHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.⁵ The ability of the PHA to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether the PHA has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

⁴Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

⁵Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the federal agency that oversees that the **Public Housing and Housing Choice Voucher (HCV) programs** are in compliance with VAWA.

Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L, is eligible for an emergency transfer if the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify the PHA's management office and submit a written request for a transfer to **any PHA office**. The PHA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under the PHA's program; OR

2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

Confidentiality

The PHA will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives the PHA written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person or persons that committed an act of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence against Women Act for All Tenants for more information about the PHA's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

Emergency Transfer Timing and Availability

The PHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. The PHA will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. The PHA may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If the PHA has no safe and available units for which a tenant who needs an emergency transfer is eligible, the PHA will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, the PHA will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Emergency Transfers: Housing Choice Voucher (HCV) Program

Tenant-based assistance: If you are a participant in the tenant-based HCV program and request an emergency transfer as described in this plan, the PHA will assist you to move to a safe unit quickly using your existing voucher assistance. The PHA will make exceptions to program regulations restricting moves as required.

At your request, the PHA will refer you to organizations that may be able to further assist you.

Project-based assistance: If you are assisted under the project-based voucher (PBV) program, you may request an emergency transfer under the following programs for which you are not required to apply:

- Tenant-based voucher, if available
- Project-based assistance in the same project (if a vacant unit is available and you determine that the vacant unit is safe)
- Project-based assistance in another development owned by the PHA

Emergency transfers under VAWA will take priority over waiting list admissions for these types of assistance.

You may also request an emergency transfer under the following programs for which you are required to apply:

- Public housing program
- PBV assistance in another development not owned by the PHA
- **[Insert other programs the PHA provides, such as LIHTC or HOME]**

Emergency transfers will not take priority over waiting list admissions for these programs. At your request, the PHA will refer you to organizations that may be able to further assist you.

Safety and Security of Tenants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse, and Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Attachment: Local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.

EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, FORM HUD-5383

EMERGENCY TRANSFER **U.S. Department of Housing** OMB Approval No. 2577-0286
REQUEST FOR CERTAIN **and Urban Development** Exp. 06/30/2017
VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Purpose of Form: If you are a victim of domestic violence, dating violence, sexual assault, or stalking, and you are seeking an emergency transfer, you may use this form to request an emergency transfer and certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all victims of domestic violence, dating violence, sexual assault or stalking. Using this form does not necessarily mean that you will receive an emergency transfer. See your housing provider's emergency transfer plan for more information about the availability of emergency transfers.

The requirements you must meet are:

(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking. If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form.

(2) You expressly request the emergency transfer. Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form, or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.

(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit. This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from

which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you submit this form or otherwise expressly request the transfer.

Submission of Documentation: If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current restraining order; a recent court order or other court records; a law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER

1. Name of victim requesting an emergency transfer:

2. Your name (if different from

victim's) _____

3. Name(s) of other family member(s) listed on the

lease: _____

4. Name(s) of other family member(s) who would transfer with the

victim: _____

5. Address of location from which the victim seeks to transfer:

6. Address or phone number for contacting the

victim: _____

7. Name of the accused perpetrator (if known and can be safely

disclosed): _____

8. Relationship of the accused perpetrator to the victim: _____

9. Date(s), Time(s) and location(s) of incident(s): _____

10. Is the person requesting the transfer a victim of a sexual assault that occurred in the past 90 days on the premises of the property from which the victim is seeking a transfer? If yes, skip question 11. If no, fill out question 11. _____

11. Describe why the victim believes they are threatened with imminent harm from further violence if they remain in their current unit.

12. If voluntarily provided, list any third-party documentation you are providing along with this notice: _____

This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date) _____

**EXHIBIT 16-5: SAMPLE NOTICE TO HOUSING CHOICE VOUCHER OWNERS AND MANAGERS
REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)**

This sample notice was adapted from a notice prepared by the National Housing Law Project.

A federal law that went into effect in 2013 protects individuals who are victims of domestic violence, dating violence, sexual assault, and stalking. The name of the law is the Violence against Women Act, or “VAWA.” This notice explains your obligations under VAWA.

Protections for Victims

You cannot refuse to rent to an applicant solely because he or she is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

You cannot evict a tenant who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking based on acts or threats of violence committed against the victim. Also, criminal acts directly related to the domestic violence, dating violence, sexual assault, or stalking that are caused by a household member or guest cannot be cause for evicting the victim of the abuse.

Permissible Evictions

You can evict a victim of domestic violence, dating violence, sexual assault, or stalking if you can demonstrate that there is an *actual and imminent* (immediate) threat to other tenants or employees at the property if the victim is not evicted. Also, you may evict a victim for serious or repeated lease violations that are not related to the domestic violence, dating violence, sexual assault, or stalking. You cannot hold a victim of domestic violence, dating violence, sexual assault, or stalking to a more demanding standard than you hold tenants who are not victims.

Removing the Abuser from the Household

You may bifurcate (split) the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the unit. If you choose to remove the abuser, you may not take away the remaining tenants’ rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, you must follow federal, state, and local eviction procedures.

Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

If a tenant asserts VAWA's protections, you can ask the tenant to certify that he or she is a victim of domestic violence, dating violence, sexual assault, or stalking. You are not required to demand official documentation and may rely upon the victim's statement alone. If you choose to request certification, you must do so in writing and give the tenant at least 14 business days to provide documentation. You are free to extend this deadline. A tenant can certify that he or she is a victim by providing any one of the following three documents:

- A completed, signed HUD-approved certification form. The most recent form is HUD-5382. This form is available at the housing authority or online at <https://portal.hud.gov/hudportal/documents/huddoc?id=5382.docx>.
- A statement from a victim service provider, attorney, mental health professional, or medical professional who has helped the victim address incidents of domestic violence, dating violence, sexual assault, or stalking. The professional must state that he or she believes that the incidents of abuse are real. Both the victim and the professional must sign the statement under penalty of perjury.
- A police or court record, such as a protective order, or administrative record.

If the tenant fails to provide one of these documents within 14 business days, you may evict the tenant if authorized by otherwise applicable law and lease provisions.

Confidentiality

You must keep confidential any information a tenant provides to certify that he or she is a victim of domestic violence, dating violence, sexual assault, or stalking. You cannot enter the information into a shared database or reveal it to outside entities unless:

- The tenant provides written permission releasing the information.
- The information is required for use in an eviction proceeding, such as to evict the abuser.
- Release of the information is otherwise required by law.

The victim should inform you if the release of the information would put his or her safety at risk.

VAWA and Other Laws

VAWA does not limit your obligation to honor court orders regarding access to or control of the property. This includes orders issued to protect the victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking.

Additional Information

- If you have any questions regarding VAWA, please contact _____.

Definitions

For purposes of determining whether a tenant may be covered by VAWA, the following list of definitions applies:

VAWA defines *domestic violence* to include felony or misdemeanor crimes of violence committed by any of the following:

- A current or former spouse or intimate partner of the victim
- A person with whom the victim shares a child in common
- A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner
- A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies
- Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction

VAWA defines *dating violence* as violence committed by a person (1) who is or has been in a social relationship of a romantic or intimate nature with the victim AND (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

VAWA defines *sexual assault* as "any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent" (42 U.S.C. 13925(a)).

VAWA defines *stalking* as engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others, or suffer substantial emotional distress.

Chapter 17

PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program and the Rental Assistance Demonstration Program (RAD) in ten parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be re-determined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

Part X: Rental Assistance Demonstration Program (RAD). This part outlines the requirements of the RAD program and HACSB policy for administering project-based

assistance in their Public Housing projects that have been converted under the RAD Program.

PART I: GENERAL REQUIREMENTS

17-I.A. OVERVIEW [24 CFR 983.5; FR Notice 1/18/17; Notice PIH 2017-21]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

HACSB Policy

The PHA will operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the PHA is not required to reduce the number of these units if the amount of authorized units is subsequently reduced. However, the PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC, regardless of whether the PHA has vouchers available for project-basing [FR Notice 1/18/17].

Additional Project-Based Units [FR Notice 1/18/17; Notice PIH 2017-21]

The PHA may project-base an additional 10 percent of its units above the 20 percent program limit. The units may be distributed among one, all, or a combination of the categories as long as the total number of units does not exceed the 10 percent cap. Units qualify under this exception if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran.
 - *Veteran* means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

HACSB Policy

The PHA will set aside units above the 20 percent program limit.

Units Not Subject to the PBV Program Limitation [FR Notice 1/18/17]

PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count toward the 20 percent limitation when PBV assistance is attached to them.

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after 4/18/17.

HACSB Policy

The PHA will not project-base units not subject to the 20 percent cap.

17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

HACSB Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the PHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

17-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

17-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PBV OWNER PROPOSALS

17-II.A. OVERVIEW

With certain exceptions, the PHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56, FR Notice 11/24/08], and meets the site selection standards [24 CFR 983.57]. The PHA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51 [Notice PIH 2011-54].

17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51(b)]

The PHA must select PBV proposals in accordance with the selection procedures in the PHA administrative plan. The PHA must select PBV proposals by either of the following two methods.

- PHA request for PBV Proposals. The PHA may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the PHA request. The PHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- The PHA may select proposals that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.

Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21]

For certain public housing projects where the PHA has an ownership interest or control and will spend a minimum amount per unit on rehabilitation or construction, the PHA may select a project without following one of the two processes above.

HACSB Policy

The PHA may attach PBVs to projects owned by the PHA as described above.

Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)]

PHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

HACSB Policy

PHA Request for Proposals for Rehabilitated and Newly Constructed Units

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in local newspapers of general circulation and trade journals.

In addition, the PHA will post the RFP and proposal submission and rating and ranking procedures on its website.

The PHA will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Proposals will be due in the PHA office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to the PHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

The PHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;

- Extent to which the project furthers the PHA goal of de-concentrating poverty and expanding housing and economic opportunities;

- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Projects with less than 25 percent of the units assisted will be rated higher than projects with 25 percent of the units assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, the PHA will rate partially assisted projects on the percent of units assisted. Projects with the lowest percent of assisted units will receive the highest score.

PHA Requests for Proposals for Existing Housing Units

The PHA will advertise its request for proposals (RFP) for existing housing in local newspapers of general circulation and trade journals

In addition, the PHA will post the notice inviting such proposal submission and the rating and ranking procedures on its website.

The PHA will periodically publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

- Extent to which the project furthers the PHA goal of de-concentrating poverty and expanding housing and economic opportunities;

- If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

- Extent to which units are occupied by families that are eligible to participate in the PBV program.

PHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The PHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

The PHA may advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in local newspapers of general circulation and trade journals.

In addition to, or in place of advertising, the PHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The PHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the PHA goal of de-concentrating poverty and expanding housing and economic opportunities; and

- Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

PHA-owned Units [24 CFR 983.51(e), 983.59, , and FR Notice 1/18/17 and Notice PIH 2017-21]

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

HACSB Policy

The PHA may submit a proposal for project-based housing that is owned or controlled by the PHA. If the proposal for PHA-owned housing is selected, the PHA will use HUD's Los Angeles Field Office or the City of Santa Barbara Community Development Department to review the PHA selection of the entity that will administer the PBV program rent determinations and inspections.

The PHA may only compensate the independent entity and appraiser from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity and appraiser for their services. The PHA, independent entity, and appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity.

PHA Notice of Owner Selection [24 CFR 983.51(d)]

The PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

HACSB Policy

Within 10 business days of the PHA making the selection, the PHA will notify the selected owner in writing of the owner's selection for the PBV program. The PHA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, the PHA will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers and trade journals the PHA used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. The PHA will also post the notice of owner selection on its website.

The PHA will make available to any interested party its rating and ranking sheets and documents that identify the PHA basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The PHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The PHA will make these documents available for review at the PHA during normal business hours. The cost for reproduction of allowable documents will be \$.25 per page.

17-II.C. HOUSING TYPE [24 CFR 983.52]

The PHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of PHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation began after the owner's proposal submission but prior to the execution of the HAP do not subsequently qualify as existing housing. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

The PHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The PHA choice of housing type must be reflected in its solicitation for proposals.

17-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

The PHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner and the PHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program. Finally, PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

Subsidized Housing [24 CFR 983.54]

A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements.

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, and FR Notice 7/9/10]

The PHA may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

Subsidy layering requirements do not apply to existing housing. A further subsidy layering review is not required for new construction or rehabilitation if HUD's designee has conducted a review that included a review of PBV assistance in accordance with the PBV subsidy layering guidelines.

The PHA must submit the necessary documentation to HUD for a subsidy layering review. Except in cases of HAP contracts for existing structures, or if such reviews have been conducted by the applicable state and local agencies (defined by HUD as qualified housing credit agencies, or HCAs), the PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or an independent entity approved by HUD, has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCAs must conduct subsidy layering reviews in compliance with the guidelines set forth in the *Federal Register* notice published July 9, 2010.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

17-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

25 Percent per Project Cap [24 CFR 983.56, FR Notice 1/18/17, and Notice PIH 2017-21]

In general, the PHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted) in the project.

Exceptions to 25 Percent per Project Cap [FR Notice 1/18/17]; Notice PIH 2017-21]

As of April 18, 2017, units are not counted against the 25 percent per project cap if:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project
- If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services. Projects where these caps were implemented prior to HOTMA (HAP Contracts executed prior to 4/18/17) may continue to use the former exceptions and may renew their HAP contracts under the old requirements, unless the PHA and owner agree to change the conditions of the HAP contract. However, this change may not be made if it would jeopardize an assisted family's eligibility for continued assistance in the project.

Supportive Services

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. As of 4/18/17, the project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible. A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered. If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in the PHA administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

HACSB Policy

The PHA will not require families living in excepted units to receive supportive services. Families will be offered the opportunity to enroll in either FSS or the Supportive Services programs offered through HACSB's Department of Resident Services, as a condition of occupancy. The Supportive Services program will differ from the FSS program in that the contract of participation will be a 3 year contract with no ability to escrow rent. All other workshops and opportunities offered through FSS will be afforded to families opting for the Supportive Services Program.

Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance.

HACSB Policy

The PHA does not have any PBV units that are subject to the per project cap exception.

Promoting Partially-Assisted Projects [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted buildings. A *partially assisted building* is a building in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-building cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily building containing excepted units or in a single-family building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-building cap of less than 25 percent.

HACSB Policy:

Excepted units will be limited to units in Rental Assistance Demonstration (RAD) converted buildings and those made available for elderly or disabled families. The PHA will not impose any further cap on the number of PBV units assisted per building.

17-II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. The standard for de-concentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

HACSB Policy

It is the PHA goal to select sites for PBV housing that provide for de-concentrating poverty and expanding housing and economic opportunities. In complying with this goal the PHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the PHA will grant exceptions to the 20 percent standard where the PHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

A census tract where there are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and

- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

17-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

17-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The PHA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c), FR Notice 1/18/17, and Notice PIH 2017-20]

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions or if the unit passed an alternative inspection.

HACSB Policy

The PHA will not provide assistance in turnover units until the unit fully complies with HQS.

Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months during the term of the HAP contract, the PHA must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

HACSB Policy

The PHA will inspect on a biennial basis 100 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Inspections will be completed in accordance with the policies for the tenant-based program in Chapter 8.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the PHA must re-inspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.

Inspecting PHA-owned Units [24 CFR 983.103(f)]

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

17-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the PHA must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(b)]. The PHA may not enter into an Agreement if commencement of construction or rehabilitation has commenced after proposal submission [24 CFR 983.152(c)]. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the PHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(a)].

Content of the Agreement [24 CFR 983.152(c)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary

by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.

- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153]

The Agreement must be executed promptly after PHA notice of proposal selection to the selected owner. Generally, the PHA may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the PHA may not enter into the Agreement until the environmental review is completed and the PHA has received environmental approval. However, the PHA does not need to conduct a subsidy layering review in the case of a HAP contract for an existing structure or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

HACSB Policy

The PHA will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

17-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

17-IV.D. COMPLETION OF HOUSING

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the PHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

HACSB Policy

The PHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The PHA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

PHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The PHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the PHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW

The PHA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With the exception of single-family scattered-site projects, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. The HAP contract must be in the form required by HUD [24 CFR 983.202(a)].

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any project that will exceed the 25 percent per project cap, which will be set-aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the Housing Quality Standards (HQS)), unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions. For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

HACSB Policy

For existing housing, the HAP contract will be executed within 10 business days of the PHA determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of the PHA determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [24 CFR 983.205; FR Notice 1/18/17, and Notice PIH 2017-21]

The PHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years. In the case of PHA-owned units, the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

HACSB Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term of up to 20 years if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 20 years. A PHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 20 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the PHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of PHA-owned units, any extension of the term of the HAP contract

must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

HACSB Policy

When determining whether or not to extend an expiring PBV contract, the PHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;

- The condition of the contract units;

- The owner's record of compliance with obligations under the HAP contract and lease(s);

- Whether the location of the units continues to support the goals of de-concentrating poverty and expanding housing opportunities; and

- Whether the funding could be used more appropriately for tenant-based assistance or for other PBV contracts.

Termination by PHA [24 CFR 983.205(c) and FR Notice 1/18/17]

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

In times of insufficient funding, HUD requires that PHAs first take all cost-saving measures prior to failing to make payments under existing PBV HAP contracts.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the PHA. In this case, families living in the contract units must be offered tenant-based assistance.

Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206; FR Notice 1/18/17, and Notice PIH 2017-21]

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. The PHA must provide the family with a voucher and the family must also be given the option by the PHA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the PHA HCV tenant-based program, and are not subject to income

eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

Remedies for HQS Violations [24 CFR 983.208(b)]

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

HACSB Policy

The PHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

17-V.C. AMENDMENTS TO THE HAP CONTRACT

Substitution of Contract Units [24 CFR 983.207(a)]

At the PHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, the PHA must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [FR Notice 1/18/17 and Notice PIH 2017-21]

The PHA and owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without having to fulfill the selection requirements found at 24 CFR 983.51(b) for those additional PBV units, regardless of when the HAP contract was signed. The additional PBV units, however, are still subject to the PBV program cap and individual project caps. Prior to attaching additional units without competition, the PHA must submit to the local field office information outlined in FR Notice 1/18/17. The PHA must also detail in the administrative plan their intent to add PBV units and the rationale for adding units to the specific PBV project.

HACSB Policy

The PHA will consider adding contract units to the HAP contract when the PHA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and

Voucher holders are having difficulty finding units that meet program requirements.

17-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

17-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.210]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

17-V.F. ADDITIONAL HAP REQUIREMENTS**Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]**

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

HACSB Policy

The PHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The PHA will specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

HACSB Policy

The PHA will not provide vacancy payments to the owner.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be re-determined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

HACSB Policy

The PHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA's waiting list. Once the family's continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an

appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

HACSB Policy

The PHA will establish and manage a separate waiting list for its tenant-based and PBV programs. The PHA will maintain one single PBV waiting list.

17-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d), FR Notice 11/24/08]

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with “excepted units” for elderly families or supportive services, the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b); FR Notice 1/18/17].

HACSB Policy

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for “excepted units,” mobility impaired persons for accessible units). Other than the above, the PHA will offer preferences to its project-based HCV developments as follows:

Category 1 - Program Facilitation

Residents of HACSB owned/managed supportive housing developments are offered PBV assistance to facilitate the operation of the Housing Authority’s supportive housing programs. A formal case management assessment (i.e. SPDAT) will be conducted to substantiate that the resident no longer requires supportive housing.

Category 2 – Resident Families

(10 points) Owner Referral: Preference is given for a specific development that offers supportive services, to any family that has applied to that Project Based Voucher assisted development and has been referred to HACSB by the owner of that development, due to needing the services offered by the development. Supportive housing developments with PBV allocations will be required to utilize at least 25% of their PBV units to house chronically homeless households.

(4 points) Displaced Family Preference: Families that have been displaced from housing within the PHA’s jurisdiction due to governmental action or disaster

- (2 points)** Residency Preference: Families who live, work, or who have been hired to work within the South coast region of Santa Barbara County
- (2 points)** Rent Burden Preference: Families not currently receiving any housing assistance (e.g. residing in state, local, or privately subsidized developments, receiving ongoing rental assistance) and families residing in a HACSB locally financed or HACSB managed property that have a rent burden exceeding 50% of household gross annual income
- (1 point)** Veteran Preference: Active members of the United States Armed Forces, Veterans of the United States Armed Forces, or spouses and surviving spouses of U.S. Veterans where the veteran was discharged other than dishonorably
- (-21 points)** Single, Non-Elderly, Non-Disabled: Single household member applicants who do not meet HUD's definition of disabled nor who are at minimum 62 years of age

17-VI.E. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the tenant based waiting list based on preference, date and time of application, or other factors affecting selection under the PHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

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

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

17-VI.F. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

HACSB Policy

The owner must notify the PHA in writing (mail, fax, or e-mail) within five (5) business days of learning about any vacancy or expected vacancy.

The PHA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

HACSB Policy

If any contract units have been vacant for 120 days, the PHA will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The PHA will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of the PHA's notice. The PHA will consider waiving this requirement if the owner can demonstrate that the vacancy was through no fault of the owners.

17-VI.G. TENANT SCREENING [24 CFR 983.255]

PHA Responsibility

The PHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

HACSB Policy

The PHA **will** conduct screening to determine a PBV applicant family's suitability for tenancy only when the PBV applicant is being offered a unit that is owned or managed by HACSB. The PHA **will not** conduct screening to determine a PBV applicant family's suitability for tenancy for units not owned or managed by HACSB.

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

HACSB Policy

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The PHA will provide information to the owner about known tenancy history, if requested.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and

- Compliance with other essential conditions of tenancy.

PART VII: OCCUPANCY

17-VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

17-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

The PHA may review the owner's lease form to determine if the lease complies with state and local law. If the PHA determines that the lease does not comply with state or local law, the PHA may decline to approve the tenancy.

HACSB Policy

The PHA will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f)]

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract
- The PHA terminates assistance for the family

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

HACSB Policy

In addition to the above program requirements, the assisted unit must be the sole place of residence for tenants residing in HACSB owned or managed units. Resident may not live in the assisted unit on any part time basis under any circumstances.

Continuation of Housing Assistance Payments [24 CFR 982.258]

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

HACSB Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the PHA of the change and request an interim reexamination before the expiration of the 180-day period.

Security Deposits [24 CFR 983.259]

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

HACSB Policy

The PHA will allow the owner to collect a security deposit amount the owner determines is appropriate.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

If the PHA determines that a family is occupying a wrong size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

HACSB Policy

The PHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the PHA's determination. The PHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project;

PBV assistance in another project; and

Tenant-based voucher assistance.

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by the PHA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract.

HACSB Policy

When the PHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.261]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA. If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

HACSB Policy:

Prior to providing notice to the owner to terminate the lease, the family may submit a written request to the PHA for a choice mobility voucher at any time after completing the 12-month occupancy requirement.

In order to receive a tenant based or choice mobility voucher the family must not owe any money to the PBV owner nor can the family be in the process of eviction. Process of eviction will be defined as having been served a notice to vacate for tenant breach of lease.

The family will remain eligible to request a choice mobility voucher as long as they continue living at the same covered project. If a family moves from one covered project to another covered project prior to completing their 12-month occupancy requirement, their 12-month clock will reset. The family must wait 12 months from the date of move at the new property before they may request another choice mobility voucher. If a family transfers to a different unit within the same covered project, the 12-month clock does not reset. If the family vacates before receiving a choice mobility voucher they will relinquish the opportunity for continued tenant-based assistance.

The PHA will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. This list will be maintained separately from the tenant-based HCV list. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility.

17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.261]

As of April 17, 2018 the PHA may not pay housing assistance under a PBV HAP contract for more than the greater of 25 units or 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project

If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the PHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. However, if the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently is no longer eligible for the supportive services, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA shall cease paying HAP on behalf of the family.

Further, when a family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a “qualifying family” because the family is no longer an elderly family due to a change in family composition, the PHA has the discretion to allow the family to remain in the excepted unit. If the PHA does not exercise this discretion, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA must cease paying housing assistance payments on behalf of the non-qualifying family.

Individuals in units with supportive services who choose to no longer participate in a service or who no longer qualify for services they qualified for at the time of initial occupancy cannot subsequently be denied continued housing opportunity because of this changed circumstance. A PHA or owner cannot determine that a participant’s needs exceed the level of care offered by qualifying services or require that individuals be transitioned to different projects based on service needs.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the PHA.

The PHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the

control of the family (e.g., death of the elderly family member or long-term or permanent hospitalization or nursing care), the elderly family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

HACSB Policy

The PHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members' control.

In all other cases, the PHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Emergency Transfers under VAWA [Notice PIH 2017-08]

Except where special consideration is needed for the project-based voucher program, the PHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

HUD requires that the PHA include policies that address when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

HACSB Policy

When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, the PHA will provide several options for continued assistance.

The PHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where the PHA has PBV units. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to tenant-based rental assistance (HCV).

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, the PHA will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where the PHA has PBV units. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is re-determined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

17-VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

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

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard);

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

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

Definitions

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Reasonable Rent [24 CFR 983.301(e) and 983.302(c)(2)]

The PHA must determine reasonable rent in accordance with 24 CFR 983.303. The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordance with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant

If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

HACSB Policy

The PHA will elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the PHA will use the higher initial rent to owner amount.

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, the PHA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When re-determining the rent to owner, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment standard amount for use in the PBV program.

Likewise, the PHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

HACSB Policy

The PHA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if the PHA determines it is necessary due to PHA budgetary constraints.

Use of Small Area FMRs (SAFMRs) [24 CFR 888.113(h)]

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If the PHA adopts this policy, it must apply to all future PBV projects and the PHA's entire jurisdiction. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy.

Further, the PHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective dates of PHA implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

HACSB Policy

The PHA will not apply SAFMRs to the PHA's PBV program.

Redetermination of Rent [24 CFR 983.302]

The PHA must re-determine the rent to owner upon the owner's request or when there is a ten percent or greater decrease in the published FMR.

Rent Increase

If an owner wishes to request an increase in the rent to owner from the PHA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by the PHA. The PHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

HACSB Policy

An owner's request for a rent increase must be submitted to the PHA 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

The PHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

Notice of Rent Change

The rent to owner is re-determined by written notice by the PHA to the owner specifying the amount of the re-determined rent. The PHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

HACSB Policy

The PHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

PHA-owned Units [24 CFR 983.301(g)]

For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The PHA must use the rent to owner established by the independent entity.

17-VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

When Rent Reasonable Determinations Are Required

The PHA must re-determine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

PHA-owned Units

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

17-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, a PHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

HACSB Policy

The PHA will not make vacancy payments to owners.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- 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 certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

HACSB Policy

The PHA will not make vacancy payments to owners.

17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

HACSB Policy

The PHA will make utility reimbursements to the family.

17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

Chapter 18

PROJECT BASED VOUCHERS (PBV) UNDER THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the Project-Based Voucher (PBV) program under the Rental Assistance Demonstration (RAD) program in eight parts:

Part I: General Requirements. This part describes general provisions of the PBV program, including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Project Selection. This part describes the cap on assistance at projects receiving PBV assistance, ownership and control, and site selection standards.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution and term of the HAP contract.

Part V: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VI: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move.

Part VII: Determining Contract Rent. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract.

Part VIII: Payments to Owner. This part describes the types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

18-I.A. OVERVIEW AND HISTORY OF THE RAD PROGRAM

The Rental Assistance Demonstration (RAD) program was authorized in 2012 in order to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term, project-based Section 8 rental assistance. The program's four primary objectives are to:

- Preserve and improve public and other assisted housing.
- Standardize the administration of the plethora of federally subsidized housing programs and rules. The conversions are intended to promote operating efficiency by using a Section 8 project-based assistance model that has proven successful and effective for over 30 years. In other words, RAD aligns eligible properties more closely with other affordable housing programs.
- Attract private market capital for property renovations. Through the use of this model, properties may be able to leverage private debt and equity to make capital repairs.
- Increase tenant mobility opportunities.

Under the first component, a PHA with public housing units may submit an application to HUD to convert some or all of their public housing units to long-term, project-based Section 8 HAP contracts under either:

- Project-based rental assistance (PBRA) under HUD's Office of Multifamily Housing Programs.
- Project-based vouchers (PBVs) under HUD's Office of Public and Indian Housing (PIH).

This chapter will focus on public housing conversions to the PBV program under RAD. In order to distinguish between requirements for public housing conversion under RAD and PBV units under the standard PBV program, we will refer to the standard PBV program and the RAD PBV program.

18-I.B. APPLICABLE REGULATIONS

On the whole, the regulations for both the standard and RAD PBV programs generally follow the regulations for the tenant-based HCV program found at 24 CFR Part 982. However, important parts of the tenant-based regulations do not apply to the project-based program. 24 CFR Part 983 outlines the sections of 24 CFR Part 982 that are not applicable to the project-based program.

For the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions or establish alternative requirements from the standard PBV program. These provisions are identified in Notice PIH 2012-32, REV-2 (issued June 15, 2015) and Notice PIH 2012-32, REV-3 (issued January 12, 2017).

Otherwise, all regulatory and statutory requirements for the standard PBV program in 24 CFR Part 983 and Section 8(o)(13) of the Housing Act of 1937, and all applicable standing and subsequent Office of Public and Indian Housing (PIH) guidance, including related handbooks, apply to RAD PBV. This includes environmental review, Davis-Bacon, and fair housing requirements.

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act of 2014 (Public Law 113-76, approved January 17, 2014), and the Consolidated and Further Continuing Appropriations Act of 2015 (Public Law 113-235, approved December 6, 2014), and Division L, Title II, Section 237 of the Consolidated Appropriations Act (Public Law 114-113, enacted December 18, 2015) collectively, the “RAD Statute.” Requirements specific to the RAD program may be found in the following:

- Generally, public housing projects converting assistance under RAD are bound by the terms of the notice in effect at the time of closing. Notice PIH 2012-32, REV-3 is applicable to projects converting assistance through RAD, including those where a CHAP has already been issued, upon the expiration of the 30-day comment period after publication of the notice. Notice PIH 2012-32, REV-3 was published January 12, 2017.
- Notice PIH 2012-32, REV-2, RAD – Final Implementation, REV-2 is applicable to projects converting assistance through RAD upon the expiration of the 30-day comment period after publication of the Notice. PIH Notice 2012-32, REV-2 was published June 15, 2015.

- RAD Quick Reference Guide for Public Housing Converting to PBV Assistance (10/14)
- RAD Welcome Guide for New Awardees: RAD 1st Component (3/15)
- Notice PIH 2016-17, Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions.
 - This Notice applies to all projects that have applied for RAD conversion but have not yet converted as of November 10, 2016.
- Notice PIH 2014-17, Relocation Requirements under the RAD Program, Public Housing in the First Component.
 - This notice may apply to projects that have converted to RAD prior to November 10, 2016, AND who have requested and received approval from HUD to be governed by this notice. See PIH Notice 2016-17, Section 1, Paragraph 1.3 for applicability.
- RAD FAQs (<http://www.radresource.net/search.cfm>)

In other words, the standard PBV program follows many of the same regulations as the tenant-based HCV program, but not all of them, and the RAD PBV program follows many of the same regulations as the standard PBV program, but not all of them.

MTW agencies are able to apply activities impacting the PBV program that are approved in the MTW Plan to properties converting under RAD, provided they do not conflict with RAD requirements.

18-I.C. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to RAD PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

HACSB Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the PHA policies for the tenant-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

18-I.D. RELOCATION REQUIREMENTS [Notice PIH 2014-17]

In some developments, in-place residents may need to be relocated as a result of properties undergoing repairs, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed.

Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents must be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements. Sample informing notices are provided in Appendices 2–5 of Notice PIH 2014-17. While the PHA is not required to have a written relocation plan, HUD strongly encourages PHAs to prepare one. Appendix I of Notice PIH 2014-17 contains recommended contents for a relocation plan.

In addition, PHAs must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24.

Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.

18-I.E. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8; Notice PIH 2012-32, REV-3]

RAD conversions are governed by the same civil rights authorities that govern HUD-assisted activities in general. PHAs must comply with all applicable fair housing and civil rights laws, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. For example, persons with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their need for an accessible unit must be accommodated.

PART II: PBV PROJECT SELECTION

18-II.A. OVERVIEW

Unlike in the standard PBV program where the PHA typically selects the property through an owner proposal selection process, projects selected for assistance under RAD PBV are selected in accordance with the provisions in Notice PIH 2012-32, REV-3. Therefore, 24 CFR 983.51 does not apply since HUD selects RAD properties through a competitive selection process.

18-II.B. OWNERSHIP AND CONTROL [Notice PIH 2012-32, REV-3]

Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or non-profit entity. The requirement for a public or non-profit entity is satisfied if a public or non-profit entity (or entities), directly or through a wholly-owned affiliate (1) holds a fee simple interest in the property; (2) is the lessor under a ground lease with the property owner; (3) has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units, (4) owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable; (5) owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD; (6) owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or (7) other ownership and control arrangements approved by HUD.

If low-income housing tax credits will be used, HUD may allow ownership of the property to be transferred to a tax credit entity controlled by a for-profit entity if HUD determines that the PHA preserves its interest in the property. Preservation of PHA interest in the property includes but is not limited to the following:

- The PHA, or an affiliate under its sole control, is the general partner or managing member;
- The PHA retains fee ownership and leases the real estate to the tax credit entity pursuant to a long-term ground lease;
- The PHA retains control over leasing the property and determining program eligibility;
- The PHA enters into a control agreement by which the PHA retains consent rights over certain acts of the project owner and retains certain rights over the project;
- Other means that HUD finds acceptable

18-II.C. PHA-OWNED UNITS [24 CFR 983.59; FR Notice 1/18/17, and Notice PIH 2017-21]

If the project is PHA-owned, rent-setting and inspection functions set out in 24 CFR 983.59 must be conducted by an independent entity approved by HUD.

The definition of control/ownership provided under Notice PIH 2012-32, REV-3 (listed above) is used specifically to determine whether a PHA retains control over a project for purposes of HUD's requirement for ownership or control of the covered project under RAD. For purposes of determining whether an independent entity will perform certain functions for the project, the definition of PHA-owned under Notice PIH 2017-21 is used. This is the same definition used for standard PBV units. In some cases, a project may meet the RAD definition of ownership or control, but may not be considered PHA-owned for purposes of requiring an independent entity.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government), or another HUD-approved public or private independent entity.

The PHA may compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA, and the independent entity, may not charge the family any fee for the services provided by the independent entity.

18-II.D. SUBSIDY LAYERING REQUIREMENTS [Notice PIH 2012-32, REV-3]

In the case of a PHA that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; the PHA may convey all program funds to the covered projects. In order to cover the cost of administrative activities required to terminate the ACC, once it no longer has units under the ACC and has no plans to develop additional public housing, the PHA may:

- Designate that a reserve associated with the project be available to fund any public housing closeout costs (such as an operating deficit reserve or a specific PHA close-out reserve). Any funds not needed for public housing close-out costs would remain in such reserve or may be transferred to another reserve associated with the project (such as the replacement reserve). Thereafter, these funds may be used at the project pursuant to the authorized use of the applicable reserve; or
- Retain funds under the public housing program for this purpose. However, HUD will recapture any public housing funds that a PHA does not expend for closeout costs.

In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

In addition, following execution of the HAP contract, PHAs are authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, a PHA may not contribute public housing program funds to the covered project unless such funding has been identified in the approved financing plan and included in the approved “sources and uses” attached to the RCC.

18-II.E. PBV PERCENTAGE LIMITATION [Notice PIH 2012-32, REV-3]

Covered projects do not count against the maximum amount of assistance a PHA may utilize for the PBV program, which under the standard PBV program is set at 20 percent of the authorized units allocated to a PHA under the HCV program. To implement this provision, HUD is waiving section 8(o)(13)(B) of the 1937 Act as well as 24 CFR 983.6.

There is no cap on the number of units that may receive PBV assistance in a project.

18-II.F. SITE SELECTION STANDARDS [Notice PIH 2012-32, REV-3; Notice PIH 2016-17]

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.

HUD will conduct a front-end civil rights review of the PHA's proposed site in certain circumstances. For RAD PBV conversions that involve new construction located in an area of minority concentration (whether on the existing public housing site or on a new site) HUD will determine whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

The PHA must ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

18-II.G. ENVIRONMENTAL REVIEW [Notice PIH 2012-32, REV-3]

HUD cannot approve an applicant's financing plan submission unless and until the required environmental review has been completed for the applicant's proposed conversion project and found to meet environmental review requirements. Environmental documents must be submitted as part of the financing plan. HUD will not issue a RAD Conversion Commitment (RCC) if the project plan does not meet the environmental review requirements described in Attachment 1A of Notice PIH 2012-32, REV-3.

PART III: DWELLING UNITS

18-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the RAD PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

18-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

18-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

18-III.D. INSPECTING UNITS

Initial Inspection [Notice PIH 2012-32, REV-3]

Under RAD, all units must meet HQS no later than the date of completion of the work as indicated in the RCC.

Turnover Inspections [24 CFR 983.103(c), FR Notice 1/18/17, and Notice PIH 2017-20]

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions or if the unit passed an alternative inspection.

HACSB Policy

The PHA will not provide assistance in turnover units until the unit fully complies with HQS.

Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months during the term of the HAP contract, the PHA must inspect a random sample consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

HACSB Policy

The PHA will inspect on an biennial basis 100 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Inspections will be completed in accordance with the policies for the tenant-based program in Chapter 8.

If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.

Inspecting PHA-Owned Units [24 CFR 983.103(f)]

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

PART IV: HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

18-IV.A. OVERVIEW

Public housing projects converting under RAD do not employ the PBV Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Instead, following the execution of all requirements contained in the Commitment to Enter into a HAP (CHAP) contract and the RAD Conversion Commitment (RCC), a project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing. Owners of public housing projects converted to PBV assistance via RAD enter into a HAP contract with the PHA that will administer the PBV assistance. Units assisted under a RAD PBV HAP contract must be subject to long-term, renewable use and affordability restrictions.

18-IV.B. HAP CONTRACT REQUIREMENTS

Contract Information [PBV Quick Reference Guide (10/14)]

The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). The distinction between “existing housing” and “rehabilitated and newly constructed housing” is overridden by RAD requirements. The RAD rider must be attached to the PBV HAP contract and effectuates the conversion of public housing to PBV under RAD PBV. The project must also have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

Execution and Effective date of the HAP Contract [*RADBlast!* 7/11/16]

RAD PBV projects do not employ an Agreement to Enter into a Housing Assistance Payments (AHAP) contract like in the standard PBV program. Rather, when the conditions of the CHAP and the RCC are met and the conversion has closed, the PHA executes the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

Term of HAP Contract [Notice PIH 2012-32, REV-3]

The initial term of the HAP contract may not be for less than 15 years, and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency. Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner must accept each offer to renew the contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o)(13)(F) of The United States Housing Act of 1937, which established a maximum term of 15 years, as well as 24 CFR 983.205(a), which governs the contract term.

Agreement to Enter into a HAP (AHAP) Contract [Notice PIH 2012-32, REV-3]

For public housing conversions to PBV, there will be no agreement to enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D, are waived. The definitions for

proposal selection date, new construction, rehabilitation, and existing housing are not applicable.

Mandatory Contract Renewal [Notice PIH 2012-32, REV-3]

By statute, upon contract expiration, the agency administering the vouchers will offer, and the PHA will accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. Consequently 24 CFR 983.205(b), governing the PHA discretion to renew the contract for term of up to 15 years, will not apply.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30 percent of 80 percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.

Remedies for HQS Violations [24 CFR 983.208(b)]

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

HACSB Policy

The PHA will abate and terminate PBV HAP contracts for noncompliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

Tenant caused noncompliance with HQS in PHA owned units will be cause for termination of tenancy.

18-IV.C. AMENDMENTS TO THE HAP CONTRACT

Floating Units [Notice PIH 2012-32, REV-3]

In certain mixed-finance projects, the PHA may ask HUD permission to have assistance float among units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

If the PHA chooses to float units, units are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units, including any excepted units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward.

HACSB Policy

The PHA will not float assistance among unoccupied units within the project.

Reduction in HAP Contract Units [Notice PIH 2012-32, REV-3]

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract.

The PHA may not reduce the number of assisted units without HUD approval. Any HUD approval of a PHA's request to reduce the number of assisted units under contract is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.

If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, the PHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where "floating" units have been permitted.

18-IV.D. HAP CONTRACT YEAR AND ANNIVERSARY DATES [24 CFR 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary date for all units under a particular HAP contract.

18-IV.E. OWNER RESPONSIBILITIES UNDER THE HAP CONTRACT [24 CFR 983.210]

When the owner executes the HAP contract, he or she certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment, and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge, the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (this does not apply to the family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP contract execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

18-IV.F. VACANCY PAYMENTS [24 CFR 983.352(b)]

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner, including amounts available from the tenant's security deposit.

HACSB Policy

The PHA will not provide vacancy payments to the owner.

PART V: SELECTION OF PBV PROGRAM PARTICIPANTS

18-V.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

18-V.B. PROHIBITED RESCREENING OF EXISTING TENANTS UPON CONVERSION [Notice PIH 2012-32, REV-3]

Current households cannot be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by Notice PIH 2012-32, REV-3 (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

Further, so as to facilitate the right to return to the assisted property, this provision must apply to current public housing residents of the converting project that will reside in non-RAD PBV units placed in a project that contain RAD PBV units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR 983 for non-RAD PBV.

For the RAD PBV program, *in-place family* means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

18-V.C. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

HACSB Policy

The PHA will determine an applicant family's eligibility for the RAD PBV program in accordance with the policies in Chapter 3. In addition, 30% of the family's monthly adjusted income must be below the HUD defined maximum rent for the unit. At initial occupancy a family must be eligible to receive PBV HAP subsidy.

18-V.D. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c); Notice PIH 2012-32, REV-3]

The standard PBV regulations at 24 CFR 983.251 set out program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

HACSB Policy.

The PHA will establish and manage separate waiting lists for its tenant based and project based assistance. The PHA will maintain a PBV program-wide waitlist.

All existing public housing waitlist applicants will be placed on to the PBV waitlist. The applicants shall have priority on the wait lists to which their application was transferred in accordance with the date and time of their application to the original waiting list.

For any applicants who are determined to be eligible for the PBV program, but with a household TTP that exceeds the RAD gross rent, the PHA will transfer such household, consistent with program requirements for administration of waiting lists, to the PHA's tenant based voucher waiting list. This consideration will be made only for those households who originally applied for public housing assistance prior to the waitlist closing on March 31, 2013.

18-V.E. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

After conversion to RAD PBV, applicants who will occupy units with RAD PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units.

Income Targeting [24 CFR 983.251(c)(6); Notice PIH 2012-32, REV-3]

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d); FR Notice 11/24/08; Notice PIH 2012-32, REV-3]

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from services provided in the project. In these projects, residents with disabilities may not be required to accept the particular services offered as a condition of occupancy.

HACSB Policy

The PHA maintains a community wide PBV waitlist and will offer the same preferences for the RAD PBV program as for all PBV projects as follows:

Category 1 - Program Facilitation

Residents of HACSB owned/managed supportive housing developments are offered PBV assistance to facilitate the operation of the Housing Authority's supportive housing programs. A formal case management assessment (i.e. SPDAT) will be conducted to substantiate that the resident no longer requires supportive housing.

Category 2 – Resident Families

- (10 points)** Owner Referral: For specific supportive housing developments, preference will be given to any applicant that has applied to that Project Based Voucher assisted development and has been referred to HACSB by the owner of that development. Supportive housing developments with PBV allocations will be required to utilize at least 25% of their PBV units to house chronically homeless households.
- (4 points)** Displaced Family Preference: Families that have been displaced from housing within the PHA's jurisdiction due to governmental action or disaster
- (2 points)** Residency Preference: Families who live, work, or who have been hired to work within the South coast region of Santa Barbara County
- (2 points)** Rent Burden Preference: Families not currently receiving any housing assistance (e.g. residing in state, local, or privately subsidized developments, receiving ongoing rental assistance) and families residing in a HACSB locally financed or HACSB managed property that have a rent burden exceeding 50% of household gross annual income
- (1 point)** Veteran Preference: Active members of the United States Armed Forces, Veterans of the United States Armed Forces, or spouses and surviving spouses of U.S. Veterans where the veteran was discharged other than dishonorably
- (-21 points)** Single, Non-Elderly, Non-Disabled: Single household member applicants who do not meet HUD's definition of disabled nor who are at minimum 62 years of age

18-V.F. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refusing to list the applicant on the waiting list for tenant-based voucher assistance
- Denying any admission preference for which the applicant qualifies
- Changing the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA's selection policy
- Removing the applicant from the tenant-based voucher waiting list

Disapproval by Landlord [24 CFR 983.251(e)(2)]

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

Acceptance of Offer [24 CFR 983.252]***Family Briefing***

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

18-V.G. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

HACSB Policy

The owner must notify the PHA in writing (mail, fax, or e-mail) within five business days of learning about any vacancy or expected vacancy.

The PHA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

18-V.H. TENANT SCREENING [24 CFR 983.255]

PHA Responsibility

The PHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

HACSB Policy

The PHA **will** conduct screening to determine a PBV applicant family's suitability for tenancy only when the PBV applicant is being offered a unit that is owned or managed by HACSB. The PHA **will not** conduct screening to determine a PBV applicant family's suitability for tenancy for units not owned or managed by HACSB.

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, or stalking, except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(c)].

HACSB Policy

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The PHA will provide information to the owner about known tenancy history, if requested.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills
- Caring for a unit and premises
- Respecting the rights of other residents to the peaceful enjoyment of their housing
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others

- Compliance with other essential conditions of tenancy

PART VI: OCCUPANCY

18-VI.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner, and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

18-VI.B. LEASE [24 CFR 983.256; Notice PIH 2012-32, REV-3]

The tenant must have legal capacity to enter into a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

The tenant and the owner must enter into a written lease agreement that is signed by both parties. The tenancy addendum must include, word-for-word, all provisions required by HUD.

Lease Requirements [24 CFR 983.256(c); Notice PIH 2012-32, REV-3]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and
- The amount of any charges for food, furniture, or supportive services.

The PHA must include resident procedural rights for termination notification and grievance procedures in the owner's lease. These requirements are not part of the regular PBV program but are required under RAD. An example of language that may be included can be found in Attachment-1E of Notice PIH 2012-32, REV-2.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide)

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f); PBV Quick Reference Guide (10/14)]

Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with—and must be signed on or before—the effective date of the RAD PBV HAP contract.

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract
- The PHA terminates assistance for the family

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257; Notice PIH 2012-32, REV-3]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights must be included in the owner’s lease as well as the PHA’s administrative plan. In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which may not be less than:

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

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident’s rights, obligations, welfare, or status with both the PHA and the project owner. See Chapter 16 Part III: Informal Reviews and Hearings for more information.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 982.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

HACSB Policy

In addition to the above program requirements, the assisted unit must be the sole place of residence for tenants residing in HACSB owned or managed units. Resident may not live in the assisted unit on any part time basis under any circumstances.

Continuation of Housing Assistance Payments [24 CFR 983.258; Notice PIH 2012-32, REV-3]

Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds gross rent. In this case, until such time as the family's TTP falls below the gross rent, the family will pay the owner the lesser of their TTP minus the utility allowance or any applicable maximum rent under the LIHTC program. The family will continue to pay this amount until/if circumstances change and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract.

Following conversion, 24 CFR 983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program. Further, for any new families admitted after the conversion, assistance will be terminated 180 days after the last housing assistance payment on their behalf. The cessation of housing assistance payments does not affect the family's other rights under its lease, nor does it preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within the 180 day window. If a family's assistance is terminated as a result of their zero HAP status, the PHA must remove the unit from the HAP contract. If the project is fully assisted, the PHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207.

HACSB Policy

If a participating family who was admitted after the RAD conversion receive zero assistance and subsequently experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the PHA of the change and request an interim reexamination before the expiration of the 180-day period.

Families admitted after conversion who have their assistance terminated as a result of zero HAP will pay as rent, the higher of the current RAD rent or their TTP minus utility allowance.

Security Deposits [24 CFR 983.259; PBV Quick Reference Guide (10/14)]

Owners are permitted to recognize security deposit amounts that have been previously provided by tenants who are in-place at the time of the RAD conversion. Otherwise the security deposit requirements for standard PBV apply.

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

HACSB Policy

The PHA will allow the owner to collect a security deposit amount the owner determines is appropriate.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

18-VI.C. PUBLIC HOUSING FSS AND ROSS PARTICIPANTS [Notice PIH 2012-32, REV-3]

Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds granted previously or pursuant to the current fiscal year (FY) PH FSS notice of funding availability (NOFA), to serve those FSS participants who live in units converted to RAD and who will as a result be moving to the HCV FSS program. A PHA must convert the PH FSS program participants at the covered project to their HCV FSS program.

Residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. If the PHA continues to run an FSS program that serves PH and/or HCV participants, the PHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding and may use that funding to serve PH, HCV, and PBRA participants in its FSS program.

Current Resident Opportunities and Self-Sufficiency–Service Coordinators (ROSS–SC) program grantees will be able to finish out their current ROSS–SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSS–SC grants.

At the completion of the ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. Please note that ROSS-SC grantees may be a non-profit or local resident association and this consequence of a RAD conversion may impact those entities.

18-VI.D. RESIDENT PARTICIPATION AND FUNDING [Notice PIH 2012-32, REV-3]

Residents of covered projects converting assistance to PBVs 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.

18-VI.E. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260; Notice PIH 2012-32, REV-3]

All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family.

Following conversion, the standard PBV regulations apply. If the PHA determines that a family is occupying a wrong-size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

HACSB Policy

The PHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the PHA's determination. The PHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project

PBV assistance in another project

Tenant-based voucher assistance

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-size or accessible unit at the earlier of the expiration of the term of the family's voucher, including any extension granted by the PHA, or the date upon which the family vacates the unit. If the family does not move out of the wrong-size unit or accessible unit by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract.

HACSB Policy

When the PHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.261]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA.

Choice Mobility [Notice PIH 2012-32, REV-3]

If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

PHA Policy:

Prior to providing notice to the owner to terminate the lease, the family may submit a written request to the PHA for a choice mobility voucher at any time after completing the 12-month occupancy requirement.

In order to receive a choice mobility voucher the family must not owe any money to the PBV owner nor can the family be in the process of eviction. Process of eviction will which will be defined as having been served a notice to vacate for tenant breach of lease.

The family will remain eligible to request a choice mobility voucher as long as they continue living at the same covered project. If a family moves from one covered project to another covered project prior to completing their 12-month occupancy requirement, their 12-month clock will reset. The family must wait 12 months from the date of move at the new property before they may request another choice mobility voucher. If a family transfers to a different unit within the same covered project, the 12-month clock does not reset. If the family vacates before receiving a choice mobility voucher they will relinquish the opportunity for continued tenant-based assistance.

The PHA will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. This list will be maintained separately from the tenant-based HCV list. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility.

Turnover Cap

If as a result of RAD, the total number of PBV units (including RAD PBV units) administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD, the PHA may establish a turnover cap. The PHA is not required to provide more than three-quarters of its turnover vouchers in any single year to the residents of covered projects. If the PHA chooses to establish a turnover cap and the cap is implemented, the PHA must create and maintain a waiting list in the order requests from eligible households were received.

HACSB Policy

As a result of RAD, the total number of PBV units (including RAD PBV units) administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD. Therefore, the PHA will establish a choice mobility cap. The PHA will not provide more than three-quarters of its turnover vouchers in a single year to residents of covered projects.

Families who requested a choice mobility voucher and are denied due to the cap will be given priority the following year when choice mobility vouchers are again issued since the choice mobility list will be organized by the date and time of the family's request.

Emergency Transfers under VAWA [Notice PIH 2017-08]

Except where special consideration is needed for the project-based voucher program, the PHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

HUD requires that the PHA include policies that address when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

HACSB Policy

When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, the PHA will provide several options for continued assistance.

The PHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where the PHA has PBV units. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to tenant-based rental assistance (HCV).

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, the PHA will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where the PHA has PBV units. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

18-VI.F. REEXAMINATIONS [PBV Quick Reference Guide (10/14)]

A family living in a unit converted from public housing to RAD PBV may retain its certification date. Unless a family's annual reexamination is due at the same time as the effective date of the RAD PBV HAP contract, the PHA does not need to recertify tenants at the point of conversion. For each family residing in a unit undergoing conversion of assistance under RAD, the administering PHA will have to submit a form HUD-50058 reflecting the family's admission to the voucher program. The effective date of the new admission will be the same as the effective date of the RAD PBV HAP contract. The form should include the same information previously found on the public housing form 50058, including the next annual reexamination date.

18-VI.G. EARNED INCOME DISALLOWANCE [Notice PIH 2012-32, REV-3]

Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR 5.617. Upon the expiration of the EID for such families, the rent adjustment will not be subject to rent phase-in; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the HCV program, the EID exclusion is limited to only persons with disabilities [24 CFR 5.617(b)]. In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only persons with disabilities is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant, such as tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment), tenants that move into the property following conversion, etc., is covered by this waiver.

18-VI.H. RESIDENTS' PROCEDURAL RIGHTS [Notice PIH 2012-32, REV-3]

HUD is incorporating additional termination notification requirements for public housing projects that convert assistance under RAD to PBV beyond those for the standard PBV program. In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV require that PHAs provide adequate written notice of termination of the lease, which is no less than:

- A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, project owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction.
- Not less than 14 days in the case of nonpayment of rent

- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

18-VI.I. INFORMAL REVIEWS AND HEARINGS [Notice PIH 2012-32, REV-3]

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident's rights, obligations, welfare, or status with both the PHA and the project owner.

In addition to reasons for an informal hearing listed at 24 CFR 982.555(a)(1)(i)–(vi) (See 16-III.C. Informal Hearings for Participants), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an 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.

- 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.
- For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.

An informal hearing will not be required for class grievances or for disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement does not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.

The PHA (as owner) must give 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). (See Chapter 16)

The PHA (as owner) must provide an opportunity for an informal hearing before an eviction.

PART VII: DETERMINING CONTRACT RENT

18-VII.A. INITIAL CONTRACT RENTS [Notice PIH 2012-32, REV-3]

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for each PHA's public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. A detailed explanation of the determination of current funding may be found in Attachment 1C of Notice PIH 2012-32, REV-2. Once the current funding amount is calculated, the amount is adjusted by bedroom size to determine the current funding rent. HUD uses the same bedroom adjustment factors as in the metropolitan FMR schedules where the project is located.

PHAs may adjust subsidy (and contract rents) across multiple projects as long as the PHA does not exceed the aggregate subsidy for all of the projects the PHA has submitted for conversion under RAD. This use, which HUD refers to as "bundled" rents, is permissible when a PHA submits applications for two or more projects. There is no limit to the number of projects that a PHA may bundle.

Notwithstanding the current funding level, the initial rents are set at the lower of:

- 110 percent of the fair market rent (FMR) or the PHA's exception payment standard approved by HUD, or the alternate rent cap in a PHA's MTW agreement
- Reasonable rent in comparison to the unassisted housing market
- An amount determined by current funding
 - Adjusted through rent bundling or reconfiguration of units

18-VII.B. ADJUSTING CONTRACT RENTS [Notice PIH 2012-32, REV-3; PBV Quick Reference Guide (10/14)]

Contract rents will be adjusted annually by HUD's operating cost adjustment factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the 1937 Act, and 24 CFR 983.301 and 983.302, concerning rent determinations, do not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the contract administrator in accordance with 24 CFR 983.303.

Contract rents may not exceed the reasonable rent, with the exception that the contract rent for each unit may not be reduced below the initial contract rent under the initial HAP contract.

However, the rent to owner may fall below the initial contract rent in the following situations:

- To correct errors in calculations in accordance with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 983.55 (prohibition of excess public assistance)
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant

The contract rent adjustment will be the lesser of:

- The current contract rent increased by the operating cost adjustment factor (OCAF), which is published annually in the *Federal Register*; or
- The reasonable rent

The administering PHA (or independent entity, if the project is PHA-owned) is responsible for processing rent adjustments, at each contract anniversary date, in accordance with the prevailing OCAF.

At least 120 days before the contract anniversary date, HUD recommends that the owner submit the OCAF rent adjustment worksheet (Form HUD-9625) to the PHA administering the PBV assistance (or the independent entity). The PHA will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent can only be increased up to the reasonable rent. The approved rent adjustment will go into effect and the new rents to owner will take effect on the date of the contract anniversary.

Rent Decrease

Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

18-VII.C. UTILITY ALLOWANCES [Notice PIH 2012-32, REV-3; PBV Quick Reference Guide (10/14); Notice PIH 2018-11]

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, a PHA may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract. A PHA may request a waiver from HUD in order to establish a site-specific utility allowance schedule.

After conversion, the PHA may maintain a utility allowance schedule for tenant-paid utilities in accordance with standard PBV and HCV utility allowance regulations at 24 CFR 983.301(f)(2)(ii) and 24 CFR 982.517 respectively. The PHA may instead, however, apply site specific utility allowances in accordance with Notice PIH 2018-11.[HACSB Policy](#)

The PHA will use the HCV utility allowance schedule for the RAD developments.

18-VII.D. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA, except rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

PHA-Owned Units

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

PART VIII: PAYMENTS TO OWNER

18-VIII.A. HOUSING ASSISTANCE PAYMENTS

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

18-VIII.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

HACB Policy

The PHA will not make vacancy payments to owners.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- 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 certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

HACSB Policy

The PHA will not make vacancy payments to owners.

18-VIII.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

HACSB Policy

The PHA will make utility reimbursements directly to the family.

18-VIII.D. PHASE-IN OF TENANT RENT INCREASES [Notice PIH 2012-32, REV-3]

For in-place tenants, 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 three years. To implement this provision, HUD is waiving section 3(a)(1) of the 1937 Act, as well as 24 CFR 983.3 (definition of *total tenant payment (TTP)*) only to the extent necessary to allow for the phase-in of tenant rent increases. For families who were on EID at the time of conversion to RAD PBV, upon the expiration of the EID, the rent adjustment is not subject to rent phase-in.

HACSB Policy

The PHA will implement a three-year phase-in for in-place families whose rent increases by more than the greater of 10 percent or \$25 as a result of the conversion as follows:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion: 33 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 2: Year 2 annual recertification (AR) and any interim recertification (IR): 50 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 3: Year 3 AR and all subsequent recertifications: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

18.VIII.E. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

GLOSSARY

A. ACRONYMS USED IN THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

AAF	Annual adjustment factor (published by HUD in the <i>Federal Register</i> and used to compute annual rent adjustments)
ACC	Annual contributions contract
ADA	Americans with Disabilities Act of 1990
AIDS	Acquired immune deficiency syndrome
BR	Bedroom
CDBG	Community Development Block Grant (Program)
CFR	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
CPI	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
EID	Earned income disallowance
EIV	Enterprise Income Verification
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration (HUD Office of Housing)
FHEO	Fair Housing and Equal Opportunity (HUD Office of)
FICA	Federal Insurance Contributions Act (established Social Security taxes)
FMR	Fair market rent
FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal year
FYE	Fiscal year end
GAO	Government Accountability Office
GR	Gross rent
HA	Housing authority or housing agency
HAP	Housing assistance payment
HCV	Housing choice voucher
HQS	Housing quality standards
HUD	Department of Housing and Urban Development

HUDCLIPS	HUD Client Information and Policy System
IPA	Independent public accountant
IRA	Individual retirement account
IRS	Internal Revenue Service
JTPA	Job Training Partnership Act
LBP	Lead-based paint
LEP	Limited English proficiency
MSA	Metropolitan statistical area (established by the U.S. Census Bureau)
MTCS	Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
MTW	Moving to Work
NOFA	Notice of funding availability
OGC	HUD's Office of General Counsel
OIG	HUD's Office of Inspector General
OMB	Office of Management and Budget
PASS	Plan to Achieve Self-Support
PHA	Public housing agency
PIC	PIH Information Center
PIH	(HUD Office of) Public and Indian Housing
PS	Payment standard
QC	Quality control
REAC	(HUD) Real Estate Assessment Center
RFP	Request for proposals
RFTA	Request for tenancy approval
RIGI	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
SEMAP	Section 8 Management Assessment Program
SRO	Single room occupancy
SSA	Social Security Administration
SSI	Supplemental security income
SWICA	State wage information collection agency

TANF	Temporary assistance for needy families
TPV	Tenant protection vouchers
TR	Tenant rent
TTP	Total tenant payment
UA	Utility allowance
UFAS	Uniform Federal Accessibility Standards
UIV	Upfront income verification
URP	Utility reimbursement payment
VAWA	Violence Against Women Reauthorization Act of 2013

B. GLOSSARY OF SUBSIDIZED HOUSING TERMS

Absorption. In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

Accessible. The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

Adjusted income. Annual income, less allowable HUD deductions and allowances.

Administrative fee. Fee paid by HUD to the PHA for administration of the program. See §982.152.

Administrative plan. The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

Admission. The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

Affiliated individual. With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual

Amortization payment. In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

Annual. Happening once a year.

Annual contributions contract (ACC). The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

Annual income. The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

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

Area exception rent. An amount that exceeds the published FMR. See 24 CFR 982.504(b).

As-paid states. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

Assets. (See *net family assets*.)

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

Biennial. Happening every two years.

Bifurcate. With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

Budget authority. An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

Child. A member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen. A citizen or national of the United States.

Cohead. An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

Common space. In shared housing, the space available for use by the assisted family and other occupants of the unit.

Computer match. The automated comparison of databases containing records about individuals.

Confirmatory review. An on-site review performed by HUD to verify the management performance of a PHA.

Consent form. Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Congregate housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see 24 CFR 982.606–609.

Contiguous MSA. In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

Continuously assisted. An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

Contract authority. The maximum annual payment by HUD to a PHA for a funding increment.

Cooperative (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type (see 24 CFR 982.619).

Covered families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

Dating violence. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

Dependent. A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Dependent child. In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family. A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person. See *person with disabilities*.

Disallowance. Exclusion from annual income.

Displaced family. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

Domestic violence. Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Domicile. The legal residence of the household head or spouse as determined in accordance with state and local law.

Drug-related criminal activity. The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

Economic self-sufficiency program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

Elderly family. A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person. An individual who is at least 62 years of age.

Eligible family A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR. See also *family*.

Employer identification number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted as evidence of citizenship or eligible immigration status. See 24 CFR 5.508(b).

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. See 24 CFR 5.603.

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock, or other real or personal property or interest in the property.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

Family. Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
- An elderly family or a near-elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family rent to owner. In the voucher program, the portion of rent to owner paid by the family.

Family self-sufficiency program (FSS program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share. The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

Family unit size. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

Federal agency. A department of the executive branch of the federal government.

Foster child care payment. A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

Full-time student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). See 24 CFR 5.603.

Funding increment. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

Gender identity. Actual or perceived gender-related characteristics.

Gross rent. The sum of the rent to owner plus any utility allowance.

Group home. A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). (A special housing type: see 24 CFR 982.610–614.)

Handicap. Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

HAP contract. The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

Head of household. The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Household. A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

Housing assistance payment. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing agency (HA). See *public housing agency*.

Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the voucher program.

HUD. The U.S. Department of Housing and Urban Development.

Imputed asset. An asset disposed of for less than fair market value during the two years preceding examination or reexamination.

Imputed asset income. The PHA-established passbook rate multiplied by the total cash value of assets. The calculation is used when net family assets exceed \$5,000.

Imputed welfare income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

Income. Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

Income for eligibility. Annual income.

Income information means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer

identification number of an employer reporting wages under a state unemployment compensation law

- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment, wages, and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

Individual with handicaps. See *person with disabilities*.

Initial PHA. In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

Initial payment standard. The payment standard at the beginning of the HAP contract term.

Initial rent to owner. The rent to owner at the beginning of the HAP contract term.

Institution of higher education. An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.

Jurisdiction. The area in which the PHA has authority under state and local law to administer the program.

Landlord. Either the owner of the property or his/her representative, or the managing agent or his/her representative, as shall be designated by the owner.

Lease. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

Live-in aide. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

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

Living/sleeping room. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. A bedroom or living/sleeping room must have at least one window and two electrical outlets in proper operating condition. See HCV GB p. 10-6 and 24 CFR 982.401.

Local preference. A preference used by the PHA to select among applicant families.

Low-income family. A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except

that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

Manufactured home. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. (A special housing type: see 24 CFR 982.620 and 982.621.)

Manufactured home space. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

Medical expenses. Medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance (a deduction for elderly or disabled families only). These allowances are given when calculating adjusted income for medical expenses in excess of 3 percent of annual income.

Minor. A member of the family household other than the family head or spouse, who is under 18 years of age.

Mixed family. A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

Mutual housing. Included in the definition of *cooperative*.

National. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets. (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen. A person who is neither a citizen nor national of the United States.

Notice of funding availability (NOFA). For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Office of General Counsel (OGC). The General Counsel of HUD.

Overcrowded. A unit that does not meet the following HQS space standards: (1) Provide adequate space and security for the family; and (2) Have at least one bedroom or living/sleeping room for each two persons.

Owner. Any person or entity with the legal right to lease or sublease a unit to a participant.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

PHA's quality control sample. An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

Participant (participant family). A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

Payment standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Person with disabilities. *For the purposes of program eligibility.* A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

Portability. Renting a dwelling unit with a Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

Premises. The building or complex in which the dwelling unit is located, including common areas and grounds.

Previously unemployed. With regard to the earned income disallowance, a person with disabilities who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Private space. In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.

Processing entity. The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the HCV program, the "processing entity" is the "responsible entity."

Project owner. The person or entity that owns the housing project containing the assisted dwelling unit.

Public assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

Public housing agency (PHA). Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Qualified family (under the earned income disallowance). A family participating in an applicable assisted housing program or receiving HCV assistance:

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least \$500.

Qualified census tract. With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.

Reasonable rent. A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

Reasonable accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

Receiving PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

Recertification. Sometimes called *reexamination*. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Remaining member of the tenant family. The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

Rent to owner. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Residency preference. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

Residency preference area. The specified area where families must reside to qualify for a residency preference.

Responsible entity. For the public housing and the Section 8 tenant-based assistance, project-based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

Secretary. The Secretary of Housing and Urban Development.

Section 8. Section 8 of the United States Housing Act of 1937.

Section 8 covered programs. All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

Section 214. Section 214 of the Housing and Community Development Act of 1980, as amended.

Section 214 covered programs. The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

Security deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Set-up charges. In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home.

Sexual assault. Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

Sexual orientation. Homosexuality, heterosexuality or bisexuality.

Shared housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (A special housing type: see 24 CFR 982.615–982.618.)

Single person. A person living alone or intending to live alone.

Single room occupancy housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

Social security number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

Special admission. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

Special housing types. See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

Specified welfare benefit reduction. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Southern Santa Barbara County: Southern Santa Barbara County encompasses the following cities: Carpinteria, Montecito, Santa Barbara, and Goleta. It is further defined by the following census tracts: 1.01, 1.02, 1.03, 2.00, 3.01, 3.02, 4.00, 5.01, 5.02, 6.00, 7.00, 8.01, 8.04, 9.00, 10.00, 11.01, 11.02, 12.03, 12.06, 12.08, 13.04, 13.06, 14.02, 15.00, 16.01, 16.04, 17.04, 17.06, 29.06, 29.07, 29.09, 29.13, 29.14, 29.15, 29.22, 29.24, 29.26, 29.28, 29.30, 29.32, 30.01, 30.04, 30.05, and 30.07.

Spouse. The marriage partner of the head of household.

Stalking. To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

State wage information collection agency (SWICA). The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Subsidy standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension. The term on the family's voucher stops from the date the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family in writing whether the request has been approved or denied. This practice is also called *tolling*.

Tax credit rent. With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Tenancy addendum. For the housing choice voucher program, the lease language required by HUD in the lease between the tenant and the owner.

Tenant. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent to owner. See *family rent to owner*.

Term of lease. The amount of time a tenant agrees in writing to live in a dwelling unit.

Total tenant payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

Unit. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

Utilities. Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

Utility hook-up charge. In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Very low-income family. A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Reauthorization Act (VAWA) of 2013. Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Violent criminal activity. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Voucher (housing choice voucher). A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

Voucher holder. A family holding a voucher with an unexpired term (search time).

Voucher program. The housing choice voucher program.

Waiting list. A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

Waiting list admission. An admission from the PHA waiting list.

Welfare assistance. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (984.103(b)), *welfare assistance* includes only cash maintenance payments from federal or state programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or social security.



City of Needles, California Request for Council Action

Item 7.

☐ CITY COUNCIL ☒ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Accept the AB32 Greenhouse Gas (GHG) Emissions Verification Report 2022 Emissions prepared by WZI Inc. and authorize the Mayor to send a letter to the California Air Resources Board requesting a review of the unintended financial hardship and provide relief to avoid such financial hardship

Background: The California Air Resources Board requires a third-party verifier of the GHG. WZI Inc. reported "The City of Needles' 2022 emission data reports for Electric Power Entity (ARB AD 3047) are found to be **free of material misstatement and in conformance** with the Mandatory Reporting Requirement". The City's annual metric ton of CO₂e is reported as;

Year	CO ₂ e
2022	22,867
2021	22,313
2020	20,214
2019	16,556
2018	18,022

The new compliance period begins 2021 – 2023. The City of Needles has received free allowances. An allowance is a tradable permit to emit one metric ton of carbon dioxide equivalent GHG emissions. The following allowances have been transferred into the City's compliance account, the amount of CO₂e generation verified and the current compliance deficit.

Year	Free Allowance	CO ₂ e Generation	Deficit
2021	6,953	22,313	15,360
2022	6,788	22,867	16,079
Total Allowance Deficit			<u>31,439</u>

The City transacted in 2021 for the Triennial compliance period of 2018-2020. Prices of allowances ranged from \$17-\$28 per allowance. City Staff is working on obtaining current market prices and transacting before the 2024 compliance period deadline. The Board of Public Utilities approved the recommended action on September 5, 2023.

Fiscal Impact: to be determined

Recommended Action: Accept the AB32 Greenhouse Gas (GHG) Emissions Verification Report 2022 Emissions prepared by WZI Inc. and authorize the Mayor to send a letter to the California Air Resources Board requesting a review of the unintended financial hardship and provide relief to avoid such financial hardship

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 7



August 8, 2023

Rainie Torrance
City of Needles
Assistant Utility Manager
Re: AB32 Greenhouse Gas Verification Statement

Dear Ms. Torrance:

After reviewing your transaction data, inventory plan, and supporting documents, WZI Inc. can offer a **Positive** verification statement on your AB32 reporting for calendar year 2022. We can state with reasonable assurance that your 2022 report is free of material misstatement and conforms to the requirements of the Mandatory Reporting Rule.

Richard B. Wilson

Lead Verifier

Mary Jane Wilson

Independent Reviewer

STATE OF CALIFORNIA
 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
 CALIFORNIA AIR RESOURCES BOARD
MRR VERIFICATION STATEMENT FORM
 ISD/PPMD-029 (REV. 08/2020) PAGE 1 OF 4

EMISSIONS DATA REPORT

For assistance completing or submitting this report, contact ghgverify@arb.ca.gov.

PART I: EMISSIONS DATA REPORT INFORMATION

Reporting Year:
 2022

PART II: VERIFICATION BODY INFORMATION

Verification Body Name:
 WZI Inc.

PART III: REPORTING ENTITY INFORMATION

Name of Reporting Entity:
 City of Needles

CARB ID Number:
 3047

PART IV: VERIFICATION STATEMENT INFORMATION

1. This verification statement attests that the submitted data are (check one):

- ☒ Reasonably assured of being free of material misstatement
☐ NOT reasonably assured of being free of material misstatement

2. This verification statement attests that the submitted data are (check one):

- ☒ Reasonably assured of being in conformance with the regulation
☐ NOT reasonably assured of being in conformance with the regulation
☐ NOT reasonably assured of being in conformance with the regulation, including NOT in conformance with §95131(b)(9): failure to correct data errors discovered during data checks

3. As a result of the selections above, the final verification statement is (check one):


- ☒ Positive: Reasonably assured of no material misstatement and in conformance with the regulation
☐ Qualified Positive: Reasonably assured of no material misstatement, but not reasonably assured in conformance with the regulation
☐ Adverse: Not in conformance with §95131(b)(9) and/or not reasonably assured of no material misstatement

4. Provide the Qualifying Statement below (required for qualified positive or adverse statements):

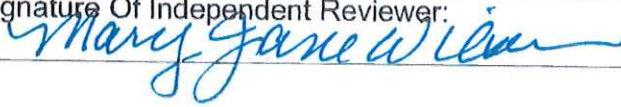
STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
CALIFORNIA AIR RESOURCES BOARD
MRR VERIFICATION STATEMENT FORM
ISD/PPMD-029 (REV.08/2020) PAGE 2 OF 4

PART V: SIGNATURE

☒ As the lead verifier for this verification, I certify under penalty of perjury under the laws of the State of California that the verification team has carried out all verification services as required by the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR) (title 17, California Code of Regulations, §95100-95158).

Printed Name: Richard Wilson	Date: 08/08/2023
Signature Of Lead Verifier: 	

☒ As the independent reviewer, I certify under penalty of perjury under the laws of the State of California, that I have conducted an independent review of the verification services and findings on behalf of the verification body as required by the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR) (title 17, California Code of Regulations, §95100-95158), and that the findings are true, accurate and complete.

Printed Name: Mary Jane Wilson	Date: 08/08/2023
Signature Of Independent Reviewer: 	



Verification Report:

City of Needles, 2022

Entity Overview

The City of Needles operates as an Electric Power Entity (EPE) under AB-32 mandatory GHG reporting. The City of Needles reports unspecified and specified electricity imports, and retail sales. The source includes power imported into California, managed for the City of Needles by Western Area Power Administration – Desert Southwest Region.

Verification Overview

GHG Verification for The City of Needles entity consisted of off-site data and record checks, a site visit at the WAPA offices in Phoenix, AZ, and correspondence with the client. WZI recalculated GHG emissions values to check against reported values and tested for any materiality issues. In addition, original source data e-tags and CAISO market downloads were checked against entered data to verify accurate data collection. Calculation methods were also checked for conformance. GHG inventory planning and activities were checked and evaluated for conformance to the AB-32 reporting regulation.

Verification Team

Lead Verifier-	Rich Wilson
Verifier-	Jesse Frederick
Internal Reviewer-	Mary Jane Wilson

Verification Activities

GHG Monitoring Plan:

-The entity's GHG inventory plan was obtained and checked for conformance. The plan thoroughly details required information and complies with the reporting regulation.

Unspecified Imports

-The entity reported unspecified imports from 19 generating facilities outside of California. The transactions are e-tagged. Transactions are managed on behalf of the City by Western Area Power Administration – Desert Southwest Region. The e-tags are compiled in an automated process by OATI. The entity requests a “Tags Sinking in Needles” report from OATI, which captures all e-tags delivered to the City. That data is then filtered to remove e-tags that are exempt from reporting. The removed tags include power originating in CA, and tags that are part of the DSWM Parker-Davis allocation sourced from Davis230. The DSWM tags are discussed under specified imports.

-Two sets of “metered” imports are also reported. These include the WALC Energy Imbalance Market transactions, and the Aggregated Energy Services group sharing transactions. These mechanisms are used to meet additional demand not covered by the tagged transactions. Meter reports from the City are used to calculate the transactions from these two sources, both of which originate outside of CA.

The verification team reviewed the complete OATI transaction data, and performed several additional data checks:

1. During the webinar meeting, a query of the OATI data was re-run and sent to the verification team. The new data query matched the data used in the report exactly.
2. A random sample of e-tags was requested, and the actual tags reviewed. Extra focus was put on tags that were excluded from the report, to ensure that they were correctly excluded. Tags matched reported data, and excluded tags all sourced in CA. No issues were discovered.
3. Annual meter reports were requested and reviewed. The verification team was able to check the accuracy of the calculations used to determine the WALC energy imbalance and the AES group share transactions.
4. The verification team was made aware of a number of e-tags that were attested in 2022. This was determined to be due to errors made during tag generation. The attested tags corrected the error and were determined to be accurate.
5. The verification team checked the e-tag data for transactions that were reported as unspecified imports. Tags were checked for appropriate source and sink codes, and were

filtered by source and total MWh recalculated. Total CO₂e was also recalculated. No issues were discovered.

Specified Imports

-The entity reported specified imports from the DSWM Parker-Davis allocation sourced from Davis230. The City of Needles Parker-Davis Project allocation is delivered across the California border by WAPA-DSW using the DSWM01 PSE code and is reported on the City of Needles GHG Report as a specified import imported on behalf of the City of Needles. These transactions are hydroelectric power and have a zero CO₂e value.

The verification team reviewed the e-tag data, and performed these data checks:

1. E-tags were checked for DSWM01 PSE codes. All tags were DSWM01.
2. Tags were totaled and checked against reported values. No issues were discovered.

Retail Sales

-The entity reported retail sales as a retail utility provider. These sales are reported based on monthly totals of the utility retail meter readings. These transactions do contribute to the entity's CO₂e total.

The verification team performed these data checks:

1. Monthly meter report was requested and reviewed. Total metered sales matched reported value exactly.

Material Misstatement Assessment

-To determine the error in reported data discrepancies, omissions, and misreporting events were quantified and used:

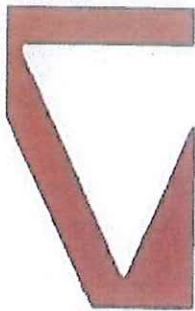
$$\sum \frac{[Discrepancies + Omissions + Misreporting]}{Total\ Reported\ Covered\ Emissions} = \frac{[0 + 0 + 0]}{22,869MT\ CO_2e} = 0$$

Verification Statement

After evaluating the facility's GHG inventory program, data, and reported values, WZI Inc. can issue a **POSITIVE** verification statement. It is our opinion that the entity's report contains no material misstatement, and conforms to the requirements of the AB-32 reporting regulation.

Attachments:

- Verification Plan
- Sampling Plan
- Risk Assessment
- Issues Log
- GHG Monitoring Plan Checklist
- Transactions data calculated by verification team w/ materiality testing



WZI INC.

Verification Plan
City of Needles 2022 Report
(AB-104462)

**Verification of 2022
Greenhouse Gas Emissions Report**

WZI Inc.
1717 28th Street
Bakersfield, CA 93301
(661)326-1112

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Executive Summary

WZI was contracted to perform Greenhouse Gas verification services for the 2022 calendar year. Transactions Data are required to be fully verified by an accredited verification body.

Facility Overview

City of Needles is a power importer and retail provider in the state of California. Power transactions are managed on behalf of the City of Needles by the Western Area Power Authority.

The City of Needles reports transactions including specified and unspecified imports of hydroelectric and fossil-fuel generation, and retail sales.

General Plan

The WZI verification team will take steps to become familiar with the entity's trading operations in California. Transparency of data collection methods and how items are tracked will be scrutinized. Additionally, the team will scrutinize data collection methods, the personnel involved, and training methods in place that are meant to ensure precise data reporting. More details on information requested for verification to begin is detailed below in "Document Request."

Verification Team

Lead Verifier-	Rich Wilson
Verifier-	Jesse Frederick
Internal Reviewer-	Mary Jane Wilson
Staff Engineer-	Terry Potter

Pre-Verification

WZI completed the required Conflict-of-Interest Form-A, which yielded a result of a "Low Conflict-of-Interest". Form-A was submitted and was approved to begin verification.

Verification Activities

A. Desk review of Report

The first tool is the Greenhouse Gas Monitoring Plan which will be reviewed by WZI to understand the facility operation and the methods used to properly report data from both emissions and product. Additionally, WZI has developed a checklist to use while reviewing the Monitoring Plan to ensure all necessary information is complete pursuant to Sections 95105(c)(1) through 95105(c)(10) of the Mandatory Reporting Rule.

The 2018 summary report will be downloaded and reviewed for background and any broad issues.

B. Kick-Off Meeting

Kick-off meetings will be conducted through conference calls. This will consist of a discussion of what WZI is looking for in the data that is provided by Needles and WAPA agents and a general plan for how WZI will proceed in the verification process. The Greenhouse Gas Verification plan is the first source of information that serves as a basis for this discussion.

C. Document Request

A Document request will be sent to the operator after the kick-off meeting. The operator will be asked to provide the requested documents in a timely manner. For the 2022 verification, the following information will be requested:

1. Greenhouse Gas Monitoring Plan;
2. Specified Import data;
3. Unspecified Export e-tags;
4. "GHG Quantities with Pivot" spreadsheet for 2022; and
5. 2022 EPE Workbook.

D. Off-Site Data Review

The off-site data review will be conducted at the WZI offices, and will consist of the following:

1. Create Sampling Plan

The Verification team will prepare a sampling plan based on data and documentation received from the operator. The sampling plan's primary focus will be the specified imports.

2. Data Completeness Check

The team will verify that all required data was collected. This data includes all power transactions into, out of, and through CA. Once the data is obtained, the data will be scrutinized for inconsistencies and how the data was collected and tracked. The team will inspect any data transfers from one format or source to another, either manual or automatic, and ensure that data quality is maintained throughout. After the data collection and tracking methods are checked, the team will ensure that data was manipulated properly. This would include procedures such as conversion factors unique to the operation, unit conversion accuracy, or general calculations used to prepare data for reporting purposes. Finally, the team will ensure that the data submitted in the report corresponds to the data records tracked for this year.

3. Data/Calculation Conformance Check

The team will verify that the calculation methods selected by the operator conform to the reporting regulation. The team will run sample calculations to verify the accuracy of the operator's calculation methods. Any error in reporting will be noted, regardless of significance, into the issues log and an explanation will be provided in the final report if the cause of the error is known (i.e. rounding error). If, however, the numbers for reporting do not match it will be noted in the issues log and is subject to revision by the reporter.

4. Issues Log Review

The team will compile the issues log and determine the impact of any errors found. Each issue will be identified with the date of discovery; a detailed description of the issue found; the specific reference in the MRR related to the issue; the impact on reported data (non-conformance, misstatement, etc.) and, finally, the resolution of the issue after corrective action is taken by the reporter to satisfy the mandatory reporting rule.

5. Materiality/Conformity Analysis

The team will determine if any errors found would create a material misstatement or a non-conformance. This information will be noted in the issues log. In the case of missing data, the proper steps will be taken according to Section 95129 of the MRR. The team will prepare a draft statement.

E. Site Visit

A site visit is not required for this reporting year.

F. Revisions (If Needed)

If the report requires revision, the team will set the report status to “Revision Requested”. After any revisions are complete, the verification will resume at step D.

G. Statement/Report Preparation

Materials from the off-site data review will be compiled into a draft verification report. The complete team will meet to determine the initial verification statement.

H. Internal Review

The report, issues log, and data will be submitted to the internal reviewer for final QA check. Depending on the internal reviewer’s assessment, the verification team may need to return to the assessment for clarification. This may involve more information to be requested from the facility and/or a deeper review of portions the internal reviewer may flag as something that needs further scrutiny. Once the internal reviewer signs off on the report, the final statement can be prepared.

I. Final Statement/Report

Any errors found by the internal reviewer will be corrected. The final verification report will be prepared and submitted to the operator. After the operator has had sufficient time to review the report, the statement will be submitted to ARB via the reporting tool.

Risk Assessment: City of Needles 2022

Category		Description		Uncertainty/Risk Assessment		Follow-up	
Data Acquisition Equipment		Meter data used to calculate EIM transactions and retail sales		Data uncertainty is moderate due to large volume of transactions.		Meter data was checked down to actual meter reports. E-tag data was re-queried and checked. No issues.	
Data Sampling and Frequency		Unspecified import data is generated by direct query of OAT e-tags. Meter data is sampled monthly.		Data uncertainty is moderate due to large volume of transactions.		All e-tag data was re-queried and checked.	
Data Processing and Tracking		Data is maintained by WAPA DSW personnel.		Data uncertainty is moderate due to large volume of transactions.		All e-tag data was re-queried and checked.	
Emissions Calculations		Calculations are performed in the ONE workbook using ARB emissions factors for specified imports.		Low risk area.		N/A	
Data Reporting		Data is reported in CAL e-GSRT in accordance with the MRR.		Low risk area.		N/A	
Product Data		N/A		N/A		N/A	
Management policies/practices		The entity maintains a compliant inventory plan and procedure.		Low risk area.		Plan was checked for conformance	

Issues Log: City of Needles 2022

Issue	Date	Issue	Regulation Reference	Impact	Resolution
1	19-Jul	Metered electricity reported does not match Needles monthly meter reports exactly	95111(a)(2) and 95102(a)	Possible Misstatement	Meters in the city are still read by a walk-around meter-reader and are not expected to be 100% accurate. Values are trued-up to distribution meter totals for accuracy. Issue is resolved.
2					
3					
4					
5					
6					
7					
8					

GHG Monitoring Plan Checklist: City of Needles 2022

Requirement		Check	Notes
1	Information to allow the verification team to develop a general understanding of entity boundaries, operations, and electricity transactions	X	
2	Reference to management policies or practices applicable to reporting pursuant to section 95111	X	
3	List of key personnel involved in compiling data and preparing the emissions data report	X	
4	Training practices for personnel involved in reporting delivered electricity pursuant to section 95111 and responsible for data report certification, including documented training procedures	X	
5	Query of NERC e-Tag source data to determine the quantity of electricity (MWh) imported, exported, and wheeled for transactions in which they are the purchasing-selling entity on the last physical path segment that crosses the border of the state of California, access to review the raw e-Tag data, a tabulated summary, and query description	X	
6	Reference to other independent or internal data management systems and records, including written power contracts and associated verbal or electronic records, full or partial ownership, invoices, and settlements data used to document whether reported transactions are specified or unspecified and whether the requirements for adjustments to covered emissions pursuant to sections 95852(b)(1)(B), 95852(b)(4) and 95852(b)(5) of the cap-and-trade regulation are met, specifically how the entity determined that the electricity associated with the REC claimed for the RPS adjustment was not directly delivered to California, if reporting an RPS adjustment	X	
7	Description of steps taken and calculations made to aggregate data into reporting categories required pursuant to section 95111	X	
8	Records of preventive and corrective actions taken to address verifier and ARB findings of past nonconformances and material misstatements	X	
9	Log of emissions data report modifications made after initial certification	X	
10	A written description of an internal audit program that includes emissions data report review and documents ongoing efforts to improve the GHG Inventory Program	X	

Final Verification Report Checklist

1	Verification report includes a detailed description of the reporting entity sources and boundaries §95131(c)(3)(A)(1)	X
2	Verification report includes a detailed comparison of the data checks §95131(c)(3)(A)(4)	X
3	Verification report includes log of issues §95131(c)(3)(A)(5)	X
4	Material misstatement was evaluated correctly for emissions data §95131(c)(3)(A)(7) §95131(b)(12)(A)	X
5	Conformance was evaluated correctly §95131(b)(10)	X
6	The issues log provides an independent and objective analysis of the non-conformances with sufficient detail to allow for resolution of identified discrepancies by the reporting entity §95102(a) §95131(b)(11)	X
7	The issues log indicates if issues were resolved §95131(b)(11)	X
8	The issues log identifies the regulatory section for each non-conformance §95131(b)(11)	X
9	The issues log includes information pertaining to whether each issue is a nonconformance or has a potential bearing on material misstatement §95131(b)(11)	X
10	The verification body documented the evaluation of product data §95131(b)(8)(E), §95131(c)(3)(A)(2)	N/A
11	Data checks focused on the largest and most uncertain product data §95131(b)(8). The verifier must conduct an in-depth review for covered products identified as the highest risk, including detailed data checks and review of data management systems.	N/A
12	The verification body correctly evaluated material misstatement and conformance for product data §95103(l), §95131(b)(12) (Total Product Data)	N/A
13	The sampling plan adequately describes the risk of misreporting associated with product data §95131(b)(7)	N/A

Power Transactions

SPECIFIED IMPORT	(MWH)	CO2 EFF	CO2e	Tagged Totals Verification
Parker-Davis Hydro	24,357	0	0.00	
UNSPECIFIED IMPORT (LOA)				
APACHE230	400	0.428	174.62	400
BPA1 CUPD	128	0.428	55.88	128
BPA1 GCPD	96	0.428	41.91	96
BPA1 SCL	47	0.428	20.52	47
COASTrip	40	0.428	17.46	40
Centralia	1,167	0.428	509.47	1,167
GILARIVER500	483	0.428	210.86	483
GRIFFITH230	13,538	0.428	5910.15	13,538
HAS500	95	0.428	41.47	95
HermistonCPN	483	0.428	210.86	483
IPP	2,165	0.428	945.15	2,165
IRVINGTON138	64	0.428	27.94	64
LIBERTY230	64	0.428	27.94	64
LYPK	192	0.428	83.82	192
MDGT	40	0.428	17.46	40
MDWP	16	0.428	6.98	16
MEAD230	893	0.428	389.85	893
MIDCKemote	392	0.428	171.13	392
NORTH5YS	21	0.428	9.17	21
PACE	711	0.428	310.39	711
PALOVERDE500	3,042	0.428	1328.02	3,042
PGE.MIDC	9	0.428	3.93	9
RUDD230	48	0.428	20.95	48
SCOUT5YS	12	0.428	5.24	12
SPS	48	0.428	20.95	48
SRPNETWORK	7,188	0.428	3137.99	7,188
Stibor230	144	0.428	62.86	144
TOPOCK230	2,102	0.428	917.65	2,102
WAUE	22	0.428	9.60	22
BPAPower	4,008	0.428	1749.73	4,008
LRS - Attested	8	0.428	3.48	8
MDGT - Attested	217	0.428	94.79	217
MEAD230 - Attested	104	0.428	45.40	104
PALOVERDE500 - Attested	96	0.428	41.91	96
SRPNETWORK - Attested	152	0.428	66.36	152
WALC BAA IWB	1,605	0.428	700.68	1,605
AES Sharing Group	12,542	0.428	5475.34	12,542
TL	1.02			
WZ1 Calculated CO2e covered	22667.89			
Operator Reported CO2e covered	22669.20			
Variation (Materiality test)	-0.01%	rounding		
Tagged Totals Verification				
WZ1 Verified Retail Sales	80,950.12	MWh		
Operator Reported Retail Sales	80,950.00	MWh		
Variation (Materiality test)	0.00015%	rounding		
Checked monthly totals against hourly data				
Meter Total Verification*				
	1605.5	1		
	12541.5	-1		

[illegible]

Age Group	Percentage
18-24	10
25-34	25
35-44	20
45-54	15
55-64	10
65-74	5
75-84	2
85+	1

[illegible][illegible]

GREENHOUSE GAS (GHG) EMISSIONS OVERVIEW

Based on its historic GHG content, Needles has been allocated 85,087 free Allowances.

Annual Free Allowance Allocation					
2021	2022	2023	2024	2025	2026
6,953	6,788	6,510	6,082	5,800	5,767

The upcoming Triennial compliance period of from 2021 – 2023. The City utilizes the free allowances to cover the annual 30% procurement requirements.

Year	CO2e	Free Allowances	30% annual requirement	70% requirement Nov. 2024
2021	22,313	6,953	6,694	15,619
2022	22,867	6,788	6,860	16,007
*2023	22,500	6,510	6,750	15,750
	67,680	20,251	20,304	47,376

* forecast

California Air Resources Board's (ARB) regulations allow for two ways to procure GHG regulations via the Direct Environmental Benefits in the State (DEBS)

- 1) **Direct Environmental Benefits in the State (DEBS)** – Assembly Bill 398 (AB 398; Chapter 135, Statutes of 2017) defines projects that meet the DEBS requirement as projects that result in *"the reduction or avoidance of emissions of any air pollutant in the state or the reduction or avoidance of any pollutant that could have an adverse impact on waters of the state."*

Assembly Bill 398, passed in 2017, changed the post-2020 offsets future, it stipulated that new offset limit for 2021-2025 would be 4% (max 2% for projects outside of California), and then raised to 6% for 2026-2030.

- 2) **Allowances (Non-DEBS)**– An Allowance is a tradable permit to emit one metric ton of carbon dioxide equivalent GHG emission. The total number of Allowances will be equivalent to the annual Allowance budget in the Regulation. Each Allowance will have a unique serial number. Allowances have been freely allocated to electric utilities that distribute electricity to California ratepayers. These Allowances must be used exclusively for the benefit of the ratepayers to reduce the costs of AB 32 on those ratepayers and be consistent with the goals of AB 32 to reduce GHG.

Based on the 67,680-procurement requirement by November 2024, 4% max is allowed to be procured DEBS and the remaining balance is Non-DEBS.

70% requirement			DEBS	Non-DEBS
Year	CO2e	Nov. 2024		
2021	22,313	15,619		
2022	22,867	16,007		
*2023	22,500	15,750		
	67,680	47,376	2,707	44,669

Current market prices are

Vintage Year 20-21 CA Carbon Allowances have been offered around the \$36.60 range.

Vintage Year 20-21 CA Carbon Offset DEBs have been offered around the \$28.00 range.

ARB allows for opportunities to purchase in a competitive closed bid process, the recent auction listed non-DEBS at \$35 per allowance. The potential impact of the Triennial Compliance period is projected to be;

	Quantity	Market Prices	Cost
DEBS	2,707	\$ 28.00	\$ 75,796.00
Non-DEBS	44,669	\$ 35.00	\$ 1,563,415.00
			\$ 1,639,211.00



City of Needles

817 Third Street, Needles, California 92363
(760) 326-2113 • FAX (760) 326-6765
www.cityofneedles.com

Mayor, Janet Jernigan
Vice Mayor Kirsten
Councilmember To Item 7.
Councilmember Ellen Campbell
Councilmember Jamie McCorkle
Councilmember JoAnne Pogue
Councilmember Henry Longbrake

City Manager Rick Daniels

September 12, 2023

California Air Resources Board (CARB)
Rachel Gold, Supervisor Program Climate Change Program
1001 I Street, Sacramento, CA 95814

RE: City of Needles CARB ID #3074

Dear Ms. Gold,

The City, through the Needles Public Utility Authority (a Joint Powers Authority), owns and operates a Publicly Owned Utility (POU) electric utility, which serves 3,000 customers. The City of Needles is a disadvantaged and rural jurisdiction. Needles is home to 4,931 residents. The median household income in Needles is \$48,061, far lower than the average for San Bernardino County of \$77,500 and California of \$84,097. Approximately 80% of the City's electrical residential customers are low-income and are on some form of Government assistance.

Approximately 55% of the City's current electric energy is purchased on the open market from WAPA. The remaining 45% is supplied by hydroelectric power from the Parker Davis Dam. The City operates within the Western Area Lower Colorado (WALC) Balancing Authority Area (BA). The WALC BA participates in the CAISO Western Energy Imbalance Market. The City contracted with WAPA DSR to receive scheduling and marketing services. The City's loads and resources are aggregated with other WAPA customers to cost-effectively dispatch hourly resources.

Under California's Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR), industrial sources, fuel suppliers, and electricity importers must report their annual GHG emissions to the California Air Resources Board (CARB). The City of Needles has met this requirement of reporting and verifying annual GHG emissions annually and is committed to compliance.

The City of Needles is experiencing a cost limitation in meeting the Triennial compliance period 2021 – 2023. Current market prices have increased significantly. In order to meet compliance on the Triennial compliance period of 2018 – 2020 cost the ratepayers of Needles \$240,000. The current compliance period is expected to cost the ratepayers **\$1,639,211**. That is an **585% cost increase**.

The City has been able to maintain low rates for its low-income and disadvantaged community of .1399 to .1499 per kwh. However, the looming impact of the Triennial compliance period of 2021 – 2023 is expected to cause a financial burden on the City of Needles ratepayers.

The City of Needles requests California Air Resources Board review the unintended financial hardship compliance is causing low-income jurisdictions and provide relief to avoid financial hardship in the already disadvantaged community of Needles. This could be accomplished by providing the City of Needles additional free allowances, reducing or eliminating the

procurement requirement for rural and disadvantaged communities or providing allowances for hydro power as a renewable source.

If you have any questions, please contact Rainie Torrance at rtorrance@cityofneedles.com or by phone at (760)326-5700 X140.

Thank you,

Janet Jernigan, Mayor
817 Third St.
Needles, CA 92363

CC: Governor Newsom
Senator Stephen Padilla
Assemblymember Eduardo Garcia
Mojave Desert Air Quality Management District



City of Needles, California Request for Council Action

Item 8.

☒ CITY COUNCIL/NPUA ☐ Board of Public Utilities ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Authorize FY24 Brooks Consulting Electrical Engineering support services to not exceed \$15,000 to be funded by the electric operations and maintenance budget

Background: In August 2020 the City issued a request for proposals for Professional Electrical Engineering Services for a three-year contract. Brook's contract was extended in 2023 for an additional three years.

Staff utilizes Brooks expertise on all new project development and all billings are accounted toward the project's developer deposit. Staff also utilizes Brooks for non-development projects such as

- adjusting and setting reclosures in the substations
- breaker adjustments
- recommendations on modifying equipment
- reviews electrical load calculations and overall system improvements that may be needed to accommodate prior to project development
- maintains the electrical model for the NPUA
- provides cost estimates on design and specifications as needed for system improvements
- covers travel costs for Brooks to do onsite visits in Needles

Staff is requesting an authorization to maintain the continue Brooks services not to exceed \$15,000 for FY24. The Board of Public Utilities approved the recommended action on September 5, 2023.

Fiscal Impact: \$15,000 to be funded by the electric operations and maintenance budget.

Recommended Action: Authorize FY24 Brooks Consulting Electrical Engineering support services to not exceed \$15,000 to be funded by the electric operations and maintenance budget

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 8



City of Needles, California Request for Council Action

Item 9.

☒ CITY COUNCIL/NPUA ☐ Board of Public Utilities ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Adopt the Energy Efficiency Program dated September 12, 2023

Background: The Electric O&M budgets \$200,000 annually for the existing energy efficiency program. The \$200,000.00 is funded by ratepayers via a line item on their electric bill (Mandated Conservation at \$0.0035/kWh). The prerequisite for eligibility for the energy efficiency program (City pays for 14 or higher SEER rated air conditioners, evaporative coolers and refrigerators) is based on income guidelines set by the U.S. Department of Health and Human Services.

The program also provides rebates for non-low-income resident. The current rebates have not been adjusted since 2015. Through the energy efficiency program Air conditioner replacement costs have increased 50% since 2015.

In addition, there has been an increased popularity of ductless mini-split units. These units are efficient, by design, as they can be used to cool/heat zones of a structure without traditional ductwork, eliminating the potential for duct leakage.

Staff is proposing to increase the rebate amounts for the non-low-income program to account for the cost increase and provide incentive rebates for higher SEER rated units. Also, incorporate a mini-split rebate up to \$500 per resident.

The Board of Public Utilities approved the recommended action on September 5, 2023.

Fiscal Impact: The current program allows non-low-income residents to receive \$100 per ton up to five (5) tons. The recommendation is to double that amount to \$200 per ton for a 14 SEER rating unit. There is also a recommendation to change the program to allow for larger rebates for higher rated SEER rating units. The proposed recommendation is up to a maximum \$2,000 rebate for a 17 SEER or greater unit. Also, the program has been updated to allow mini-split rebates up to \$500 per residents. All rebates over \$600 will require a W-9.

Recommendation: Adopt the Energy Efficiency Program dated September 12, 2023

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 9



CITY OF NEEDLES
Energy Efficiency Program
Revised September 12, 2023

- The City of Needles Public Utilities Department was established in 1982.
- Needles is located in Western Area Power Authority Administration control area and is not part of the CAISO grid.
- Needles has 2,840 meters, serving 2,478 residential customers, 432 commercial customers, 37 commercial demand customers, and 4 master metered and 1 municipal customers.
- Approximately 45% of Needles power comes from hydroelectric
- Peak demand is 21 megawatts
- Needles is an extreme summer peaking utility. Summer temperatures (late June through early September) can reach 130 degrees, and daytime temperatures range from minimum temperatures in the mid-90s with afternoon temperatures between 100 and 120 degrees.

City of Needles Energy Efficiency Program Highlights

On an annual basis, Needles' load factor is less than 37 percent. The Needles City Council approved Resolution No. 7-24-07 1 on July 24, 2007 adopting the provisions of California Assembly Bill 2021 – *Public Utilities Energy Efficiency*. The budget amount of \$200,000.00 adopted for the program was based upon the Rocky Mountain Institute's analysis "to identify all potentially cost-effective electricity efficiency savings and establish annual targets for energy efficiency savings and demand reduction for the next 10-year period"

The City of Needles' energy efficiency programs are designed to reduce the summer air conditioning loads and increase the annual load factor.

The City of Needles will continue to budget \$200,000 annually for the existing energy efficiency programs and will allocate additional funding if customer demand is greater than the program allocation. The \$200,000.00 is funded by ratepayers via a line item on their electric bill (*Mandated Conservation* at \$0.0035/kWh). The prerequisite for eligibility for the energy efficiency program (City pays for 14 or higher SEER rated air conditioners, evaporative coolers and refrigerators) is based on income guidelines set by the U.S. Department of Health and Human Services.

Current Low Income/Senior Residential Customer Programs:

- Air conditioner, evaporative cooler: with SEER 14 or higher
- Sun Shade Program: designed to lower house temperatures during the summer.
- Energy Star Qualified Appliances: save energy, save money, and help reduce emissions of greenhouse gases and air pollutants. Qualified appliances are;
 - a) Dishwashers – use at least 41% less energy than the federal minimum standard for energy consumption.
 - b) Clothes Washers – use 40-50% less energy and about 55% less water than standard washers.
 - c) Refrigerators and Freezers – use up to 40% less energy than conventional models.

The City augments its Mandated Conservation funding with 25% landlord participation on equipment cost where installation is a leasehold improvement to landlord's property. Tenant and landlord are encouraged to apply for weatherization through San Bernardino Community Action Partnership ("SBCAP").

All low-income/senior applicants must complete an AB 2021 Energy Efficiency Application and provide proof of income. Applicants are approved following the U.S. Department of Health & Human Services poverty guidelines.

Current Residential Customer Programs:

- Air conditioner, evaporative cooler, mini-split rebate, refrigerator replacement with SEER 14 or higher with proof of home weatherization completed. ~~Rebates are currently \$100.00 per ton with a SEER equal or greater than 14.0 and shall not exceed five (5) tons per residence.~~

The rebate schedule is:

14 SEER AC Unit - \$200 per ton shall not exceed five (5) tons per residence

15 SEER AC Unit - \$250 per ton shall not exceed five (5) tons per residence

16 SEER AC Unit - \$300 per ton shall not exceed five (5) tons per residence

Greater than 17 SEER AC Unit - \$2,000 max rebate per residence

The mini-split rebate schedule is:

15 SEER Mini-Split - \$150 per residence

16 SEER Mini-Split - \$300 per residence

17 SEER Mini-Split - \$400 per residence

Greater than 17 SEER AC Unit - \$500 max rebate per residence

For any rebate amount over \$600, residents will be required to submit a W-9.

Residents are also required to show proof of building permit with the City of Needles for installation of a new unit.

Rebates are only applicable to full HVAC unit replacements and units must be 10 + years old to qualify.

- Water Heater Replacement – Applicable to all electric domestic water heaters: \$200 per tank converted. Solar water heating to supplement electrical domestic water heaters; \$200 per household, minimum 40 gallons of storage.
- Sun Shade Program: Provides rates for the installation of residential sun shades, designed to lower house temperatures during the summers. 92c per square foot. Such solar screens must have a shading coefficient of not greater than .4.
- Commercial Buildings – Air Conditioner replacement \$150.00 per ton with a \$5,000 maximum rebate.



City of Needles, California Request for City Council Action

Item 10.

☒ CITY COUNCIL ☐ NPUA ☐ SARDA ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Warrants

Background: n/a

Fiscal Impact: n/a

Recommended Action: **APPROVE**, the Warrants Register through September 12, 2023.

Submitted By: Barbara DiLeo, Sr. Accountant

City Management Review: Rick

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

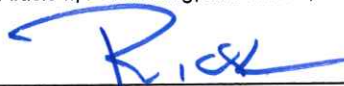
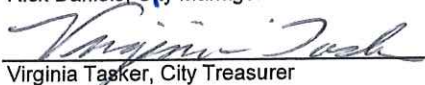
Agenda Item: 10

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR SEPTEMBER 12, 2023**

Item 10.

		FUND AMT.	12-Sep	23-24 BUDGET
FUND 101	GENERAL FUND	\$ 7,097.97		
101.1015.412	CITY ATTORNEY	\$ -	\$ 5,800.00	\$ 80,000.00
101.1020.413	CITY MANAGER	\$ -	\$ 5,644.59	\$ 230,592.00
101.1025.415	FINANCE DEPT.	\$ 10,000.00	\$ 44,262.73	\$ 987,957.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ -	\$ 17,275.40	\$ 329,339.00
101.1035.416	PLANNING /ZONING	\$ 241.22	\$ 7,168.31	\$ 402,016.00
101.1040.417	ENGINEERING	\$ 8,059.24	\$ 20,246.40	\$ 439,483.00
101.1060.410	COMMUNITY PROMOTIONS	\$ 2,000.00	\$ 6,000.00	\$ 103,945.00
101.1070.410	SENIOR CENTER	\$ 2,574.18	\$ 4,191.30	\$ 62,202.00
101.2010.421	SHERIFF	\$ -	\$ 617,537.34	\$ 3,759,034.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$ 1,114.87	\$ 6,223.28	\$ 261,130.00
101.2025.424	BUILDING & SAFETY	\$ 241.22	\$ 11,580.49	\$ 488,742.00
101.2030.423	CODE ENFORCEMENT	\$ 241.23	\$ 53,669.85	\$ 806,188.00
101.3010.431	PUBLIC WORKS	\$ 1,454.23	\$ 26,646.80	\$ 818,943.00
101.4730.472	SANITATION	\$ 1,000.00	\$ 5,572.65	\$ 177,467.00
101.5770.452.	AQUATICS	\$ 7,486.78	\$ 12,329.17	\$ 246,913.00
101.5772.452	PARKS	\$ 12,927.56	\$ 50,513.81	\$ 760,504.00
101.5773.452	JACK SMITH PARK MARINA	\$ 52.40	\$ 2,433.89	\$ 115,646.00
101.5774.452	RECREATION	\$ 1,281.91	\$ 98,195.14	\$ 386,397.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ 55,772.81		\$ 10,456,498.00
FUND 102	GEN. FUND CAPITAL PROJECT	\$ -	\$ 92.45	\$ 4,541,710.00
FUND 205	CDBG	\$ -	\$ -	\$ 74,559.00
FUND 206	CEMETERY	\$ -	\$ 20,369.47	\$ 258,022.00
FUND 208	CALTRANS GRANTS	\$ -	\$ -	\$ 1,173,000.00
FUND 210	SPECIAL GAS TAX	\$ -	\$ -	\$ 258,629.00
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$ 10,503.75	\$ 10,503.75	\$ 48,522.00
FUND 214	SANBAG NEW LOCAL MEAS I	\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$ -	\$ 21,856.34	\$ 272,973.00
FUND 233	JACK SMITH PARK MARINA	\$ -	\$ -	\$ 175,308.00
FUND 238	STATE RECREATION GRANTS	\$ -	\$ 100.30	\$ 2,819,424.00
FUND 239	CA.CONSERV RECYLING GRANT	\$ 378.56	\$ 2,919.16	\$ 25,436.00
FUND 270	REDEVELOPMENT AGENCY	\$ -	\$ -	\$ 20,000.00
FUND 470	RDA CAP PROJ.LOW & MOD.	\$ -	\$ 10,000.00	\$ 100,954.00
FUND 501	NPUA	\$ 967.19	\$ 967.19	\$ 2,639,851.00
FUND 502	WATER DEPARTMENT	\$ 17,900.49	\$ 116,494.11	\$ 2,161,380.00
FUND 503	WASTEWATER DEPARTMENT	\$ 12,898.87	\$ 98,817.41	\$ 1,312,828.00
FUND 505	SANITATION	\$ 3,775.09	\$ 112,395.06	\$ 1,563,015.00
FUND 506	ALL AMERICAN CANAL PROJ.	\$ -	\$ 2,579.48	\$ 1,041,800.00
FUND 507	GOLF FUND	\$ -	\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 22,430.78	\$ 53,814.17	\$ 696,256.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ 5,820.52	\$ 26,089.83	\$ 413,638.00
FUND 507	GOLF FUND TOTAL	\$ -	\$ 28,251.30	
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ 15.06	\$ 14,390.56	\$ 496,825.00
FUND 509	MIS	\$ 7,088.50	\$ 33,919.19	\$ 273,100.00
FUND 510	ADMIN. FACILITY	\$ 10,640.69	\$ 51,993.50	\$ 244,375.00
FUND 511	FLEET MANAGEMENT	\$ 1,800.30	\$ 13,450.44	\$ 278,476.00
FUND 512	VEHICLE REPLACEMENT	\$ 6,847.35	\$ 6,847.35	\$ 22,199.62
FUND 520	SR DIAL A RIDE	\$ -	\$ 7,431.22	\$ 453,450.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$ -	\$ 1,250.07	\$ 22,320.00
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$ -	\$ 52,129.73	\$ 808,479.00
FUND 575	HOUSING	\$ 433.12	\$ 139,063.62	\$ 1,434,443.00
FUND 580	ELECTRIC	\$ 99,383.85	\$ 550,154.54	\$ 12,742,061.00
FUND 581	NPUA CAPITAL ELECTRIC	\$ 5,449.46	\$ 12,469.46	\$ 506,170.00
FUND 582	NPUA CAPITAL WATER	\$ 3,291.50	\$ 484,190.56	\$ 8,052,289.00
TOTAL	ALL FUNDS & DEPARTMENTS	\$ 265,397.89	\$ 2,839,580.11	\$ 55,837,990.62

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

 9/6/23
Rick Daniels, City Manager Date
 9-5-23
Virginia Tasker, City Treasurer Date

 9/5/23
Finance Department Date

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR SEPTEMBER 12, 2023**

Item 10.

		FUND AMT.	12-Sep	22-23 BUDGET
FUND 101	GENERAL FUND	\$ 271.25		
101.1015.412	CITY ATTORNEY	\$ -	\$ 70,032.90	\$ 80,000.00
101.1020.413	CITY MANAGER	\$ -	\$ 212,044.22	\$ 219,507.00
101.1025.415	FINANCE DEPT.	\$ -	\$ 711,769.97	\$ 698,085.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ -	\$ 269,918.72	\$ 291,344.00
101.1035.416	PLANNING /ZONING	\$ 5,872.75	\$ 260,472.28	\$ 373,159.00
101.1040.417	ENGINEERING	\$ -	\$ 303,428.16	\$ 361,425.00
101.1060.410	COMMUNITY PROMOTIONS	\$ -	\$ 41,554.22	\$ 51,552.00
101.1070.410	SENIOR CENTER	\$ -	\$ 49,051.40	\$ 59,457.00
101.2010.421	SHERIFF	\$ -	\$ 3,532,173.17	\$ 3,594,791.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -	\$ 218,717.34	\$ 233,027.00
101.2025.424	BUILDING & SAFETY	\$ -	\$ 340,352.53	\$ 608,738.00
101.2030.423	CODE ENFORCEMENT	\$ -	\$ 713,750.72	\$ 696,985.00
101.3010.431	PUBLIC WORKS	\$ 102.79	\$ 695,785.31	\$ 849,743.00
101.4730.472	SANITATION	\$ -	\$ 164,899.15	\$ 166,600.00
101.5770.452	AQUATICS	\$ -	\$ 161,074.11	\$ 194,192.00
101.5772.452	PARKS	\$ -	\$ 596,757.11	\$ 658,491.00
101.5773.452	JACK SMITH PARK MARINA	\$ -	\$ 102,090.51	\$ 107,923.00
101.5774.452	RECREATION	\$ -	\$ 421,874.20	\$ 371,884.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ 6,246.79	\$ 9,616,903.00	
FUND 102	GEN. FUND CAPITAL PROJECT	\$ -	\$ 2,082,094.66	\$ 4,992,512.00
FUND 205	CDBG	\$ -	\$ 7,896.00	\$ 42,692.00
FUND 206	CEMETERY	\$ -	\$ 167,819.81	\$ 202,270.00
FUND 208	CALTRANS GRANTS	\$ -	\$ 343,959.46	\$ 343,960.00
FUND 210	SPECIAL GAS TAX	\$ -	\$ 153,828.00	\$ 272,365.00
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$ -	\$ 34,685.91	\$ 30,000.00
FUND 214	SANBAG NEW LOCAL MEAS I	\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$ -	\$ 202,478.92	\$ 251,497.00
FUND 233	JACK SMITH PARK MARINA	\$ -	\$ 5,807.60	\$ 13,733.00
FUND 238	STATE RECREATION GRANTS	\$ -	\$ 973,013.99	\$ 3,899,640.00
FUND 239	CA.CONSERV RECYLING GRANT	\$ -	\$ 4,831.28	\$ 25,526.00
FUND 270	REDEVELOPMENT AGENCY	\$ -	\$ 72,181.07	\$ 287,664.00
FUND 470	RDA CAP PROJ.LOW & MOD.	\$ -	\$ 161,387.57	\$ 300,000.00
FUND 501	NPUA	\$ -	\$ 2,401,984.26	\$ 2,401,984.26
FUND 502	WATER DEPARTMENT	\$ -	\$ 1,771,705.99	\$ 1,938,399.00
FUND 503	WASTEWATER DEPARTMENT	\$ 161.03	\$ 1,213,610.02	\$ 1,241,325.00
FUND 505	SANITATION	\$ -	\$ 1,515,737.69	\$ 1,458,897.00
FUND 506	ALL AMERICAN CANAL PROJ.	\$ -	\$ 955,885.72	\$ 1,041,800.00
FUND 507	GOLF FUND	\$ -	\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ -	\$ 607,273.59	\$ 641,632.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -	\$ 388,707.92	\$ 370,454.00
FUND 507	GOLF FUND TOTAL	\$ -	\$ -	
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ 20.23	\$ 380,888.57	\$ 455,807.00
FUND 509	MIS	\$ -	\$ 275,440.56	\$ 257,370.00
FUND 510	ADMIN. FACILITY	\$ 320.00	\$ 385,968.54	\$ 414,950.00
FUND 511	FLEET MANAGEMENT	\$ -	\$ 236,662.94	\$ 281,078.00
FUND 512	VEHICLE REPLACEMENT	\$ -	\$ 22,199.62	\$ 22,199.62
FUND 520	SR DIAL A RIDE	\$ -	\$ 200,475.76	\$ 250,098.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$ -	\$ 18,586.09	\$ 22,274.00
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$ -	\$ 442,575.36	\$ 614,438.00
FUND 580	ELECTRIC	\$ 449.41	\$ 10,858,788.79	\$ 12,406,721.00
FUND 581	NPUA CAPITAL ELECTRIC	\$ -	\$ 1,755,367.90	\$ 1,956,822.00
FUND 582	NPUA CAPITAL WATER	\$ 100.30	\$ 3,800,870.05	\$ 12,038,402.00
FUND 583	NPUA CAPITAL WASTEWATER	\$ -	\$ 62,884.57	\$ 36,075.00
FUND 650	IMPACT FEES-NORTH NEEDLES	\$ -	\$ 4,569.62	\$ 4,570.00
FUND 651	IMPACT FEES-SOUTH NEEDLES	\$ -	\$ 2,911.00	\$ 2,911.00
TOTAL	ALL FUNDS & DEPARTMENTS	\$ 7,297.76	\$ 40,378,824.85	\$ 58,543,412.88

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Finance Department

Date

Virginia Tasker, City Treasurer

Date

PROGRAM: GM348U
CITY OF NEEDLES
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18922	2345	00	A-B COMMUNICATIONS	09/12/2023	327.05	.00
18923	4034	00	ANGEL'S TOUCH MOBILE VETERINARY SVC	09/12/2023	530.00	.00
18924	3635	00	ANIXTER INC	09/12/2023	13,784.29	.00
18925	1646	00	ATCO INTERNATIONAL	09/12/2023	156.18	.00
18926	3750	00	AUTO ZONE	09/12/2023	39.86	.00
18927	3973	00	BARON SECURITY SOLUTIONS	09/12/2023	540.00	.00
18928	178	00	BIG O TIRES & NAPA AUTO PARTS	09/12/2023	318.07	.00
18929	454	00	BINGHAM EQUIPMENT COMPANY	09/12/2023	623.00	.00
18930	3595	00	BOOT BARN	09/12/2023	1,002.41	.00
18931	7	00	BORDER STATES INDUSTRIES, INC.	09/12/2023	2,833.53	.00
18932	3479	00	BRAUN BLAISING & WYNNE P.C.	09/12/2023	2,707.79	.00
18933	3392	00	BUG EMERGENCY INC.	09/12/2023	215.00	.00
18934	3855	00	CALIFORNIA AIR RESOURCES BOARD	09/12/2023	9,860.00	.00
18935	3945	00	CAMPBELL PET COMPANY	09/12/2023	308.09	.00
18936	3136	00	CITY OF NEEDLES	09/12/2023	68,483.58	.00
18937	2590	00	COLORADO RIVER PLUMBING INC.	09/12/2023	220.00	.00
18938	2320	00	COUNTY OF SAN BERNARDINO	09/12/2023	3,775.09	.00
18939	455	00	CULLIGAN WATER COND. INC.	09/12/2023	44.80	.00
18940	2934	00	DANA KEPNER COMPANY INC.	09/12/2023	2,885.53	.00
18941	2875	00	DANIEL'S SEPTIC	09/12/2023	165.00	.00
18942	3580	00	DIAMOND PURE WATER	09/12/2023	140.00	.00
18943	234	00	DLT SOLUTIONS LLC	09/12/2023	1,272.08	.00
18944	4066	00	EBERHARD EQUIPMENT	09/12/2023	1,721.75	.00
18945	3913	00	ENTERPRISE FM TRUST	09/12/2023	6,847.35	.00
18946	3682	00	EPIC ENGINEERING	09/12/2023	3,291.50	.00
18947	3793	00	FEDERAL LICENSING INC	09/12/2023	120.00	.00
18948	615	00	FEDEX	09/12/2023	38.70	.00
18949	1296	00	FRONTIER	09/12/2023	4,148.80	.00
18950	324	00	GRAINGER	09/12/2023	1,567.80	.00
18951	3451	00	GREENS ELECTRIC, LLC	09/12/2023	2,671.83	.00
18952	2612	00	HARDWARE EXPRESS INCORP.	09/12/2023	780.92	.00
18953	3593	00	HINDERLITER DE LLAMAS & ASSOCIATES	09/12/2023	10,000.00	.00
18954	2489	00	HOME DEPOT CREDIT SERVICES	09/12/2023	1,179.22	.00
18955	4000	00	JARROD DELEON	09/12/2023	51.68	.00
18956	638	00	JESSE FRAGOSO	09/12/2023	345.00	.00
18957	2222	00	JUSTIN SCOTT	09/12/2023	345.00	.00
18958	3977	00	LANDIS+GYR TECHNOLOGY, INC	09/12/2023	5,449.46	.00
18959	3240	00	LESLIE'S POOL SUPPLIES	09/12/2023	205.15	.00
18960	1	00	MARTINEZ, ANDREA	09/12/2023	967.19	.00
18961	3998	00	MICHAEL BAKER INTERNATIONAL, INC	09/12/2023	18,241.50	.00
18962	194	00	NEEDLES CHAMBER OF COMMERCE	09/12/2023	2,000.00	.00
18963	218	00	NEWS WEST PUBLISHING CO.	09/12/2023	100.30	.00
18964	1786	00	NPUA	09/12/2023	VOID	.00
18965	1786	00	NPUA	09/12/2023	35,851.12	.00
18966	740	00	OUR TOWN MAGAZINE	09/12/2023	372.30	.00
18967	3767	00	PATRICK MARTINEZ	09/12/2023	1,018.75	.00
18968	3975	00	PLANGRID, INC	09/12/2023	7,500.00	.00
18969	1578	00	PURCHASE POWER	09/12/2023	6,026.38	.00
18970	15	00	QUILL LLC	09/12/2023	401.01	.00
18971	818	00	R & R PRODUCTS INC.	09/12/2023	1,305.54	.00
18972	2861	00	REINKE A/C CORP.	09/12/2023	170.00	.00

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18973	4049	00	ROGER MILLER	09/12/2023	188.40	.00
18974	2468	00	RON'S TIRE & AUTO REPAIR	09/12/2023	1,083.69	.00
18975	3796	00	ROUTE 66 BROADBAND LLC	09/12/2023	640.00	.00
18976	2687	00	S.B. COUNTY FIRE DEPARTMENT	09/12/2023	1,455.00	.00
18977	4058	00	S-NET COMMUNICATIONS INC.	09/12/2023	1,713.44	.00
18978	4001	00	SIMPLLOT TURF & HORTICULTURE	09/12/2023	3,912.41	.00
18979	1826	00	SIMPSON NORTON CORP.	09/12/2023	689.48	.00
18980	4121	00	SMART DOCUMENT SOLUTIONS	09/12/2023	64.26	.00
18981	3965	00	STAN GONZALES	09/12/2023	167.55	.00
18982	3605	00	STATEWIDE TRAFFIC SAFETY & SIGNS	09/12/2023	290.51	.00
18983	3622	00	TAYLOR MILLER	09/12/2023	345.00	.00
18984	779	00	THATCHER COMPANY OF NEVADA, INC	09/12/2023	3,029.25	.00
18985	3917	00	TOUCHSTONE GOLF LLC	09/12/2023	3,000.00	.00
18986	3014	00	TRI STATE FIRE SYSTEMS, INC.	09/12/2023	175.00	.00
18987	772	00	TRI-STATE ACE HARDWARE	09/12/2023	388.90	.00
18988	2819	00	TRI-STATE HOSE & FITTINGS	09/12/2023	641.00	.00
18989	2798	00	U.S. DEPARTMENT OF ENERGY	09/12/2023	16,258.68	.00
18990	3272	00	ULINE	09/12/2023	378.56	.00
18991	3830	00	UNIFIRST CORPORATION	09/12/2023	1,597.73	.00
18992	761	00	USABUEBOOK	09/12/2023	204.69	.00
18993	3528	00	WESTERN ENVIRONMENTAL TESTING LAB.	09/12/2023	2,959.00	.00
18994	3967	00	WILLDAN ENGINEERING	09/12/2023	3,795.00	.00
18995	3828	00	3D-NETWORKS LLC	09/12/2023	6,768.50	.00
NUMBER OF CHECKS				74	GRAND TOTAL	272,695.65

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18932	3479	BRAUN BLAISING & WYNNE P.	001349 001350		09/12/2023 09/12/2023	580-4750-473.31-50 580-4750-473.31-50	1,918.84 788.95 2,707.79 *	2,707.79
18933	3392	BUG EMERGENCY INC.	001122 001123 001194		09/12/2023 09/12/2023 09/12/2023	503-4720-475.43-02 507-5762-454.43-08 575-5555-485.43-02	48.00 72.00 95.00 215.00 *	215.00
18934	3855	CALIFORNIA AIR RESOURCES	PI0041	024043	09/12/2023	580-4750-473.63-08	9,860.00 9,860.00 *	9,860.00
18935	3945	CAMPBELL PET COMPANY	001188		09/12/2023	101-2020-423.61-36	308.09 308.09 *	308.09
18936	3136	CITY OF NEEDLES	001103 001104 001105		09/12/2023 09/12/2023 09/12/2023	580-4750-473.80-43 502-4710-471.80-43 503-4720-475.80-43	48,704.50 12,130.33 7,648.75 68,483.58 *	68,483.58
18937	2590	COLORADO RIVER PLUMBING I	001196		09/12/2023	575-5555-485.43-02	220.00 220.00 *	220.00
18938	2320	COUNTY OF SAN BERNARDINO	001119		09/12/2023	505-4730-472.74-40	3,775.09 3,775.09 *	3,775.09
18939	455	CULLIGAN WATER COND.	001203		09/12/2023	511-3020-432.43-29	44.80 44.80 *	44.80
18940	2934	DANA KEPNER COMPANY INC.	001106 001270 001271 001272		09/12/2023 09/12/2023 09/12/2023 09/12/2023	502-4710-471.60-55 502-4710-471.60-55 502-4710-471.60-55 502-4710-471.60-55	524.51 867.86 277.35 1,215.81 2,885.53 *	2,885.53
18941	2875	DANIELL'S SEPTIC	001082		09/12/2023	507-5762-454.43-04	165.00 165.00 *	165.00
18942	3580	DIAMOND PURE WATER	001194 001194 001210 001339 001352		09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023	101-5770-452.61-01 101-5774-452.61-01 511-3020-432.43-29 503-4720-475.43-02 510-4410-405.61-01	46.00 17.00 17.00 12.00 48.00 140.00 *	140.00
18943	234	DLT SOLUTIONS LLC	001342 001343 001344 001345		09/12/2023 09/12/2023 09/12/2023 09/12/2023	101-1040-417.61-09 580-4750-473.31-16 502-4710-471.31-16 503-4720-475.31-16	318.02 318.02 318.02 1,272.08 *	1,272.08

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18944	4066	EBERHARD EQUIPMENT	001183		09/12/2023	507-5761-453.43-04	1,721.75 1,721.75 *	1,721.75
18945	3913	ENTERPRISE FM TRUST	001083		09/12/2023	512-0000-207.02-00	6,847.35 6,847.35 *	6,847.35
18946	3682	EPIC ENGINEERING	PI0038 001273	024015	09/12/2023 09/12/2023	582-4710-471.71-05 582-4710-471.71-05	2,907.50 384.00 3,291.50 *	3,291.50
18947	3793	FEDERAL LICENSING INC	000681		09/12/2023	510-4410-405.61-01	120.00 120.00 *	120.00
18948	615	FEDEX	001213		09/12/2023	580-4750-473.52-20	38.70 38.70 *	38.70
18949	1296	FRONTIER	001319 001320 001321 001322 001323 001324 001325 001326 001326 001326 001326		09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023	101-5774-452.52-10 101-5774-452.52-10 502-4710-471.52-10 503-4720-475.52-10 503-4720-475.52-10 507-5761-453.52-10 510-4410-405.43-31 510-4410-405.52-10 510-4410-405.52-10 510-4410-405.52-10 510-4410-405.52-10 580-4750-473.52-10 580-4750-473.52-10	109.77 99.19 352.92 559.62 354.71 76.91 957.98 92.46 229.64 259.18 526.41 393.98 136.03 4,148.80 *	4,148.80
18950	324	GRAINGER	001089 001276 001354 007046		09/12/2023 09/12/2023 09/12/2023 09/12/2023	580-4750-473.61-21 507-5761-453.43-04 580-4750-473.60-55 503-4720-475.43-04	130.33 1,000.71 377.24 59.52 1,567.80 *	1,567.80
18951	3451	GREENS ELECTRIC, LLC	001090 001274 001275 001340		09/12/2023 09/12/2023 09/12/2023 09/12/2023	580-4750-473.43-13 580-4750-473.60-55 580-4750-473.60-55 580-4750-473.60-55	1,648.58 76.44 90.89 855.92 2,671.83 *	2,671.83
18952	2612	HARDWARE EXPRESS INCORP.	001107 001124 001125 001126 001127 001128 001129		09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023	502-4710-471.43-57 503-4720-475.43-02 101-5774-452.43-18 101-5774-452.43-18 101-5770-452.43-02 101-5774-452.43-18 101-5774-452.43-18	42.47 27.82 5.11 26.60 24.55 32.70 118.86	

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18952	2612	HARDWARE EXPRESS INCORP.	001130		09/12/2023	101-3010-431.61-33	8.19	
			001131		09/12/2023	101-3010-431.61-33	32.99	
			001132		09/12/2023	101-3010-431.60-11	8.79	
			001133		09/12/2023	101-5772-452.43-18	16.37	
			001134		09/12/2023	101-5772-452.43-18	17.07	
			001135		09/12/2023	101-5772-452.61-12	11.66	
			001136		09/12/2023	101-5772-452.43-18	3.88	
			001137		09/12/2023	101-5772-452.61-12	8.79	
			001194		09/12/2023	101-5772-452.61-12	7.16	
			001194		09/12/2023	101-5772-452.43-18	16.36	
			001211		09/12/2023	101-5770-452.43-02	7.66	
			001212		09/12/2023	101-3010-431.60-11	7.16	
			001212		09/12/2023	101-3010-431.60-11	4.55	
			001212		09/12/2023	101-3010-431.60-11	10.23	
			001213		09/12/2023	101-3010-431.60-11	42.57	
			001213		09/12/2023	101-3010-431.60-11	20.46	
			001213		09/12/2023	101-3010-431.43-60	23.54	
			001213		09/12/2023	101-5772-452.61-12	83.50	
			001213		09/12/2023	101-5772-452.43-18	7.66	
			001213		09/12/2023	101-5772-452.43-18	22.50	
			001213		09/12/2023	511-3021-432.43-26	6.65	
			001213		09/12/2023	511-3021-432.43-26	130.60	
			001277		09/12/2023	507-5762-454.43-08	5.52	
			001278		09/12/2023	502-4710-471.43-57	10.23	
			001369		09/12/2023	580-4750-473.60-55	5.10	
							780.92	780.92
18953	3593	HINDERLITER DE LLAMAS & A	PI0037	024040	09/12/2023	101-1025-415.31-47	10,000.00	10,000.00
18954	2489	HOME DEPOT CREDIT SERVICE	001365		09/12/2023	101-0000-204.06-00	1,179.22	1,179.22
18955	4000	JARROD DELEON	001185		09/12/2023	507-5761-453.43-04	51.68	51.68
18956	638	JESSE FRAGOSO	000678		09/12/2023	101-3010-431.55-00	345.00	345.00
18957	2222	JUSTIN SCOTT	000679		09/12/2023	580-4750-473.55-00	345.00	345.00
18958	3977	LANDIS+GYR TECHNOLOGY, IN	PI0040	024042	09/12/2023	581-4750-473.71-02	5,449.46	5,449.46
18959	3240	LESLIE'S POOL SUPPLIES	001194		09/12/2023	101-5770-452.43-02	112.87	
			001194		09/12/2023	101-5770-452.43-02	92.28	
							205.15	205.15
18960	1	MARTINEZ, ANDREA	UT		09/12/2023	501-0000-211.00-00	967.19	

CITY OF NEEDLES				CITY GENERAL CHECKING							
CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL			
18960	1	MARTINEZ, ANDREA					967.19 *	967.19			
18961	3998	MICHAEL BAKER INTERNATIONAL	007038	023045	09/12/2023	101-0000-204.03-01	271.25	18,241.50 *			
			PI0034	024038	09/12/2023	101-1035-416.31-90	5,872.75				
			PI0036		09/12/2023	213-1035-416.31-90	10,503.75				
			001138		09/12/2023	101-0000-204.35-03	656.25				
			001367		09/12/2023	101-0000-204.03-01	406.25				
			001368		09/12/2023	101-0000-204.37-00	531.25				
18962	194	NEEDLES CHAMBER OF COMMER	001102		09/12/2023	101-1060-410.54-06	2,000.00	2,000.00 *			
							2,000.00				
18963	218	NEWS WEST PUBLISHING CO.	007043		09/12/2023	582-4710-471.71-08	100.30	100.30 *			
							100.30				
18964	1786	NPUA	001084		09/12/2023	580-4750-473.41-11	40.31	VOIDED			
18965	1786	NPUA	001085		09/12/2023	580-4750-473.41-11	51.07				
			001091		09/12/2023	580-4750-473.41-11	59.13				
			001109		09/12/2023	101-1070-410.41-10	2,062.53				
			001110		09/12/2023	101-1070-410.41-20	2,259.77				
			001111		09/12/2023	101-1070-410.41-30	81.88				
			001139		09/12/2023	580-4750-473.41-11	45.65				
			001139		09/12/2023	101-2020-423.41-10	539.90				
			001139		09/12/2023	101-2020-423.41-20	103.12				
			001139		09/12/2023	101-2020-423.41-30	163.76				
			001139		09/12/2023	101-5772-452.41-10	194.25				
			001139		09/12/2023	101-5772-452.41-10	235.84				
			001139		09/12/2023	101-5772-452.41-20	214.79				
			001139		09/12/2023	101-5772-452.41-30	81.88				
			001139		09/12/2023	101-5772-452.41-20	51.40				
			001139		09/12/2023	101-5772-452.41-10	34.01				
			001139		09/12/2023	101-5772-452.41-10	315.15				
			001139		09/12/2023	101-5772-452.41-20	45.88				
			001139		09/12/2023	101-3010-431.41-10	218.59				
			001139		09/12/2023	101-3010-431.41-20	55.33				
			001139		09/12/2023	101-3010-431.41-30	409.40				
			001139		09/12/2023	101-5772-452.41-20	45.88				
			001139		09/12/2023	101-5772-452.41-10	39.54				
			001139		09/12/2023	101-5772-452.41-20	227.89				
			001139		09/12/2023	101-5772-452.41-10	34.15				
			001139		09/12/2023	101-5772-452.41-20	211.60				
			001139		09/12/2023	101-5772-452.41-10	41.53				
			001139		09/12/2023	101-5772-452.41-20	775.70				
			001139		09/12/2023	101-5772-452.41-10	62.59				
			001139		09/12/2023	101-5772-452.41-20	242.16				
			001139		09/12/2023	101-5772-452.41-10	35.22				
			001139		09/12/2023	101-5772-452.41-20	1,814.84				
			001139		09/12/2023	101-5772-452.41-30	81.88				

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18965	1786	NPUA	001139		09/12/2023	101-5772-452.41-20	758.38	
			001139		09/12/2023	101-5772-452.41-10	15.91	
			001139		09/12/2023	101-5772-452.41-20	67.20	
			001139		09/12/2023	101-5772-452.41-20	1,277.90	
			001139		09/12/2023	101-5772-452.41-10	652.43	
			001139		09/12/2023	101-5772-452.41-20	2,999.68	
			001139		09/12/2023	101-5772-452.41-10	313.16	
			001139		09/12/2023	101-5772-452.41-20	984.46	
			001139		09/12/2023	101-5772-452.41-10	36.73	
			001139		09/12/2023	101-5772-452.41-20	246.82	
			001139		09/12/2023	101-5772-452.41-10	50.95	
			001139		09/12/2023	101-5772-452.41-10	74.28	
			001139		09/12/2023	101-5772-452.41-10	69.70	
			001189		09/12/2023	507-5762-454.41-10	160.83	
			001190		09/12/2023	507-5761-453.41-20	52.95	
			001191		09/12/2023	507-5761-453.41-20	46.06	
			001192		09/12/2023	507-5761-453.41-20	12,333.48	
			001193		09/12/2023	507-5761-453.41-20	80.86	
			001193		09/12/2023	507-5761-453.41-20	212.55	
			001193		09/12/2023	507-5762-454.41-10	1,484.79	
			001194		09/12/2023	507-5762-454.41-20	138.95	
			001194		09/12/2023	507-5762-454.41-30	245.64	
			001194		09/12/2023	101-5770-452.41-10	3,172.43	
			001194		09/12/2023	101-5770-452.41-20	911.16	
			001194		09/12/2023	101-5770-452.41-30	81.88	
			001194		09/12/2023	101-5773-452.41-10	52.40	
			001194		09/12/2023	101-5774-452.41-10	406.78	
			001194		09/12/2023	101-5774-452.41-20	46.14	
							35,851.12 *	35,851.12
18966	740	OUR TOWN MAGAZINE	001360		09/12/2023	507-5762-454.53-00	372.30	
							372.30 *	372.30
18967	3767	PATRICK MARTINEZ	001141		09/12/2023	575-5555-485.61-01	53.86	
			001366		09/12/2023	101-2030-423.55-00	241.23	
			001366		09/12/2023	101-2025-424.55-00	241.22	
			001366		09/12/2023	101-1040-417.55-00	241.22	
			001366		09/12/2023	101-1035-416.55-00	241.22	
							1,018.75 *	1,018.75
18968	3975	PLANGRID, INC	PI0042	024044	09/12/2023	101-1040-417.61-09	7,500.00	
							7,500.00 *	7,500.00
18969	1578	PURCHASE POWER	001142		09/12/2023	510-4410-405.52-20	6,026.38	
							6,026.38 *	6,026.38
18970	15	QUILL LLC	001143		09/12/2023	101-3010-431.61-01	91.58	
			001193		09/12/2023	510-4410-405.61-01	205.15	
			001347		09/12/2023	503-4720-475.61-01	91.58	
			007048		09/12/2023	508-4810-478.61-01	12.70	

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

CITY OF NEEDLES

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18970	15	QUILL LLC					401.01 *	401.01
18971	818	R & R PRODUCTS INC.	001144		09/12/2023	507-5761-453.63-00	569.78	
			001361		09/12/2023	507-5761-453.43-04	592.61	
			001362		09/12/2023	507-5761-453.43-04	143.15	
							1,305.54 *	1,305.54
18972	2861	REINKE A/C CORP.	001363		09/12/2023	101-1070-410.43-04	170.00	
							170.00 *	170.00
18973	4049	ROGER MILLER	001279		09/12/2023	507-5761-453.43-04	188.40	
							188.40 *	188.40
18974	2468	RON'S TIRE & AUTO REPAIR	001351		09/12/2023	511-3021-432.43-26	860.58	
			001353		09/12/2023	511-3021-432.43-38	223.11	
							1,083.69 *	1,083.69
18975	3796	ROUTE 66 BROADBAND LLC	007041		09/12/2023	509-4910-479.52-12	320.00	
			001366		09/12/2023	509-4910-479.52-12	320.00	
							640.00 *	640.00
18976	2687	S.B. COUNTY FIRE DEPARTMENT	001280		09/12/2023	503-4720-475.69-03	455.00	
			001281		09/12/2023	101-4730-472.49-16	1,000.00	
							1,455.00 *	1,455.00
18977	4058	S-NET COMMUNICATIONS INC.	001355		09/12/2023	510-4410-405.52-10	1,713.44	
							1,713.44 *	1,713.44
18978	4001	SIMPLOT TURF & HORTICULTU	001194		09/12/2023	507-5761-453.60-10	1,366.27	
			001194		09/12/2023	507-5761-453.61-08	2,546.14	
							3,912.41 *	3,912.41
18979	1826	SIMPSON NORTON CORP.	001194		09/12/2023	507-5761-453.43-17	111.14	
			001194		09/12/2023	507-5761-453.43-08	49.11	
			001194		09/12/2023	507-5761-453.43-17	110.21	
			001194		09/12/2023	507-5761-453.43-04	419.02	
							689.48 *	689.48
18980	4121	SMART DOCUMENT SOLUTION	001195		09/12/2023	575-5555-485.61-01	64.26	
							64.26 *	64.26
18981	3965	STAN GONZALES	001184		09/12/2023	507-5762-454.55-00	167.55	
							167.55 *	167.55
18982	3605	STATEWIDE TRAFFIC SAFETY	001193		09/12/2023	502-4710-471.61-21	290.51	
							290.51 *	290.51
18983	3622	TAYLOR MILLER	000680		09/12/2023	502-4710-471.55-00	345.00	
							345.00 *	345.00

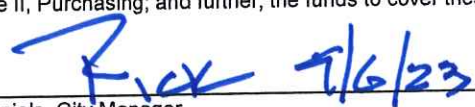
CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18984	779	THATCHER COMPANY OF NEVAD	001195		09/12/2023	101-5770-452.60-32	3,029.25 *	3,029.25
18985	3917	TOUCHSTONE GOLF LLC	PI0039	024034	09/12/2023	507-5762-454.31-89	3,000.00 *	3,000.00
18986	3014	TRI STATE FIRE SYSTEMS, I	001195		09/12/2023	101-5774-452.43-18	175.00 *	175.00
18987	772	TRI-STATE ACE HARDWARE	001145		09/12/2023	101-5774-452.43-18	6.55	
			001146		09/12/2023	101-5774-452.43-18	124.88	
			001147		09/12/2023	101-3010-431.60-11	24.37	
			001148		09/12/2023	101-3010-431.60-11	48.74	
			001195		09/12/2023	101-5774-452.43-18	88.05	
			001364		09/12/2023	503-4720-475.60-32	96.31	
							388.90 *	388.90
18988	2819	TRI-STATE HOSE & FITTINGS	001195		09/12/2023	502-4710-471.60-55	126.76	
			001286		09/12/2023	502-4710-471.43-57	514.24 *	
							641.00	641.00
18989	2798	U.S. DEPARTMENT OF ENERGY	001088		09/12/2023	580-4750-473.63-10	224.98	
			001294		09/12/2023	580-4750-473.63-10	16,033.70	
							16,258.68 *	16,258.68
18990	3272	ULINE	001152		09/12/2023	239-4730-472.60-00	378.56 *	
							378.56	378.56
18991	3830	UNIFIRST CORPORATION	007039		09/12/2023	580-4750-473.61-04	311.58	
			007040		09/12/2023	580-4750-473.61-04	137.83	
			001092		09/12/2023	580-4750-473.61-04	137.83	
			001093		09/12/2023	508-4810-478.61-04	7.53	
			001108		09/12/2023	502-4710-471.61-04	29.64	
			007042		09/12/2023	508-4810-478.61-04	7.53	
			001113		09/12/2023	503-4720-475.61-04	16.83	
			001152		09/12/2023	101-5772-452.61-04	237.12	
			001194		09/12/2023	101-5772-452.61-04	161.69	
			001195		09/12/2023	502-4710-471.61-04	66.62	
			001195		09/12/2023	101-5774-452.61-06	9.06	
			001195		09/12/2023	101-5774-452.61-06	9.06	
			001287		09/12/2023	507-5762-454.43-08	7.94	
			001288		09/12/2023	508-4810-478.61-04	7.53	
			001289		09/12/2023	580-4750-473.61-04	137.83	
			001291		09/12/2023	502-4710-471.61-04	29.64	
			001292		09/12/2023	503-4720-475.61-04	16.83	
			001357		09/12/2023	511-3020-432.61-04	162.85	
			007047		09/12/2023	101-3010-431.61-04	102.79	
							1,597.73 *	1,597.73
18992	761	USABLUBOOK	001094		09/12/2023	580-4750-473.61-21	103.18	

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18992	761	USABLUBOOK	007044		09/12/2023	503-4720-475.59-75	101.51 204.69 *	204.69
18993	3528	WESTERN ENVIRONMENTAL TES	001112 001152 001152 001295 001358 001359		09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023	503-4720-475.59-75 503-4720-475.59-75 503-4720-475.59-75 503-4720-475.59-75 503-4720-475.59-75 503-4720-475.59-75	738.00 607.00 307.00 693.00 307.00 2,959.00 *	2,959.00
18994	3967	WILLDAN ENGINEERING	001152		09/12/2023	101-0000-204.03-01	3,795.00 3,795.00 *	3,795.00
18995	3828	3D-NETWORKS LLC	001086 001087 001282 001283 001284 001370		09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023 09/12/2023	509-4910-479.31-53 509-4910-479.31-90 509-4910-479.31-53 509-4910-479.31-90 509-4910-479.61-02 509-4910-479.31-53	600.00 2,500.00 475.00 2,450.00 193.50 550.00 6,768.50 *	6,768.50
BANK/CHECK TOTAL							272,695.65	272,695.65
ALL BANKS/CHECKS TOTAL							272,695.65	272,695.65

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 25, 2023**

			FUND AMT.	25-Aug	23-24 BUDGET
FUND 101	GENERAL FUND	\$ 5,470.71			
101.1015.412	CITY ATTORNEY	\$ -		\$ 5,800.00	\$ 80,000.00
101.1020.413	CITY MANAGER	\$ 93.62		\$ 5,644.59	\$ 230,592.00
101.1025.415	FINANCE DEPT.	\$ 896.75		\$ 44,262.73	\$ 987,957.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 2,210.69		\$ 15,251.46	\$ 329,339.00
101.1035.416	PLANNING /ZONING	\$ 57.60		\$ 6,865.10	\$ 402,016.00
101.1040.417	ENGINEERING	\$ 217.86		\$ 11,652.35	\$ 439,483.00
101.1060.410	COMMUNITY PROMOTIONS	\$ -		\$ 6,000.00	\$ 103,945.00
101.1070.410	SENIOR CENTER	\$ -		\$ 4,021.30	\$ 62,202.00
101.2010.421	SHERIFF	\$ -		\$ 617,537.34	\$ 3,759,034.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$ 50.00		\$ 4,807.57	\$ 261,130.00
101.2025.424	BUILDING & SAFETY	\$ 198.78		\$ 11,423.28	\$ 488,742.00
101.2030.423	CODE ENFORCEMENT	\$ 897.46		\$ 53,366.63	\$ 806,188.00
101.3010.431	PUBLIC WORKS	\$ 304.47		\$ 25,593.61	\$ 818,943.00
101.4730.472	SANITATION	\$ 33.35		\$ 4,572.65	\$ 177,467.00
101.5770.452.	AQUATICS	\$ -		\$ 12,329.17	\$ 246,913.00
101.5772.452	PARKS	\$ 346.67		\$ 50,513.81	\$ 760,504.00
101.5773.452	JACK SMITH PARK MARINA	\$ 54.75		\$ 2,433.89	\$ 115,646.00
101.5774.452	RECREATION	\$ 157.57		\$ 95,734.05	\$ 386,397.00
GENERAL FUND TOTAL ALL GF DEPARTMENTS			\$ 10,990.28		\$ 10,456,498.00
FUND 102	GEN. FUND CAPITAL PROJECT		\$ -	\$ 92.45	\$ 4,541,710.00
FUND 205	CDBG		\$ 149.01	\$ 149.01	\$ 74,559.00
FUND 206	CEMETERY		\$ -	\$ 20,369.47	\$ 258,022.00
FUND 208	CALTRANS GRANTS		\$ -	\$ -	\$ 1,173,000.00
FUND 210	SPECIAL GAS TAX		\$ -	\$ -	\$ 258,629.00
FUND 213	DEPT OF HOUSE. & COMM DEVL		\$ -	\$ 10,503.75	\$ 48,522.00
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 21,856.34	\$ 272,973.00
FUND 233	JACK SMITH PARK MARINA		\$ -	\$ -	\$ 175,308.00
FUND 238	STATE RECREATION GRANTS		\$ -	\$ 100.30	\$ 2,819,424.00
FUND 239	CA.CONSERV RECYLING GRANT		\$ -	\$ 2,919.16	\$ 25,436.00
FUND 270	REDEVELOPMENT AGENCY		\$ -	\$ -	\$ 20,000.00
FUND 470	RDA CAP PROJ.LOW & MOD.		\$ -	\$ 10,000.00	\$ 100,954.00
FUND 501	NPUA		\$ -	\$ -	\$ 2,639,851.00
FUND 502	WATER DEPARTMENT		\$ 1,364.24	\$ 112,548.18	\$ 2,161,380.00
FUND 503	WASTEWATER DEPARTMENT		\$ 301.07	\$ 95,072.39	\$ 1,312,828.00
FUND 505	SANITATION		\$ -	\$ 112,395.06	\$ 1,563,015.00
FUND 506	ALL AMERICAN CANAL PROJ.		\$ 53.16	\$ 2,564.49	\$ 1,041,800.00
FUND 507	GOLF FUND	\$ -		\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ -		\$ 51,677.39	\$ 696,256.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -		\$ 22,704.07	\$ 413,638.00
FUND 507	GOLF FUND TOTAL	\$ -	\$ -		
FUND 508	CUST.SVC/UT BUSINESS OFFICE		\$ 265.33	\$ 13,779.67	\$ 496,825.00
FUND 509	MIS		\$ -	\$ 29,930.69	\$ 273,100.00
FUND 510	ADMIN. FACILITY		\$ -	\$ 48,031.39	\$ 244,375.00
FUND 511	FLEET MANAGEMENT		\$ 113.33	\$ 11,259.57	\$ 278,476.00
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$ 22,199.62
FUND 520	SR DIAL A RIDE		\$ -	\$ 7,431.22	\$ 453,450.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 1,250.07	\$ 22,320.00
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ -	\$ 52,129.73	\$ 808,479.00
FUND 575	HOUSING		\$ 1,284.54	\$ 138,379.01	\$ 1,434,443.00
FUND 580	ELECTRIC		\$ 3,948.48	\$ 515,666.09	\$ 12,742,061.00
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ 7,020.00	\$ 506,170.00
FUND 582	NPUA CAPITAL WATER		\$ -	\$ 483,806.56	\$ 8,052,289.00
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 18,469.44	\$ 2,749,445.59	\$ 55,837,990.62

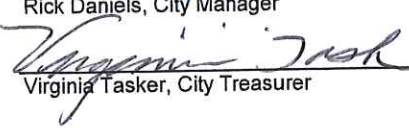
I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City


Rick Daniels, City Manager

Date


Finance Department

Date


Virginia Tasker, City Treasurer

Date

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18875	3709	00	ADRIAN CHAVEZ	08/25/2023	468.82	.00
18876	3688	00	ALBERT PONCE	08/25/2023	50.00	.00
18877	4084	00	ANTHONY GIERECH	08/25/2023	50.00	.00
18878	3897	00	BENEBLOC, LLC	08/25/2023	299.22	.00
18879	4022	00	BENEFIT COORDINATORS CORPORATION	08/25/2023	3,608.40	.00
18880	3870	00	BRYAN HICKSTEIN	08/25/2023	50.00	.00
18881	3275	00	CALIFORNIA STATE DISB.UNIT	08/25/2023	255.23	.00
18882	4021	00	CANDACE CLARK	08/25/2023	1,966.27	.00
18883	4126	00	CASE BRUFFETT	08/25/2023	50.00	.00
18884	2931	00	DALE JONES	08/25/2023	50.00	.00
18885	322	00	FRANK VALENZUELA JR.	08/25/2023	50.00	.00
18886	1305	00	GREAT WEST LIFE	08/25/2023	6,024.00	.00
18887	3634	00	GREAT-WEST LIFE & ANNUITY	08/25/2023	1,188.49	.00
18888	2612	00	HARDWARE EXPRESS INCORP.	08/25/2023	209.61	.00
18889	2879	00	JENNIFER VALENZUELA	08/25/2023	50.00	.00
18890	638	00	JESSE FRAGOSO	08/25/2023	50.00	.00
18891	325	00	JIM WILLIS	08/25/2023	50.00	.00
18892	3978	00	JOSE SANCHEZ	08/25/2023	50.00	.00
18893	2222	00	JUSTIN SCOTT	08/25/2023	50.00	.00
18894	4070	00	KATHY RAASCH	08/25/2023	50.00	.00
18895	3512	00	KIMBERLY KRASINSKI	08/25/2023	50.00	.00
18896	3889	00	MICHAEL WILLIS	08/25/2023	50.00	.00
18897	4125	00	NANCY HUFF	08/25/2023	50.00	.00
18898	3767	00	PATRICK MARTINEZ	08/25/2023	50.00	.00
18899	3654	00	RAINIE TORRANCE	08/25/2023	50.00	.00
18900	4081	00	RICHARD KIMBALL	08/25/2023	50.00	.00
18901	3953	00	RONNY SOMMERS	08/25/2023	50.00	.00
18902	1199	00	SBPEA TEAMSTERS LOCAL 1932	08/25/2023	1,054.72	.00
18903	1199	00	SBPEA TEAMSTERS LOCAL 1932	08/25/2023	497.87	.00
18904	3851	00	SY FOLEY	08/25/2023	50.00	.00
18905	3622	00	TAYLOR MILLER	08/25/2023	50.00	.00
18906	2744	00	THOMAS DELEON	08/25/2023	50.00	.00
18907	2817	00	TONY RUBALCABA	08/25/2023	50.00	.00
18908	2469	00	VERIZON WIRELESS	08/25/2023	271.97	.00
18909	3695	00	VINCE GARZA	08/25/2023	50.00	.00
18910	1917	00	VIRGINIA TASKER	08/25/2023	500.00	.00
18911	1217	00	VISION SERVICE PLAN	08/25/2023	924.84	.00

NUMBER OF CHECKS 37 GRAND TOTAL 18,469.44

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18764*	2403	CDW GOVERNMENT	000648		08/22/2023	509-4910-479.43-05	1,149.06- 1,149.06- *	VOIDED
18875	3709	ADRIAN CHAVEZ	001149 002140		08/25/2023 08/25/2023	101-2030-423.55-00 101-2030-423.52-10	418.82 50.00 468.82 *	468.82
18876	3688	ALBERT PONCE	002149		08/25/2023	502-4710-471.52-10	50.00 50.00 *	50.00
18877	4084	ANTHONY GEIRSCH	004452 004453		08/25/2023 08/25/2023	580-4750-473.52-10 101-2030-423.52-10	25.00 25.00 50.00 *	50.00
18878	3897	BENEBLOC LLC	001216 001217 001218		08/25/2023 08/25/2023 08/25/2023	101-0000-209.03-01 502-0000-209.03-01 580-0000-209.03-01	213.78 71.44 14.00 299.22 *	299.22
18879	4022	BENEFIT COORDINATORS CORP	001241 001242 001243 001244 001245 001246 001247 001248 001249 001250 001251 001252 001253 001254 001255 001256 001257 001258 001259 001260 001261		08/25/2023 08/25/2023	101-1020-413.24-10 101-1025-415.24-10 101-1030-414.24-10 101-1035-416.24-10 101-1040-417.24-10 101-2025-424.24-10 101-2030-423.24-10 101-3010-431.24-10 101-4730-472.24-10 101-5772-452.24-10 101-5773-452.24-10 101-5774-452.24-10 206-5771-452.24-10 502-4710-471.24-10 503-4720-475.24-10 506-4713-477.24-10 508-4810-478.24-10 511-3020-432.24-10 575-5555-485.24-10 575-5555-485.24-15 580-4750-473.24-10	74.78 326.54 155.04 22.80 103.10 92.20 296.40 204.42 280.54 45.60 82.08 126.26 270.95 158.69 41.04 125.90 62.06 273.60 91.20 747.84 3,608.40 *	3,608.40
18880	3870	BRYAN HICKSTEIN	002146		08/25/2023	502-4710-471.52-10	50.00 50.00 *	50.00
18881	3275	CALIFORNIA STATE DISB.UNI	001219		08/25/2023	575-0000-209.03-01	255.23 255.23 *	255.23
18882	4021	CANDACE CLARK	001150 001151		08/25/2023 08/25/2023	101-1030-414.55-00 101-1030-414.31-40	1,291.27 675.00	1,291.27 675.00

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18882	4021	CANDACE CLARK					1,966.27 *	1,966.27
18883	4126	CASE BRUFFETT	001214		08/25/2023	575-5555-485.52-10	50.00 50.00 *	50.00
18884	2931	DALE JONES	002130		08/25/2023	101-1030-414.52-10	50.00 50.00 *	50.00
18885	322	FRANK VALENZUELA JR.	002128		08/25/2023	502-4710-471.52-10	50.00 50.00 *	50.00
18886	1305	GREAT WEST LIFE & ANNUITY	001156 001157 001158		08/25/2023 08/25/2023 08/25/2023	101-0000-209.03-01 502-0000-209.03-01 580-0000-209.03-01	3,610.00 410.00 2,004.00 6,024.00 *	6,024.00
18887	3634	GREAT-WEST LIFE & ANNUITY	001169 001170 001171 001172 001173 001174 001175 001176 001177 001178		08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023	101-0000-209.03-01 101-0000-209.03-01 101-0000-209.03-01 101-0000-209.03-01 101-0000-209.03-01 101-0000-209.03-01 502-0000-209.03-01 580-0000-209.03-01 580-0000-209.03-01 580-0000-209.03-01	43.12 194.13 24.27 213.04 97.57 158.76 94.89 174.52 60.36 127.83 1,188.49 *	1,188.49
18888	2612	HARDWARE EXPRESS INCORP.	001114 001115 001116 001117 001118		08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023	575-5555-485.43-02 575-5555-485.43-02 575-5555-485.43-02 575-5555-485.43-02 575-5555-485.43-02	19.38 20.47 139.19 6.02 24.55 209.61 *	209.61
18889	2879	JENNIFER VALENZUELA	002126		08/25/2023	101-5774-452.52-10	50.00 50.00 *	50.00
18890	638	JESSE FRAGOSO	002144		08/25/2023	101-3010-431.52-10	50.00 50.00 *	50.00
18891	325	JIM WILLIS	002129		08/25/2023	580-4750-473.52-10	50.00 50.00 *	50.00
18892	3978	JOSE SANCHEZ	002141		08/25/2023	502-4710-471.52-10	50.00 50.00 *	50.00
18893	2222	JUSTIN SCOTT	002125		08/25/2023	580-4750-473.52-10	50.00 50.00 *	50.00

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18894	4070	KATHY RAASCH	003172		08/25/2023	101-1040-417.52-10	50.00 50.00 *	50.00
18895	3512	KIMBERLY KRASINSKI	006143		08/25/2023	508-4810-478.52-10	50.00 50.00 *	50.00
18896	3889	MICHAEL WILLIS	002132		08/25/2023	580-4750-473.52-10	50.00 50.00 *	50.00
18897	4125	NANCY HUFF	002151 001153 001154 001155		08/25/2023 08/25/2023 08/25/2023 08/25/2023	101-1035-416.52-10 101-2025-424.52-10 101-1040-417.52-10 101-2030-423.52-10	12.50 12.50 12.50 12.50 50.00 *	50.00
18898	3767	PATRICK MARTINEZ	002133 002134 002135 002136		08/25/2023 08/25/2023 08/25/2023 08/25/2023	101-2030-423.52-10 101-2025-424.52-10 101-1035-416.52-10 101-1040-417.52-10	12.50 12.50 12.50 12.50 50.00 *	50.00
18899	3654	RAINIE TORRANCE	002137 002138 002139		08/25/2023 08/25/2023 08/25/2023	502-4710-471.52-10 503-4720-475.52-10 580-4750-473.52-10	16.67 16.66 16.67 50.00 *	50.00
18900	4081	RICHARD KIMBALL	005324		08/25/2023	101-2025-424.52-10	50.00 50.00 *	50.00
18901	3953	RONNY SOMMERS	002127		08/25/2023	580-4750-473.52-10	50.00 50.00 *	50.00
18902	1199	SBPEA TEAMSTERS LOCAL 193	001162 001163 001164 001165 001166 001167 001168		08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023 08/25/2023	101-0000-209.03-01 502-0000-209.03-01 503-0000-209.03-01 508-0000-209.03-01 511-0000-209.03-01 580-0000-209.03-01 575-0000-209.03-01	529.55 133.76 30.70 62.74 35.64 217.64 44.69 1,054.72 *	1,054.72
18903	1199	SBPEA TEAMSTERS LOCAL 193	001159 001160 001161		08/25/2023 08/25/2023 08/25/2023	101-0000-209.03-01 502-0000-209.03-01 580-0000-209.03-01	386.49 50.44 60.94 497.87 *	497.87
18904	3851	SY FOLEY	002143		08/25/2023	503-4720-475.52-10	50.00 50.00 *	50.00
18905	3622	TAYLOR MILLER	001158		08/25/2023	502-4710-471.52-10	50.00	50.00

PROGRAM: GM346L
CITY OF NEEDLES
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18905	3622	TAYLOR MILLER					50.00 *	50.00
18906	2744	THOMAS DELEON	002142		08/25/2023	580-4750-473.52-10	50.00 50.00 *	50.00
18907	2817	TONY RUBALCABA	002131		08/25/2023	101-2020-423.52-10	50.00 50.00 *	50.00
18908	2469	VERIZON WIRELESS	001215		08/25/2023	575-5555-485.52-10	271.97 271.97 *	271.97
18909	3695	VINCE GARZA	002145		08/25/2023	580-4750-473.52-10	50.00 50.00 *	50.00
18910	1917	VIRGINIA TASKER	001101		08/25/2023	101-1025-415.31-90	500.00 500.00 *	500.00
18911	1217	VISION SERVICE PLAN	001220 001221 001222 001223 001224 001225 001226 001227 001228 001229 001230 001231 001232 001233 001234 001235 001236 001237 001238 001239 001240		08/25/2023 08/25/2023	101-1020-413.24-10 101-1025-415.24-10 101-1030-414.24-10 101-1035-416.24-10 101-1040-417.24-10 101-2025-424.24-10 101-2030-423.24-10 101-3010-431.24-10 101-4730-472.24-10 101-5772-452.24-10 101-5773-452.24-10 101-5774-452.24-10 206-5771-452.24-10 502-4710-471.24-10 503-4720-475.24-10 506-4713-477.24-10 508-4810-478.24-10 511-3020-432.24-10 575-5555-485.24-10 575-5555-485.24-15 580-4750-473.24-10	18.84 70.21 39.38 9.80 39.76 31.58 82.24 50.05 5.99 66.13 9.15 25.49 22.75 66.09 45.02 12.12 26.69 15.63 72.44 15.80 199.68 924.84 *	

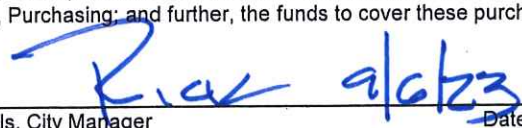
BANK/CHECK TOTAL17,320.3818,469.44

ALL BANKS/CHECKS TOTAL17,320.3818,469.44

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 25, 2023**

FUND 101	GENERAL FUND		FUND AMT.	25-Aug	23-24 BUDGET
		\$ (151.72)			
101.1015.412	CITY ATTORNEY	\$ -		\$ 5,800.00	\$ 80,000.00
101.1020.413	CITY MANAGER	\$ -		\$ 5,644.59	\$ 230,592.00
101.1025.415	FINANCE DEPT.	\$ -		\$ 44,262.73	\$ 987,957.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 1,074.06		\$ 17,275.40	\$ 329,339.00
101.1035.416	PLANNING /ZONING	\$ 61.99		\$ 6,927.09	\$ 402,016.00
101.1040.417	ENGINEERING	\$ 334.81		\$ 11,987.16	\$ 439,483.00
101.1060.410	COMMUNITY PROMOTIONS	\$ -		\$ 6,000.00	\$ 103,945.00
101.1070.410	SENIOR CENTER	\$ -		\$ 4,021.30	\$ 62,202.00
101.2010.421	SHERIFF	\$ -		\$ 617,537.34	\$ 3,759,034.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$ 1,415.71		\$ 6,223.28	\$ 261,130.00
101.2025.424	BUILDING & SAFETY	\$ 61.99		\$ 11,339.27	\$ 488,742.00
101.2030.423	CODE ENFORCEMENT	\$ 61.99		\$ 53,428.62	\$ 806,188.00
101.3010.431	PUBLIC WORKS	\$ 918.19		\$ 26,511.80	\$ 818,943.00
101.4730.472	SANITATION	\$ -		\$ 4,572.65	\$ 177,467.00
101.5770.452	AQUATICS	\$ -		\$ 12,329.17	\$ 246,913.00
101.5772.452	PARKS	\$ -		\$ 50,513.81	\$ 760,504.00
101.5773.452	JACK SMITH PARK MARINA	\$ -		\$ 2,433.89	\$ 115,646.00
101.5774.452	RECREATION	\$ 2,252.13		\$ 97,986.18	\$ 386,397.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS		\$ 6,029.15		\$ 10,456,498.00
FUND 102	GEN. FUND CAPITAL PROJECT		\$ -	\$ 92.45	\$ 4,541,710.00
FUND 205	CDBG		\$ -	\$ -	\$ 74,559.00
FUND 206	CEMETERY		\$ -	\$ 20,369.47	\$ 258,022.00
FUND 208	CALTRANS GRANTS		\$ -	\$ -	\$ 1,173,000.00
FUND 210	SPECIAL GAS TAX		\$ -	\$ -	\$ 258,629.00
FUND 213	DEPT OF HOUSE. & COMM DEVL		\$ -	\$ 10,503.75	\$ 48,522.00
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 21,856.34	\$ 272,973.00
FUND 233	JACK SMITH PARK MARINA		\$ -	\$ -	\$ 175,308.00
FUND 238	STATE RECREATION GRANTS		\$ -	\$ 100.30	\$ 2,819,424.00
FUND 239	CA.CONSERV RECYCLING GRANT		\$ -	\$ 2,919.16	\$ 25,436.00
FUND 270	REDEVELOPMENT AGENCY		\$ -	\$ -	\$ 20,000.00
FUND 470	RDA CAP PROJ.LOW & MOD.		\$ -	\$ 10,000.00	\$ 100,954.00
FUND 501	NPUA		\$ -	\$ -	\$ 2,639,851.00
FUND 502	WATER DEPARTMENT		\$ 170.21	\$ 112,722.00	\$ 2,161,380.00
FUND 503	WASTEWATER DEPARTMENT		\$ 395.73	\$ 95,471.73	\$ 1,312,828.00
FUND 505	SANITATION		\$ -	\$ 112,395.06	\$ 1,563,015.00
FUND 506	ALL AMERICAN CANAL PROJ.		\$ 14.99	\$ 2,579.48	\$ 1,041,800.00
FUND 507	GOLF FUND	\$ -		\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ -		\$ 51,677.39	\$ 696,256.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -		\$ 22,704.07	\$ 413,638.00
FUND 507	GOLF FUND TOTAL	\$ -	\$ -		
FUND 508	CUST.SVC/UT BUSINESS OFFICE		\$ 603.36	\$ 14,383.03	\$ 496,825.00
FUND 509	MIS		\$ -	\$ 29,930.69	\$ 273,100.00
FUND 510	ADMIN. FACILITY		\$ -	\$ 48,031.39	\$ 244,375.00
FUND 511	FLEET MANAGEMENT		\$ 944.33	\$ 12,203.90	\$ 278,476.00
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$ 22,199.62
FUND 520	SR DIAL A RIDE		\$ -	\$ 7,431.22	\$ 453,450.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 1,250.07	\$ 22,320.00
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ -	\$ 52,129.73	\$ 808,479.00
FUND 575	HOUSING		\$ 684.61	\$ 139,063.62	\$ 1,434,443.00
FUND 580	ELECTRIC		\$ 661.98	\$ 516,331.67	\$ 12,742,061.00
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ 7,020.00	\$ 506,170.00
FUND 582	NPUA CAPITAL WATER		\$ -	\$ 483,806.56	\$ 8,052,289.00
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 9,504.36	\$ 2,759,767.36	\$ 55,837,990.62

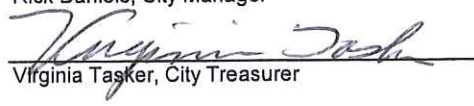
I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City


Rick Daniels, City Manager

Date


Finance Department

Date


Virginia Tasker, City Treasurer

Date

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18912	4131	00	WELL FARGO (ACCT # 7827)	08/25/2023	1,415.71	.00
18913	4130	00	WELLS FARGO (ACCT # 1755)	08/25/2023	2,252.13	.00
18914	4134	00	WELLS FARGO (ACCT # 1905)	08/25/2023	584.73	.00
18915	4132	00	WELLS FARGO (ACCT # 2414)	08/25/2023	132.49	.00
18916	4129	00	WELLS FARGO (ACCT # 3254)	08/25/2023	960.70	.00
18917	4128	00	WELLS FARGO (ACCT # 5392)	08/25/2023	467.08	.00
18918	4127	00	WELLS FARGO (ACCT # 5921)	08/25/2023	1,155.98	.00
18919	4133	00	WELLS FARGO (ACCT # 8728)	08/25/2023	1,850.93	.00
18920	4116	00	WELLS FARGO (ACCT# 3621)	08/25/2023	332.61	.00
18921	4115	00	WELLS FARGO (ACCT# 9105)	08/25/2023	352.00	.00
NUMBER OF CHECKS				10	9,504.36	
				GRAND TOTAL		

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18912	4131	WELLS FARGO	(ACCT # 7827)	001293	08/25/2023	101-2020-423.61-36	59.68	
				001293	08/25/2023	101-2020-423.58-00	458.76	
				001293	08/25/2023	101-2020-423.31-40	200.00	
				001293	08/25/2023	101-2020-423.60-75	300.79	
				001293	08/25/2023	101-2020-423.43-42	180.99	
				001296	08/25/2023	101-2020-423.61-02	215.49	
							1,415.71 *	1,415.71
18913	4130	WELLS FARGO	(ACCT # 1755)	001293	08/25/2023	101-5774-452.65-10	727.21	
				001293	08/25/2023	101-5774-452.60-24	1,067.08	
				001293	08/25/2023	101-5774-452.61-02	186.31	
				001293	08/25/2023	101-5774-452.61-06	180.82	
				001293	08/25/2023	101-5774-452.62-00	50.00	
				001293	08/25/2023	101-5774-452.43-18	40.71	
							2,252.13 *	2,252.13
18914	4134	WELLS FARGO	(ACCT # 1905)	001297	08/25/2023	101-1030-414.61-31	124.18	
				001297	08/25/2023	101-1040-417.55-00	334.81	
				001297	08/25/2023	101-1035-416.55-00	61.99	
				001298	08/25/2023	101-2025-424.55-00	61.99	
				001298	08/25/2023	101-2030-423.55-00	61.99	
				001298	08/25/2023	101-0000-210.00-00	60.23-	
							584.73 *	584.73
18915	4132	WELLS FARGO	(ACCT # 2414)	001293	08/25/2023	502-4710-471.31-90	19.99	
				001293	08/25/2023	502-4710-471.31-40	112.50	
							132.49 *	132.49
18916	4129	WELLS FARGO	(ACCT # 3254)	001300	08/25/2023	101-1030-414.55-00	949.88	
				001301	08/25/2023	502-4710-471.52-10	3.61	
				001302	08/25/2023	503-4720-475.52-10	3.61	
				001303	08/25/2023	580-4750-473.52-10	3.60	
							960.70 *	960.70
18917	4128	WELLS FARGO	(ACCT # 5392)	001290	08/25/2023	580-4750-473.61-21	558.57	
				001290	08/25/2023	101-0000-210.00-00	91.49-	
							467.08 *	467.08
18918	4127	WELLS FARGO	(ACCT # 5921)	001290	08/25/2023	506-4713-477.61-01	14.99	
				001290	08/25/2023	580-4750-473.69-22	99.81	
				001290	08/25/2023	101-3010-431.61-21	66.99	
				001290	08/25/2023	508-4810-478.61-32	603.36	
				001290	08/25/2023	503-4720-475.55-00	370.83	
							1,155.98 *	1,155.98
18919	4133	WELLS FARGO	(ACCT # 8728)	001293	08/25/2023	503-4720-475.69-22	21.29	
				001293	08/25/2023	502-4710-471.69-22	34.11	
				001293	08/25/2023	511-3021-432.43-26	745.33	
				001293	08/25/2023	511-3020-432.61-28	199.00	
				001293	08/25/2023	101-3010-431.61-33	851.20	

PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18919	4133	WELLS FARGO	(ACCT # 8728)				1,850.93 *	1,850.93
18920	4116	WELLS FARGO	(ACCT# 3621)	001285	08/25/2023	575-5555-485.43-02	236.39	
				001285	08/25/2023	575-5555-485.62-00	34.26	
				001285	08/25/2023	575-5555-485.61-01	61.96	
							332.61 *	332.61
18921	4115	WELLS FARGO	(ACCT# 9105)	001285	08/25/2023	575-5555-485.61-01	227.80	
				001285	08/25/2023	575-5555-485.31-90	114.55	
				001285	08/25/2023	575-5555-485.52-20	9.65	
							352.00 *	352.00
BANK/CHECK TOTAL							9,504.36	9,504.36
ALL BANKS/CHECKS TOTAL							9,504.36	9,504.36



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ SARDA

☒ Regular ☐ Special

Meeting Date: August 22, 2023

Title: Warrants

Background: n/a

Fiscal Impact: n/a

Recommended Action: **APPROVE**, the Warrants Register through August 22, 2023.

Submitted By: Barbara DiLeo, Sr. Accountant

City Management Review:

Rick

Date:

9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: _____

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 22, 2023**

FUND 101	GENERAL FUND	\$	600.00	FUND AMT.	22-Aug	22-23 BUDGET
101.1015.412	CITY ATTORNEY	\$	-		\$ 70,032.90	\$ 80,000.00
101.1020.413	CITY MANAGER	\$	-		\$ 212,044.22	\$ 219,507.00
101.1025.415	FINANCE DEPT.	\$	-		\$ 711,769.97	\$ 698,085.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$	-		\$ 269,918.72	\$ 291,344.00
101.1035.416	PLANNING /ZONING	\$	-		\$ 260,472.28	\$ 373,159.00
101.1040.417	ENGINEERING	\$	-		\$ 303,428.16	\$ 361,425.00
101.1060.410	COMMUNITY PROMOTIONS	\$	-		\$ 41,554.22	\$ 51,552.00
101.1070.410	SENIOR CENTER	\$	-		\$ 49,051.40	\$ 59,457.00
101.2010.421	SHERIFF	\$	-		\$ 3,532,173.17	\$ 3,594,791.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$	-		\$ 218,717.34	\$ 233,027.00
101.2025.424	BUILDING & SAFETY	\$	-		\$ 340,352.53	\$ 608,738.00
101.2030.423	CODE ENFORCEMENT	\$	-		\$ 713,750.72	\$ 696,985.00
101.3010.431	PUBLIC WORKS	\$	-		\$ 695,785.31	\$ 849,743.00
101.4730.472	SANITATION	\$	-		\$ 164,899.15	\$ 166,600.00
101.5770.452.	AQUATICS	\$	770.00		\$ 161,074.11	\$ 194,192.00
101.5772.452	PARKS	\$	0.29		\$ 596,757.11	\$ 658,491.00
101.5773.452	JACK SMITH PARK MARINA	\$	233.13		\$ 102,090.51	\$ 107,923.00
101.5774.452	RECREATION	\$	-		\$ 421,874.20	\$ 371,884.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$		1,603.42		\$ 9,616,903.00
FUND 102	GEN. FUND CAPITAL PROJECT	\$	-		\$ 2,082,094.66	\$ 4,992,512.00
FUND 205	CDBG	\$	-		\$ 7,896.00	\$ 42,692.00
FUND 206	CEMETERY	\$	-		\$ 167,819.81	\$ 202,270.00
FUND 208	CALTRANS GRANTS	\$	-		\$ 343,959.46	\$ 343,960.00
FUND 210	SPECIAL GAS TAX	\$	-		\$ 153,828.00	\$ 272,365.00
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$	3,359.50		\$ 34,685.91	\$ 30,000.00
FUND 214	SANBAG NEW LOCAL MEAS I	\$	-		\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$	-		\$ 202,478.92	\$ 251,497.00
FUND 233	JACK SMITH PARK MARINA	\$	-		\$ 5,807.60	\$ 13,733.00
FUND 238	STATE RECREATION GRANTS	\$	-		\$ 973,013.99	\$ 3,899,640.00
FUND 239	CA.CONSERV RECYCLING GRANT	\$	-		\$ 4,831.28	\$ 25,526.00
FUND 270	REDEVELOPMENT AGENCY	\$	-		\$ 72,181.07	\$ 287,664.00
FUND 470	RDA CAP PROJ.LOW & MOD.	\$	-		\$ 161,387.57	\$ 300,000.00
FUND 501	NPUA	\$	-		\$ 2,401,984.26	\$ 2,401,984.26
FUND 502	WATER DEPARTMENT	\$	35.59		\$ 1,771,705.99	\$ 1,938,399.00
FUND 503	WASTEWATER DEPARTMENT	\$	-		\$ 1,213,610.02	\$ 1,241,325.00
FUND 505	SANITATION	\$	-		\$ 1,515,737.69	\$ 1,458,897.00
FUND 506	ALL AMERICAN CANAL PROJ.	\$	-		\$ 955,885.72	\$ 1,041,800.00
FUND 507	GOLF FUND	\$	-		\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$	2,670.38		\$ 607,618.55	\$ 641,632.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$	270.93		\$ 388,707.92	\$ 370,454.00
FUND 507	GOLF FUND TOTAL	\$	-	2,941.31		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$	-		\$ 380,888.57	\$ 455,807.00
FUND 509	MIS	\$	-		\$ 275,440.56	\$ 257,370.00
FUND 510	ADMIN. FACILITY	\$	248.85		\$ 385,968.54	\$ 414,950.00
FUND 511	FLEET MANAGEMENT	\$	76.00		\$ 236,662.94	\$ 281,078.00
FUND 512	VEHICLE REPLACEMENT	\$	-		\$ 22,199.62	\$ 22,199.62
FUND 520	SR DIAL A RIDE	\$	-		\$ 200,475.76	\$ 250,098.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$	-		\$ 18,586.09	\$ 22,274.00
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$	-		\$ 442,575.36	\$ 614,438.00
FUND 580	ELECTRIC	\$	84.67		\$ 10,858,788.79	\$ 12,406,721.00
FUND 581	NPUA CAPITAL ELECTRIC	\$	-		\$ 1,755,367.90	\$ 1,956,822.00
FUND 582	NPUA CAPITAL WATER	\$	-		\$ 3,800,870.05	\$ 12,038,402.00
FUND 583	NPUA CAPITAL WASTEWATER	\$	-		\$ 62,884.57	\$ 36,075.00
FUND 650	IMPACT FEES-NORTH NEEDLES	\$	-		\$ 4,569.62	\$ 4,570.00
FUND 651	IMPACT FEES-SOUTH NEEDLES	\$	-		\$ 2,911.00	\$ 2,911.00
TOTAL	ALL FUNDS & DEPARTMENTS	\$		8,349.34	\$ 40,379,169.81	\$ 58,543,412.88

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Finance Department

Date

Virginia Tasker, City Treasurer

Date

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 22, 2023**

		FUND AMT.	22-Aug	23-24 BUDGET
FUND 101	GENERAL FUND	\$ 500.00		
101.1015.412	CITY ATTORNEY	\$ 5,800.00	\$ 5,800.00	\$ 80,000.00
101.1020.413	CITY MANAGER	\$ 74.56	\$ 4,473.53	\$ 230,592.00
101.1025.415	FINANCE DEPT.	\$ 10,478.17	\$ 31,166.35	\$ 987,957.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 193.89	\$ 12,211.66	\$ 329,339.00
101.1035.416	PLANNING /ZONING	\$ 4,473.35	\$ 6,559.98	\$ 402,016.00
101.1040.417	ENGINEERING	\$ 2,493.30	\$ 10,097.21	\$ 439,483.00
101.1060.410	COMMUNITY PROMOTIONS	\$ -	\$ 4,000.00	\$ 103,945.00
101.1070.410	SENIOR CENTER	\$ 39.00	\$ 1,480.77	\$ 62,202.00
101.2010.421	SHERIFF	\$ 587,069.34	\$ 617,537.34	\$ 3,759,034.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$ 550.70	\$ 2,521.56	\$ 261,130.00
101.2025.424	BULDING & SAFETY	\$ 4,563.08	\$ 9,972.05	\$ 488,742.00
101.2030.423	CODE ENFORCEMENT	\$ 35,838.58	\$ 51,468.14	\$ 806,188.00
101.3010.431	PUBLIC WORKS	\$ 9,883.31	\$ 23,041.09	\$ 818,943.00
101.4730.472	SANITATION	\$ -	\$ 4,397.35	\$ 177,467.00
101.5770.452.	AQUATICS	\$ 1,017.69	\$ 4,665.01	\$ 246,913.00
101.5772.452	PARKS	\$ 2,536.35	\$ 35,457.96	\$ 760,504.00
101.5773.452	JACK SMITH PARK MARINA	\$ 54.21	\$ 2,022.28	\$ 115,646.00
101.5774.452	RECREATION	\$ 83,802.12	\$ 93,352.18	\$ 386,397.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ 749,367.65		\$ 10,456,498.00
FUND 102	GEN. FUND CAPITAL PROJECT	\$ -	\$ 92.45	\$ 4,541,710.00
FUND 205	CDBG	\$ -	\$ -	\$ 74,559.00
FUND 206	CEMETERY	\$ 13,989.54	\$ 19,662.61	\$ 258,022.00
FUND 208	CALTRANS GRANTS	\$ -	\$ -	\$ 1,173,000.00
FUND 210	SPECIAL GAS TAX	\$ -	\$ -	\$ 258,629.00
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$ -	\$ -	\$ 48,522.00
FUND 214	SANBAG NEW LOCAL MEAS I	\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$ 21,856.34	\$ 21,856.34	\$ 272,973.00
FUND 233	JACK SMITH PARK MARINA	\$ -	\$ -	\$ 175,308.00
FUND 238	STATE RECREATION GRANTS	\$ -	\$ -	\$ 2,819,424.00
FUND 239	CA.CONSERV RECYCLING GRANT	\$ 293.74	\$ 2,540.60	\$ 25,436.00
FUND 270	REDEVELOPMENT AGENCY	\$ -	\$ -	\$ 20,000.00
FUND 470	RDA CAP PROJ.LOW & MOD.	\$ -	\$ -	\$ 100,954.00
FUND 501	NPUA	\$ 202.87	\$ 202.87	\$ 2,639,851.00
FUND 502	WATER DEPARTMENT	\$ 23,446.10	\$ 86,554.23	\$ 2,161,380.00
FUND 503	WASTEWATER DEPARTMENT	\$ 22,136.84	\$ 87,150.08	\$ 1,312,828.00
FUND 505	SANITATION	\$ 1,632.00	\$ 7,098.35	\$ 1,563,015.00
FUND 506	ALL AMERICAN CANAL PROJ.	\$ -	\$ 2,117.07	\$ 1,041,800.00
FUND 507	GOLF FUND	\$ -	\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 25,286.69	\$ 30,810.67	\$ 696,256.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ 8,781.73	\$ 13,710.26	\$ 413,638.00
FUND 507	GOLF FUND TOTAL	\$ -	\$ 34,068.42	
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ 1,299.70	\$ 11,959.12	\$ 496,825.00
FUND 509	MIS	\$ 9,894.43	\$ 27,979.75	\$ 273,100.00
FUND 510	ADMIN. FACILITY	\$ 9,840.56	\$ 40,936.26	\$ 244,375.00
FUND 511	FLEET MANAGEMENT	\$ 4,683.02	\$ 9,968.14	\$ 278,476.00
FUND 512	VEHICLE REPLACEMENT	\$ -	\$ -	\$ 22,199.62
FUND 520	SR DIAL A RIDE	\$ 7,431.22	\$ 7,431.22	\$ 453,450.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$ 1,250.07	\$ 1,250.07	\$ 22,320.00
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$ 36,565.73	\$ 52,129.73	\$ 808,479.00
FUND 575	HOUSING	\$ 4,242.34	\$ 38,927.85	\$ 1,434,443.00
FUND 580	ELECTRIC	\$ 52,004.57	\$ 325,017.71	\$ 12,742,061.00
FUND 581	NPUA CAPITAL ELECTRIC	\$ 7,020.00	\$ 7,020.00	\$ 506,170.00
FUND 582	NPUA CAPITAL WATER	\$ 27,075.21	\$ 27,368.99	\$ 8,052,289.00
TOTAL	ALL FUNDS & DEPARTMENTS	\$ 1,028,300.35	\$ 1,742,008.83	\$ 55,837,990.62

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Finance Department

Date

Virginia Tasker, City Treasurer

Date

PROGRAM: GM348U
CITY OF NEEDLES
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18753	1008	01	ACUSHNET COMPANY	08/22/2023	980.16	.00
18754	3635	00	ANIXTER INC	08/22/2023	255.91	.00
18755	3750	00	AUTO ZONE	08/22/2023	413.39	.00
18756	2629	00	BARON PEST SOLUTIONS	08/22/2023	76.00	.00
18757	480	00	BEST BEST & KRIEGER LLP	08/22/2023	1,632.00	.00
18758	178	00	BIG O TIRES & NAPA AUTO PARTS	08/22/2023	1,789.02	.00
18759	4015	00	BIG STATE INDUSTRIAL SUPPLY	08/22/2023	256.45	.00
18760	3595	00	BOOT BARN	08/22/2023	173.39	.00
18761	7	00	BORDER STATES INDUSTRIES, INC.	08/22/2023	375.36	.00
18762	1507	00	CALIFORNIA JPIA	08/22/2023	1,956.00	.00
18763	4021	00	CANDACE MARTINEZ	08/22/2023	100.00	.00
18764	2403	00	CDW GOVERNMENT INC.	08/22/2023	1,149.06	.00
18765	4023	00	CENTRAL SQUARE TECHNOLOGIES, LLC	08/22/2023	14,040.00	.00
18766	1791	00	CLUB CAR, LLC.	08/22/2023	52.66	.00
18767	2590	00	COLORADO RIVER PLUMBING INC.	08/22/2023	1,863.00	.00
18768	4052	00	DECARD TECHNOLOGIES, INC.	08/22/2023	3,000.00	.00
18769	440	00	DECO FOODSERVICE INCORP.	08/22/2023	66.27	.00
18770	3580	00	DIAMOND PURE WATER	08/22/2023	203.00	.00
18771	3397	00	DIR/PV	08/22/2023	608.75	.00
18772	4066	00	EEBARD EQUIPMENT	08/22/2023	409.31	.00
18773	3682	00	EPIC ENGINEERING	08/22/2023	2,090.40	.00
18774	615	00	FEDEX	08/22/2023	74.55	.00
18775	4087	00	FINAL TOUCH CONSTRUCTION & DESIGN	08/22/2023	3,923.10	.00
18776	4092	00	FOREUP GOLF SOFTWARE	08/22/2023	159.00	.00
18777	1296	00	FRONTIER	08/22/2023	216.01	.00
18778	2612	00	HARDWARE EXPRESS INCORP.	08/22/2023	914.78	.00
18779	3719	00	HEALTH TECHNOLOGY PROF. PRODUCTS	08/22/2023	253.03	.00
18780	3864	00	HORIZON TECHNOLOGIES INC.	08/22/2023	980.00	.00
18781	3800	00	IWORQ	08/22/2023	6,750.00	.00
18782	4000	00	JARROD DELEON	08/22/2023	330.69	.00
18783	2390	00	JAVELINA TRADING COMPANY	08/22/2023	747.83	.00
18784	4064	00	JIM DAVIS, LLC	08/22/2023	3,421.28	.00
18785	4120	00	JOHN SMITH SEPTIC AND GREASE	08/22/2023	4,250.00	.00
18786	2334	00	KERN TURF SUPPLY INC.	08/22/2023	431.00	.00
18787	3977	00	LANDIS+GYR TECHNOLOGY, INC	08/22/2023	9,428.13	.00
18788	3240	00	LESLIE'S POOL SUPPLIES	08/22/2023	227.29	.00
18789	4118	00	LIGHTBOX PARENT, L.P.	08/22/2023	7,980.00	.00
18790	1	00	LOPEZ, GALILEA	08/22/2023	104.12	.00
18791	125	00	MCCORMICK CONSTRUCTION CO.	08/22/2023	2,979.62	.00
18792	3998	00	MICHAEL BAKER INTERNATIONAL, INC	08/22/2023	3,959.50	.00
18793	2189	00	MOHAVE ENVIRONMENTAL LAB	08/22/2023	980.00	.00
18794	940	00	MSM	08/22/2023	229.00	.00
18795	4122	00	NATIONAL CENTER FOR HOUSING MGMT	08/22/2023	475.00	.00
18796	218	00	NEWS WEST PUBLISHING CO.	08/22/2023	89.74	.00
18797	1786	00	NPUA	08/22/2023	49,252.17	.00
18798	3315	00	ONLINE INFORMATION SERVICES	08/22/2023	232.24	.00
18799	3767	00	PATRICK MARTINEZ	08/22/2023	2,718.14	.00
18800	1927	00	PRESTIGE FLAG	08/22/2023	1,150.76	.00
18801	15	00	QUILL LLC	08/22/2023	488.14	.00
18802	3012	00	RAILROAD MANAGEMENT CO. III LLC	08/22/2023	1,751.88	.00
18803	644	00	RDO EQUIPMENT COMPANY	08/22/2023	540.53	.00

PROGRAM: GM348U

CITY OF NEEDLES

DISBURSEMENT PERIOD 02/2024

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18804	2861	00	REINKE A/C CORP.	08/22/2023	28,758.46	.00
18805	309	00	REPUBLIC SERVICES #785	08/22/2023	607.09	.00
18806	2068	00	RICOH USA, INC.	08/22/2023	613.22	.00
18807	4049	00	ROGER MILLER	08/22/2023	213.75	.00
18808	2468	00	RON'S TIRE & AUTO REPAIR	08/22/2023	1,556.65	.00
18809	3796	00	ROUTE 66 BROADBAND LLC	08/22/2023	1,213.13	.00
18810	3361	00	S.B. COUNTY SHERIFF'S DEPARTMENT	08/22/2023	608,925.68	.00
18811	2589	00	SAN BERNARDINO COUNTY	08/22/2023	7,845.49	.00
18812	1	00	SCHULTE, FREDERICK R	08/22/2023	89.54	.00
18813	1826	00	SIMPSON NORTON CORP.	08/22/2023	1,486.65	.00
18814	3344	00	SLOVAK BARON & EMPEY LLP	08/22/2023	67,114.75	.00
18815	4121	00	SMART DOCUMENT SOLUTIONS	08/22/2023	83.14	.00
18816	481	00	STAPLES BUSINESS CREDIT	08/22/2023	676.63	.00
18817	3605	00	STATEWIDE TRAFFIC SAFETY & SIGNS	08/22/2023	2,284.81	.00
18818	3483	00	SWRCB	08/22/2023	3,453.00	.00
18819	779	00	THATCHER COMPANY OF NEVADA, INC	08/22/2023	4,421.47	.00
18820	4008	00	THE PRINTER GUYS LLC	08/22/2023	1,283.95	.00
18821	4098	00	TONY COSSI CONSTRUCTION	08/22/2023	7,198.50	.00
18822	4098	00	TONY COSSI CONSTRUCTION	08/22/2023	76,025.89	.00
18823	3917	00	TOUCHSTONE GOLF LLC	08/22/2023	11,851.17	.00
18824	3873	00	TRANSPORTATION CONCEPTS	08/22/2023	45,247.02	.00
18825	3014	00	TRI STATE FIRE SYSTEMS, INC.	08/22/2023	617.50	.00
18826	772	00	TRI-STATE ACE HARDWARE	08/22/2023	1,459.77	.00
18827	2819	00	TRI-STATE HOSE & FITTINGS	08/22/2023	282.08	.00
18828	3272	00	ULINE	08/22/2023	5,640.30	.00
18829	3825	00	ULTRA PEST CONTROL, LLC	08/22/2023	40.00	.00
18830	315	00	UNDERGROUND SERVICE ALERT OF SO CAL	08/22/2023	45.00	.00
18831	3830	00	UNIFIRST CORPORATION	08/22/2023	1,209.46	.00
18832	761	00	USABUEBOOK	08/22/2023	298.99	.00
18833	4073	00	WELLINGTON ENERGY INC.	08/22/2023	8,536.68	.00
18834	3528	00	WESTERN ENVIRONMENTAL TESTING LAB.	08/22/2023	852.00	.00
18835	1023	00	XEROX	08/22/2023	458.38	.00
18836	3842	00	XIO, INC.	08/22/2023	143.00	.00
18837	1	00	ZERMENO, JOSE	08/22/2023	9.21	.00
18838	1293	00	ZUBRICK T-SHIRTS	08/22/2023	334.30	.00
18839	3828	00	3D-NETWORKS LLC	08/22/2023	9,245.37	.00

NUMBER OF CHECKS

87

GRAND TOTAL

1,036,649.69

PREPARED 08/10/2023, 11:43:41
PROGRAM: GM346L
CITY OF NEEDLES
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

PAGE 1
ACCOUNTING PERIOD 2024/02
REPORT NUMBER 17

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18753	1008	ACUSHNET COMPANY	000971		08/22/2023	507-5762-454.44-10	980.16 980.16 *	980.16
18754	3635	ANIXTER	000654		08/22/2023	580-4750-473.60-55	255.91 255.91 *	255.91
18755	3750	AUTO ZONE	000653 000716 000717 000718 000719 000720		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	503-4720-475.43-57 511-3021-432.43-26 511-3021-432.43-23 511-3021-432.43-36 510-4410-405.43-01 511-3020-432.43-29	11.72 53.36 169.00 46.31 95.00 38.00 413.39 *	980.16 980.16 255.91 255.91 38.00 413.39
18756	2629	BARON PEST SOLUTIONS	007030 007031		08/22/2023 08/22/2023	511-3020-432.43-29 511-3020-432.43-29	38.00 38.00 76.00 *	76.00
18757	480	BEST BEST & KRIEGER LLP	000737		08/22/2023	506-4713-477.31-50	1,632.00 1,632.00 *	1,632.00
18758	178	BIG O TIRES & NAPA AUTO P	000602 000603 000610 000611 000612 000613 000614 000615 000616 000617 000618 000619 000722 000723 000982		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	580-4750-473.60-55 580-4750-473.60-55 511-3021-432.43-26 511-3020-432.61-14 511-3020-432.61-28 511-3021-432.43-36 511-3021-432.43-26 511-3021-432.43-38 101-3010-431.61-33 206-5771-452.43-03 101-5772-452.43-04 101-5772-452.43-04 101-5772-452.59-14 511-3021-432.43-38 580-4750-473.60-55	96.53 151.87 9.57 203.63 42.44 40.61 9.57 345.87 9.69 92.65 102.91 9.57 112.56 542.73 18.82 1,789.02 *	980.16 980.16 255.91 255.91 38.00 413.39 38.00 38.00 76.00 1,632.00 1,632.00 96.53 151.87 9.57 203.63 42.44 40.61 9.57 345.87 9.69 92.65 102.91 9.57 112.56 542.73 18.82 1,789.02
18759	4015	BIG STATE INDUSTRIAL SUPP	000721		08/22/2023	511-3020-432.61-28	256.45 256.45 *	256.45
18760	3595	BOOT BARN	000620		08/22/2023	502-4710-471.60-28	173.39 173.39 *	173.39
18761	7	BORDER STATES INDUSTRIES,	000600 000601		08/22/2023 08/22/2023	580-4750-473.60-55 580-4750-473.60-55	191.99 183.37 375.36 *	375.36
18762	1507	CALIFORNIA JPJA	000940 000941		08/22/2023 08/22/2023	101-1020-413.51-11 101-1025-415.51-11	39.00 39.00	39.00

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18762	1507	CALIFORNIA JPJA	000942		08/22/2023	101-1030-414.51-11	137.00	
			000943		08/22/2023	101-1035-416.51-11	39.00	
			000944		08/22/2023	101-1040-417.51-11	39.00	
			000945		08/22/2023	101-1070-410.51-11	39.00	
			000946		08/22/2023	101-2020-423.51-11	39.00	
			000947		08/22/2023	101-2025-424.51-11	39.00	
			000948		08/22/2023	101-2030-423.51-11	39.00	
			000949		08/22/2023	101-3010-431.51-11	98.00	
			000950		08/22/2023	101-5770-452.51-11	59.00	
			000951		08/22/2023	101-5772-452.51-11	78.00	
			000952		08/22/2023	101-5774-452.51-11	59.00	
			000953		08/22/2023	206-5771-452.51-11	59.00	
			000954		08/22/2023	502-4710-471.51-11	156.00	
			000955		08/22/2023	503-4720-475.51-11	196.00	
			000956		08/22/2023	507-5761-453.51-11	156.00	
			000957		08/22/2023	507-5762-454.51-11	156.00	
			000958		08/22/2023	508-4810-478.51-11	39.00	
			000959		08/22/2023	580-4750-473.51-11	451.00	
							1,956.00 *	1,956.00
18763	4021	CANDACE MARTINEZ	000724		08/22/2023	502-4710-471.54-21	100.00	
							100.00 *	100.00
18764	2403	CDW GOVERNMENT	000648		08/22/2023	509-4910-479.43-05	1,149.06	
							1,149.06 *	1,149.06
18765	4023	CENTRAL SQUARE TECHNOLOGIE	PI0020	024026	08/22/2023	581-4750-473.71-02	7,020.00	
			PI0021	024026	08/22/2023	582-4710-471.71-02	7,020.00	
							14,040.00 *	14,040.00
18766	1791	CLUB CAR, LLC.	000621		08/22/2023	507-5761-453.43-04	52.66	
							52.66 *	52.66
18767	2590	COLORADO RIVER PLUMBING I	000894		08/22/2023	575-5555-485.43-02	1,863.00	
							1,863.00 *	1,863.00
18768	4052	DECKARD TECHNOLOGIES, INC	000660		08/22/2023	101-2030-423.61-09	3,000.00	
							3,000.00 *	3,000.00
18769	440	DECO FOODSERVICE INCORP.	000605		08/22/2023	101-5774-452.65-10	66.27	
							66.27 *	66.27
18770	3580	DIAMOND PURE WATER	000604		08/22/2023	101-5774-452.61-01	30.00	
			000607		08/22/2023	503-4720-475.43-02	12.00	
			000608		08/22/2023	510-4410-405.61-01	48.00	
			000655		08/22/2023	101-5774-452.61-01	6.00	
			000656		08/22/2023	101-5770-452.61-01	36.00	
			000725		08/22/2023	503-4720-475.43-02	23.00	
			000985		08/22/2023	510-4410-405.61-01	48.00	
							203.00 *	203.00

PREPARED 08/10/2023, 11:43:41

PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2024/02
REPORT NUMBER 17

PAGE 4

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18780	3864	HORIZON TECHNOLOGIES INC.	000661		08/22/2023	101-2020-423.52-10	70.00	
			000662		08/22/2023	101-2030-423.52-10	70.00	
			000663		08/22/2023	508-4810-478.52-10	70.00	
			000664		08/22/2023	503-4720-475.52-10	140.00	
			000665		08/22/2023	502-4710-471.52-10	280.00	
			000666		08/22/2023	580-4750-473.52-10	175.00	
			000667		08/22/2023	101-3010-431.52-10	175.00	
							980.00	980.00
18781	3800	IWORQ	PI0001	024005	08/22/2023	101-1035-416.61-09	2,250.00	
			PI0002	024005	08/22/2023	101-2025-424.61-09	2,250.00	
			PI0003	024005	08/22/2023	101-2030-423.61-09	2,250.00	
							6,750.00	6,750.00
18782	4000	JARROD DELEON	000895		08/22/2023	507-5761-453.43-04	330.69	
							330.69	330.69
18783	2390	JAVELINA TRADING COMPANY	000730		08/22/2023	511-3021-432.43-26	747.83	
							747.83	747.83
18784	4064	JIM DAVIS, LLC	000896		08/22/2023	507-5761-453.61-08	2,076.56	
			000897		08/22/2023	507-5761-453.61-08	1,344.72	
							3,421.28	3,421.28
18785	4120	JOHN SMITH SEPTIC AND GRE	000642		08/22/2023	503-4720-475.31-90	4,250.00	
							4,250.00	4,250.00
18786	2334	KERN TURF SUPPLY INC.	000628		08/22/2023	206-5771-452.61-12	431.00	
							431.00	431.00
18787	3977	LANDIS+GYR TECHNOLOGY, IN	PI0004	024008	08/22/2023	582-4710-471.71-02	9,428.13	
							9,428.13	9,428.13
18788	3240	LESLIE'S POOL SUPPLIES	000629		08/22/2023	503-4720-475.43-14	227.29	
							227.29	227.29
18789	4118	LIGHTBOX PARENT, L.P.	PI0005	024004	08/22/2023	101-1035-416.61-09	1,330.00	
			PI0006	024004	08/22/2023	101-1040-417.61-09	1,330.00	
			PI0007	024004	08/22/2023	101-2025-424.61-09	1,330.00	
			PI0008	024004	08/22/2023	101-2030-423.61-09	1,330.00	
			PI0009	024004	08/22/2023	502-4710-471.56-00	1,330.00	
			PI0010	024004	08/22/2023	580-4750-473.56-00	1,330.00	
							7,980.00	7,980.00
18790	1	LOPEZ, GALILEA	UT		08/22/2023	501-0000-211.00-00	104.12	
							104.12	104.12
18791	125	MCCORMICK CONSTRUCTION CO	000731		08/22/2023	101-3010-431.60-11	2,979.62	
							2,979.62	2,979.62

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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18792	3998	MICHAEL BAKER INTERNATIONAL	PI0016	023058	08/22/2023	213-1035-416.31-90	3,359.50	
			007032	08/22/2023	08/22/2023	101-0000-204.03-01	93.75	
			007033	08/22/2023	08/22/2023	101-0000-204.03-01	287.50	
			007034	08/22/2023	08/22/2023	101-0000-204.03-01	31.25	
			007035	08/22/2023	08/22/2023	101-0000-204.35-03	187.50	
							3,959.50	3,959.50
18793	2189	MOHAVE ENVIRONMENTAL LAB	007026		08/22/2023	101-5774-452.31-42	210.00	
			007027		08/22/2023	101-5770-452.31-42	770.00	
							980.00	980.00
18794	940	MULTIMEDIA	000630		08/22/2023	507-5762-454.53-00	229.00	
							229.00	229.00
18795	4122	NATIONAL CENTER FOR HOUSI	000903		08/22/2023	575-5555-485.31-40	475.00	
							475.00	475.00
18796	218	NEWS WEST PUBLISHING CO.	000627		08/22/2023	101-2025-424.53-00	89.74	
							89.74	89.74
18797	1786	NPUA	000627		08/22/2023	502-4710-471.41-10	6,007.65	
			000627	08/22/2023	08/22/2023	101-5773-452.41-10	54.21	
			000632	08/22/2023	08/22/2023	206-5771-452.41-10	47.07	
			000633	08/22/2023	08/22/2023	206-5771-452.41-20	7,716.69	
			000634	08/22/2023	08/22/2023	206-5771-452.41-30	81.88	
			000635	08/22/2023	08/22/2023	507-5761-453.41-20	79.87	
			000636	08/22/2023	08/22/2023	507-5761-453.41-20	47.72	
			000637	08/22/2023	08/22/2023	507-5761-453.41-20	56.34	
			000638	08/22/2023	08/22/2023	507-5761-453.41-20	257.03	
			000639	08/22/2023	08/22/2023	507-5761-453.41-20	12,333.48	
			000640	08/22/2023	08/22/2023	507-5762-454.41-10	236.12	
			007018	08/22/2023	08/22/2023	580-4750-473.41-11	56.33	
			007019	08/22/2023	08/22/2023	502-4710-471.41-10	28.34	
			007020	08/22/2023	08/22/2023	580-4750-473.41-11	29	
			007021	08/22/2023	08/22/2023	507-5762-452.41-10	1,646.29	
			000646	08/22/2023	08/22/2023	507-5762-454.41-20	147.01	
			000646	08/22/2023	08/22/2023	507-5762-454.41-30	245.64	
			000744	08/22/2023	08/22/2023	502-4710-471.41-10	35.70	
			000745	08/22/2023	08/22/2023	502-4710-471.41-10	2,214.22	
			000960	08/22/2023	08/22/2023	510-4410-405.41-10	1,369.06	
			000960	08/22/2023	08/22/2023	510-4410-405.41-20	229.21	
			000960	08/22/2023	08/22/2023	510-4410-405.41-30	2,374.52	
			000960	08/22/2023	08/22/2023	206-5771-452.41-10	39.65	
			000960	08/22/2023	08/22/2023	206-5771-452.41-20	5,406.98	
			000988	08/22/2023	08/22/2023	580-4750-473.41-11	81.88	
			000989	08/22/2023	08/22/2023	502-4710-471.41-10	2,812.27	
			000990	08/22/2023	08/22/2023	502-4710-471.41-10	47.62	
			000991	08/22/2023	08/22/2023	502-4710-471.41-10	48.06	
						503-4720-475.41-10	135.29	

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18797	1786	NPUA	000992		08/22/2023	503-4720-475.41-20	52.23	
			000993		08/22/2023	503-4720-475.41-10	34.01	
			000994		08/22/2023	503-4720-475.41-20	211.60	
			000995		08/22/2023	503-4720-475.41-10	4,820.50	
			000996		08/22/2023	503-4720-475.41-20	227.81	
			000997		08/22/2023	580-4750-473.41-11	34.01	
							49,252.17	49,252.17
18798	3315	ONLINE INFORMATION SERVIC	000668		08/22/2023	508-4810-478.31-46	83.28	
			000669		08/22/2023	508-4810-478.31-46	148.96	
							232.24	232.24
18799	3767	PATRICK MARTINEZ	000740		08/22/2023	101-2030-423.55-00	679.53	
			000741		08/22/2023	101-2025-424.55-00	679.53	
			000742		08/22/2023	101-1040-417.55-00	679.54	
			000743		08/22/2023	101-1035-416.55-00	679.54	
							2,718.14	2,718.14
18800	1927	PRESTIGE FLAG	000904		08/22/2023	507-5762-454.60-50	1,150.76	
							1,150.76	1,150.76
18801	15	QUILL LLC	000643		08/22/2023	510-4410-405.61-01	16.37	
			000644		08/22/2023	510-4410-405.61-06	222.92	
			007023		08/22/2023	510-4410-405.61-01	185.29	
			007024		08/22/2023	510-4410-405.61-01	63.56	
							488.14	488.14
18802	3012	RAILROAD MANAGEMENT CO. I	000751		08/22/2023	580-4750-473.43-09	1,751.88	
							1,751.88	1,751.88
18803	644	RDO EQUIPMENT COMPANY	000733		08/22/2023	101-5772-452.43-04	183.73	
			000734		08/22/2023	101-5772-452.43-04	141.48	
			000735		08/22/2023	101-5772-452.43-04	49.81	
			000736		08/22/2023	101-5772-452.43-04	165.51	
							540.53	540.53
18804	2861	REINKE A/C CORP.	000627		08/22/2023	580-4750-473.54-62	9,248.26	
			000627		08/22/2023	580-4750-473.54-62	8,686.58	
			000641		08/22/2023	510-4410-405.43-01	155.36	
			000908		08/22/2023	575-5555-485.43-02	250.00	
			000931		08/22/2023	575-5555-485.43-02	170.00	
			000986		08/22/2023	580-4750-473.54-62	10,248.26	
							28,758.46	28,758.46
18805	309	REPUBLIC SERVICES #78	000670		08/22/2023	503-4720-475.59-18	594.04	
			000772		08/22/2023	101-2020-423.58-00	13.05	
							607.09	607.09
18806	2068	RICOH USA, INC.	000714		08/22/2023	510-4410-405.70-02	613.22	
							613.22	613.22

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18807	4049	ROGER MILLER	000905		08/22/2023	507-5761-453.43-17	213.75 213.75 *	213.75
18808	2468	RON'S TIRE & AUTO REPAIR	000732		08/22/2023	511-3021-432.43-38	1,556.65 1,556.65 *	1,556.65
18809	3796	ROUTE 66 BROADBAND LLC	000627 000627 000645 000645 000671 000906 000907		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	580-4750-473.52-10 503-4720-475.52-10 101-3010-431.52-10 101-5772-452.52-10 101-5774-452.52-10 507-5761-453.52-10 507-5762-454.52-10	200.00 85.00 180.00 223.13 165.00 180.00 1,213.13 *	1,213.13
18810	3361	S.B.COUNTY SHERIFF'S DEPA	000627 000627 000960 000960 000960		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	101-2010-421.31-80 225-2010-421.31-80 225-2010-421.59-20 101-2010-421.31-80 225-2010-421.31-80	293,534.67 8,051.33 5,753.68 293,534.67 8,051.33 608,925.68 *	608,925.68
18811	2589	SAN BERNARDINO COUNTY	000752 000753 000754 000755 000756 000757 000758 000759 000760		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	101-2020-423.62-00 101-2030-423.62-00 101-3010-431.62-00 101-5772-452.62-00 502-4710-471.62-00 503-4720-475.62-00 507-5761-453.62-00 508-4810-478.62-00 580-4750-473.62-00	175.62 166.59 2,119.52 625.73 1,390.07 615.44 903.44 547.85 1,301.23 7,845.49 *	7,845.49
18812	1	SCHULTE, FREDERICK R	UT		08/22/2023	501-0000-211.00-00	89.54 89.54 *	89.54
18813	1826	SIMPSON NORTON CORP.	000960		08/22/2023	507-5761-453.43-04	1,486.65 1,486.65 *	1,486.65
18814	3344	SLOVAK BARON EMPEY MURPHY	000932 000933 000934 000935 000936 000937 000937 000937 000937 000937		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	575-5555-485.31-50 101-1015-412.31-50 502-4710-471.31-50 503-4720-475.31-50 580-4750-473.31-50 101-1025-415.31-50 502-4710-471.31-50 580-4750-473.31-50 502-4710-471.31-50 503-4720-475.31-50 101-1025-415.31-50	1,401.20 5,800.00 1,933.34 1,933.33 1,933.33 7,367.60 147.35 7,220.25 4,212.35 4,212.35 2,825.00	

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18814	3344	SLOVAK BARON EMPEY MURPHY	000938		08/22/2023	101-2030-423.31-50	565.00	
			000938		08/22/2023	101-2030-423.31-50	226.00	
			000938		08/22/2023	101-2030-423.31-50	90.40	
			000938		08/22/2023	101-2030-423.31-50	1,174.20	
			000938		08/22/2023	101-2030-423.31-50	1,341.00	
			000938		08/22/2023	101-2030-423.31-50	471.35	
			000938		08/22/2023	101-2030-423.31-50	361.60	
			000938		08/22/2023	101-2030-423.31-50	3,082.40	
			000938		08/22/2023	101-2030-423.31-50	1,608.90	
			000938		08/22/2023	101-2030-423.31-50	2,476.40	
			000938		08/22/2023	101-2030-423.31-50	390.60	
			000938		08/22/2023	101-2030-423.31-50	287.40	
			000938		08/22/2023	101-2030-423.31-50	1,462.55	
			000938		08/22/2023	101-2030-423.31-50	1,089.95	
			000938		08/22/2023	101-2030-423.31-50	400.15	
			000938		08/22/2023	101-2030-423.31-50	135.60	
			000938		08/22/2023	101-2030-423.31-50	1,649.80	
			000938		08/22/2023	101-2030-423.31-50	2,885.80	
			000938		08/22/2023	101-2030-423.31-50	639.20	
			000938		08/22/2023	101-2030-423.31-50	635.00	
			000938		08/22/2023	101-2030-423.31-50	883.60	
			000938		08/22/2023	101-2030-423.31-50	2,265.80	
			000938		08/22/2023	101-2030-423.31-50	542.40	
			000938		08/22/2023	101-2030-423.31-50	242.20	
			000938		08/22/2023	101-2030-423.31-50	3,221.35	
			000938		08/22/2023	101-2030-423.31-50	67,114.75	67,114.75
18815	4121	SMART DOCUMENT SOLUTION	000960		08/22/2023	575-5555-485.31-90	83.14	83.14
18816	481	STAPLES	000649		08/22/2023	510-4410-405.61-01	490.57	
			000649		08/22/2023	508-4810-478.61-01	41.72	
			000649		08/22/2023	101-1025-415.61-01	22.01	
			000649		08/22/2023	510-4410-405.61-01	44.03	
			000649		08/22/2023	508-4810-478.61-01	78.30	
							676.63	676.63
18817	3605	STATEWIDE TRAFFIC SAFETY	000647		08/22/2023	101-3010-431.61-05	2,284.81	2,284.81
18818	3483	SWRCB ACCOUNTING OFFICE	000648		08/22/2023	503-4720-475.69-03	3,453.00	3,453.00
18819	779	THATCHER COMPANY OF NEVAD	000761		08/22/2023	502-4710-471.60-32	4,421.47	4,421.47
18820	4008	THE PRINTER GUYS LLC	000746		08/22/2023	101-1040-417.61-02	269.95	
			000747		08/22/2023	101-1040-417.61-02	44.75	
			000748		08/22/2023	101-1035-416.61-02	44.75	
			000749		08/22/2023	101-2025-424.61-02	44.75	

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18820	4008	THE PRINTER GUYS LLC	000750 000960 000973 000974 000975 000976 000977 000978 000979 000980 000981		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	101-2030-423.61-02 101-1025-415.61-02 508-4810-478.61-02 101-1040-417.61-02 101-1035-416.61-02 101-2025-424.61-02 101-2030-423.61-02 101-1040-417.61-02 101-1035-416.61-02 101-2025-424.61-02 101-2030-423.61-02	44.75 189.00 268.00 49.75 49.75 49.75 49.75 44.75 44.75 44.75 44.75 1,283.95	1,283.95
18821	4098	TONY COSSI CONSTRUCTION	PI0013	024010	08/22/2023	101-5774-452.72-17	7,198.50 7,198.50	7,198.50
18822	4098	TONY COSSI CONSTRUCTION	PI0012	024010	08/22/2023	101-5774-452.72-17	76,025.89 76,025.89	76,025.89
18823	3917	TOUCHSTONE GOLF LLC	007022 007028 007029 000970 000970 001005 001006 001007 001008 001009 001010 001011 001012		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	507-5762-454.31-90 507-5762-454.31-90 507-5761-453.31-90 507-5761-453.31-90 507-5762-454.31-90 507-5761-453.31-90 507-5762-454.31-90 507-5761-453.31-90 507-5762-454.31-90 507-5761-453.31-90 507-5762-454.31-90 507-5761-453.31-90 507-5762-454.31-90	290.91 19.98 2,670.38 260.97 1,085.95 1,335.19 578.94 1,335.19 578.94 606.89 326.78 1,820.67 980.34 11,851.17	11,851.17
18824	3873	TRANSPORTATION CONCEPTS	000960 000960 000960 000960 000960 000960 000960		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	520-4740-462.32-90 520-4740-462.51-20 520-4740-462.62-00 521-4740-462.32-90 521-4740-462.51-20 521-4740-462.62-00 525-4770-461.32-90 525-4770-461.62-00	5,658.99 1,369.49 402.74 807.01 342.37 100.69 33,866.03 2,699.70 45,247.02	45,247.02
18825	3014	TRI STATE FIRE SYSTEMS, I	000763		08/22/2023	101-5772-452.43-18	617.50 617.50	617.50
18826	772	TRI-STATE ACE HARDWARE	000764 000765		08/22/2023 08/22/2023	101-3010-431.60-11 101-3010-431.61-33	1,317.47 1,142.30 1,459.77	1,459.77

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18827	2819	TRI-STATE HOSE & FITTINGS	000762		08/22/2023	511-3020-432.61-28	282.08 282.08 *	282.08
18828	3272	ULINE	000709 000710 000711		08/22/2023 08/22/2023 08/22/2023	239-4730-472.60-00 580-4750-473.61-01 580-4750-473.60-55	293.74 721.47 4,625.09 5,640.30 *	5,640.30
18829	3825	ULTRA PEST CONTROL, LLC	000970		08/22/2023	101-5774-452.43-18	40.00 40.00 *	40.00
18830	315	UNDERGROUND SERVICE ALERT	000675 000676 000677		08/22/2023 08/22/2023 08/22/2023	503-4720-475.49-14 502-4710-471.43-04 580-4750-473.49-14	15.00 15.00 15.00 45.00 *	45.00
18831	3830	UNIFIRST CORPORATION	000627 000627 000627 000627 000647 000647 000672 000673 000713 000767 000768 000769 000770 000970		08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023 08/22/2023	508-4810-478.61-04 502-4710-471.61-04 503-4720-475.61-04 101-5774-452.61-06 580-4750-473.61-04 511-3020-432.61-04 101-5772-452.61-04 101-3010-431.61-04 101-5774-452.61-06 580-4750-473.61-04 503-4720-475.61-04 511-3020-432.61-04 101-5772-452.61-04 508-4810-478.61-04 502-4710-471.61-04 101-5774-452.61-06 507-5762-454.43-08 507-5762-454.43-08 508-4810-478.61-04 502-4710-471.61-04	7.53 29.64 16.83 9.06 137.83 33.66 194.20 9.06 137.83 16.83 338.92 33.66 7.53 174.77 9.06 7.94 7.94 7.53 29.64 1,209.46 *	1,209.46
18832	761	USABUEBOOK	000627 000766		08/22/2023 08/22/2023	503-4720-475.43-04 502-4710-471.43-57	145.41 153.58 298.99 *	298.99
18833	4073	WELLINGTON ENERGY INC.	PI0011 PI0014	024018 024018	08/22/2023 08/22/2023	582-4710-471.71-02 582-4710-471.71-02	4,268.34 4,268.34 8,536.68 *	8,536.68
18834	3528	WESTERN ENVIRONMENTAL TES	000771 000999		08/22/2023 08/22/2023	502-4710-471.59-75 503-4720-475.59-75	245.00 607.00 852.00 *	852.00
18835	1023	XEROX	000674		08/22/2023	101-5774-452.74-20	79.66	

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18835	1023	XEROX	007036		08/22/2023	101-5774-452.74-20	23.13	
			000970		08/22/2023	101-1020-413.70-01	35.56	
			000970		08/22/2023	101-1025-415.70-01	35.56	
			000970		08/22/2023	101-1030-414.70-01	56.89	
			000970		08/22/2023	101-1035-416.70-01	35.56	
			000970		08/22/2023	101-1040-417.70-01	35.56	
			000970		08/22/2023	101-2025-424.70-01	35.56	
			000970		08/22/2023	101-2030-423.70-01	35.56	
			000970		08/22/2023	101-3010-431.70-01	14.22	
			000970		08/22/2023	510-4410-405.70-01	71.12	
							458.38	458.38
18836	3842	XIO, INC.	001001		08/22/2023	502-4710-471.31-90	143.00	
							143.00	143.00
18837	1	ZERMENO, JOSE	UT		08/22/2023	501-0000-211.00-00	9.21	
							9.21	9.21
18838	1293	ZUBRICK T-SHIRTS	000627		08/22/2023	101-3010-431.61-04	334.30	
							334.30	334.30
18839	3828	3D-NETWORKS LLC	000648		08/22/2023	509-4910-479.31-53	400.00	
			000697		08/22/2023	509-4910-479.31-90	2,925.00	
			000970		08/22/2023	509-4910-479.52-13	1,777.37	
			000970		08/22/2023	509-4910-479.31-53	450.00	
			000970		08/22/2023	101-0000-204.06-00	500.00	
			000998		08/22/2023	509-4910-479.31-90	3,193.00	
							9,245.37	9,245.37
BANK/CHECK TOTAL							1,036,649.69	1,036,649.69
ALL BANKS/CHECKS TOTAL							1,036,649.69	1,036,649.69

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 22, 2023**

FUND 101	GENERAL FUND	\$	287.50	FUND AMT.	22-Aug	23-24 BUDGET
101.1015.412	CITY ATTORNEY	\$	-		\$ 5,800.00	\$ 80,000.00
101.1020.413	CITY MANAGER	\$	-		\$ 4,473.53	\$ 230,592.00
101.1025.415	FINANCE DEPT.	\$	-		\$ 31,166.35	\$ 987,957.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$	-		\$ 12,211.66	\$ 329,339.00
101.1035.416	PLANNING /ZONING	\$	-		\$ 6,559.98	\$ 402,016.00
101.1040.417	ENGINEERING	\$	-		\$ 10,097.21	\$ 439,483.00
101.1060.410	COMMUNITY PROMOTIONS	\$	-		\$ 4,000.00	\$ 103,945.00
101.1070.410	SENIOR CENTER	\$	-		\$ 1,480.77	\$ 62,202.00
101.2010.421	SHERIFF	\$	-		\$ 617,537.34	\$ 3,759,034.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$	284.00		\$ 2,805.56	\$ 261,130.00
101.2025.424	BUILDING & SAFETY	\$	-		\$ 9,972.05	\$ 488,742.00
101.2030.423	CODE ENFORCEMENT	\$	-		\$ 51,468.14	\$ 806,188.00
101.3010.431	PUBLIC WORKS	\$	34.18		\$ 23,041.09	\$ 818,943.00
101.4730.472	SANITATION	\$	-		\$ 4,397.35	\$ 177,467.00
101.5770.452	AQUATICS	\$	313.94		\$ 4,665.01	\$ 246,913.00
101.5772.452	PARKS	\$	34.07		\$ 35,457.96	\$ 760,504.00
101.5773.452	JACK SMITH PARK MARINA	\$	-		\$ 2,022.28	\$ 115,646.00
101.5774.452	RECREATION	\$	104.62		\$ 93,352.18	\$ 386,397.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$		\$ 1,058.31		\$ 10,456,498.00
FUND 102	GEN. FUND CAPITAL PROJECT	\$	-	\$ -	\$ 92.45	\$ 4,541,710.00
FUND 205	CDBG	\$	-	\$ -	\$ -	\$ 74,559.00
FUND 206	CEMETERY	\$	-	\$ 32.74	\$ 19,662.61	\$ 258,022.00
FUND 208	CALTRANS GRANTS	\$	-	\$ -	\$ -	\$ 1,173,000.00
FUND 210	SPECIAL GAS TAX	\$	-	\$ -	\$ -	\$ 258,629.00
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$	-	\$ -	\$ -	\$ 48,522.00
FUND 214	SANBAG NEW LOCAL MEAS I	\$	-	\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$	-	\$ -	\$ 21,856.34	\$ 272,973.00
FUND 233	JACK SMITH PARK MARINA	\$	-	\$ -	\$ -	\$ 175,308.00
FUND 238	STATE RECREATION GRANTS	\$	-	\$ 100.30	\$ 100.30	\$ 2,819,424.00
FUND 239	CA.CONSERV RECYCLING GRANT	\$	-	\$ -	\$ 2,540.60	\$ 25,436.00
FUND 270	REDEVELOPMENT AGENCY	\$	-	\$ -	\$ -	\$ 20,000.00
FUND 470	RDA CAP PROJ.LOW & MOD.	\$	-	\$ 10,000.00	\$ -	\$ 100,954.00
FUND 501	NPUA	\$	-	\$ -	\$ 202.87	\$ 2,639,851.00
FUND 502	WATER DEPARTMENT	\$	-	\$ 7,927.21	\$ 94,323.19	\$ 2,161,380.00
FUND 503	WASTEWATER DEPARTMENT	\$	-	\$ 472.27	\$ 87,150.08	\$ 1,312,828.00
FUND 505	SANITATION	\$	-	\$ 101,947.21	\$ 7,098.35	\$ 1,563,015.00
FUND 506	ALL AMERICAN CANAL PROJ.	\$	-	\$ -	\$ 2,117.07	\$ 1,041,800.00
FUND 507	GOLF FUND	\$	-	\$ -	\$ -	\$ -
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$	572.72	\$ -	\$ 31,383.39	\$ 696,256.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$	6,643.53	\$ -	\$ 20,269.31	\$ 413,638.00
FUND 507	GOLF FUND TOTAL	\$	-	\$ 7,216.25		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$	-	\$ -	\$ 11,959.12	\$ 496,825.00
FUND 509	MIS	\$	-	\$ -	\$ 27,979.75	\$ 273,100.00
FUND 510	ADMIN. FACILITY	\$	-	\$ 680.65	\$ 41,472.81	\$ 244,375.00
FUND 511	FLEET MANAGEMENT	\$	-	\$ 306.67	\$ 9,968.14	\$ 278,476.00
FUND 512	VEHICLE REPLACEMENT	\$	-	\$ -	\$ -	\$ 22,199.62
FUND 520	SR DIAL A RIDE	\$	-	\$ -	\$ 7,431.22	\$ 453,450.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$	-	\$ -	\$ 1,250.07	\$ 22,320.00
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$	-	\$ -	\$ 52,129.73	\$ 808,479.00
FUND 575	HOUSING	\$	-	\$ 97,538.40	\$ 136,466.25	\$ 1,434,443.00
FUND 580	ELECTRIC	\$	-	\$ 120,307.72	\$ 443,182.99	\$ 12,742,061.00
FUND 581	NPUA CAPITAL ELECTRIC	\$	-	\$ -	\$ 7,020.00	\$ 506,170.00
FUND 582	NPUA CAPITAL WATER	\$	-	\$ 453,530.07	\$ 480,899.06	\$ 8,052,289.00
TOTAL	ALL FUNDS & DEPARTMENTS	\$		\$ 801,117.80	\$ 2,427,064.16	\$ 55,837,990.62

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Finance Department

Date

Virginia Tasker, City Treasurer

Date

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 22, 2023**

FUND 101	GENERAL FUND		FUND AMT.	22-Aug	22-23 BUDGET
101.1015.412	CITY ATTORNEY	\$ -		\$ 70,032.90	\$ 80,000.00
101.1020.413	CITY MANAGER	\$ -		\$ 212,044.22	\$ 219,507.00
101.1025.415	FINANCE DEPT.	\$ -		\$ 711,769.97	\$ 698,085.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ -		\$ 269,918.72	\$ 291,344.00
101.1035.416	PLANNING /ZONING	\$ -		\$ 260,472.28	\$ 373,159.00
101.1040.417	ENGINEERING	\$ -		\$ 303,428.16	\$ 361,425.00
101.1060.410	COMMUNITY PROMOTIONS	\$ -		\$ 41,554.22	\$ 51,552.00
101.1070.410	SENIOR CENTER	\$ -		\$ 49,051.40	\$ 59,457.00
101.2010.421	SHERIFF	\$ -		\$ 3,532,173.17	\$ 3,594,791.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -		\$ 218,717.34	\$ 233,027.00
101.2025.424	BUILDING & SAFETY	\$ -		\$ 340,352.53	\$ 608,738.00
101.2030.423	CODE ENFORCEMENT	\$ -		\$ 713,750.72	\$ 696,985.00
101.3010.431	PUBLIC WORKS	\$ -		\$ 695,785.31	\$ 849,743.00
101.4730.472	SANITATION	\$ -		\$ 164,899.15	\$ 166,600.00
101.5770.452	AQUATICS	\$ -		\$ 161,074.11	\$ 194,192.00
101.5772.452	PARKS	\$ -		\$ 596,757.11	\$ 658,491.00
101.5773.452	JACK SMITH PARK MARINA	\$ -		\$ 102,090.51	\$ 107,923.00
101.5774.452	RECREATION	\$ -		\$ 421,874.20	\$ 371,884.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ -			\$ 9,616,903.00
FUND 102	GEN. FUND CAPITAL PROJECT	\$ -	\$ -	\$ 2,082,094.66	\$ 4,992,512.00
FUND 205	CDBG	\$ -	\$ -	\$ 7,896.00	\$ 42,692.00
FUND 206	CEMETERY	\$ -	\$ -	\$ 167,819.81	\$ 202,270.00
FUND 208	CALTRANS GRANTS	\$ -	\$ -	\$ 343,959.46	\$ 343,960.00
FUND 210	SPECIAL GAS TAX	\$ -	\$ -	\$ 153,828.00	\$ 272,365.00
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$ -	\$ -	\$ 34,685.91	\$ 30,000.00
FUND 214	SANBAG NEW LOCAL MEAS I	\$ -	\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$ -	\$ -	\$ 202,478.92	\$ 251,497.00
FUND 233	JACK SMITH PARK MARINA	\$ -	\$ -	\$ 5,807.60	\$ 13,733.00
FUND 238	STATE RECREATION GRANTS	\$ -	\$ -	\$ 973,013.99	\$ 3,899,640.00
FUND 239	CA.CONSERV RECYCLING GRANT	\$ -	\$ -	\$ 4,831.28	\$ 25,526.00
FUND 270	REDEVELOPMENT AGENCY	\$ -	\$ -	\$ 72,181.07	\$ 287,664.00
FUND 470	RDA CAP PROJ.LOW & MOD.	\$ -	\$ -	\$ 161,387.57	\$ 300,000.00
FUND 501	NPUA	\$ -	\$ -	\$ 2,401,984.26	\$ 2,401,984.26
FUND 502	WATER DEPARTMENT	\$ -	\$ -	\$ 1,771,705.99	\$ 1,938,399.00
FUND 503	WASTEWATER DEPARTMENT	\$ -	\$ -	\$ 1,213,610.02	\$ 1,241,325.00
FUND 505	SANITATION	\$ -	\$ -	\$ 1,515,737.69	\$ 1,458,897.00
FUND 506	ALL AMERICAN CANAL PROJ.	\$ -	\$ -	\$ 955,885.72	\$ 1,041,800.00
FUND 507	GOLF FUND	\$ -	\$ -	\$ -	\$ -
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 1,655.04	\$ -	\$ 607,273.59	\$ 641,632.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -	\$ -	\$ 388,707.92	\$ 370,454.00
FUND 507	GOLF FUND TOTAL	\$ -	\$ 1,655.04		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ -	\$ -	\$ 380,888.57	\$ 455,807.00
FUND 509	MIS	\$ -	\$ -	\$ 275,440.56	\$ 257,370.00
FUND 510	ADMIN. FACILITY	\$ -	\$ -	\$ 385,968.54	\$ 414,950.00
FUND 511	FLEET MANAGEMENT	\$ -	\$ -	\$ 236,662.94	\$ 281,078.00
FUND 512	VEHICLE REPLACEMENT	\$ -	\$ -	\$ 22,199.62	\$ 22,199.62
FUND 520	SR DIAL A RIDE	\$ -	\$ -	\$ 200,475.76	\$ 250,098.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$ -	\$ -	\$ 18,586.09	\$ 22,274.00
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$ -	\$ -	\$ 442,575.36	\$ 614,438.00
FUND 580	ELECTRIC	\$ -	\$ -	\$ 10,858,788.79	\$ 12,406,721.00
FUND 581	NPUA CAPITAL ELECTRIC	\$ -	\$ -	\$ 1,755,367.90	\$ 1,956,822.00
FUND 582	NPUA CAPITAL WATER	\$ -	\$ -	\$ 3,800,870.05	\$ 12,038,402.00
FUND 583	NPUA CAPITAL WASTEWATER	\$ -	\$ -	\$ 62,884.57	\$ 36,075.00
FUND 650	IMPACT FEES-NORTH NEEDLES	\$ -	\$ -	\$ 4,569.62	\$ 4,570.00
FUND 651	IMPACT FEES-SOUTH NEEDLES	\$ -	\$ -	\$ 2,911.00	\$ 2,911.00
TOTAL	ALL FUNDS & DEPARTMENTS	\$ -	\$ 1,655.04	\$ 40,378,824.85	\$ 58,543,412.88

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Finance Department

Date

Virginia Tasker, City Treasurer

Date

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18840	3305	00	AGUA CALIENTE	08/22/2023	25,948.00	.00
18841	1924	00	AHA MACAV POWER SERVICE	08/22/2023	8,950.00	.00
18842	3635	00	ANIXTER INC	08/22/2023	8,285.49	.00
18843	3750	00	AUTO ZONE	08/22/2023	280.39	.00
18844	2629	00	BARON PEST SOLUTIONS	08/22/2023	133.00	.00
18845	454	00	BINGHAM EQUIPMENT COMPANY	08/22/2023	325.70	.00
18846	3313	00	BLUE RIVER WATER CORP.	08/22/2023	65.45	.00
18847	3801	00	BRACK CONSTRUCTION, INC.	08/22/2023	10,000.00	.00
18848	3856	00	CALIFORNIA CONSULTING, INC.	08/22/2023	3,300.00	.00
18849	4051	00	CORA CONSTRUCTORS, INC.	08/22/2023	381,472.01	.00
18850	440	00	DECO FOODSERVICE INCORP.	08/22/2023	420.00	.00
18851	3580	00	DIAMOND PURE WATER	08/22/2023	25.50	.00
18852	501	00	DOI-BOR-REGION: LOWER COLORADO	08/22/2023	24,437.99	.00
18853	4087	00	FINAL TOUCH CONSTRUCTION & DESIGN	08/22/2023	79,769.60	.00
18854	324	00	GRAINGER	08/22/2023	483.45	.00
18855	2612	00	HARDWARE EXPRESS INCORP.	08/22/2023	940.38	.00
18856	4000	00	JARROD DELEON	08/22/2023	117.40	.00
18857	4064	00	JIM DAVIS, LLC	08/22/2023	1,655.04	.00
18858	2892	00	JT ELECTRIC	08/22/2023	140.00	.00
18859	3977	00	LANDIS+GYR TECHNOLOGY, INC	08/22/2023	71,783.06	.00
18860	3283	00	LOWE'S	08/22/2023	2,065.65	.00
18861	218	00	NEWS WEST PUBLISHING CO.	08/22/2023	176.84	.00
18862	1786	00	NPUA	08/22/2023	25,572.70	.00
18863	240	00	PITNEY BOWES GLOBAL FINANCIAL SVS	08/22/2023	536.55	.00
18864	15	00	QUILL LLC	08/22/2023	467.15	.00
18865	2861	00	REINKE A/C CORP.	08/22/2023	7,380.75	.00
18866	309	00	REPUBLIC SERVICES #785	08/22/2023	101,947.21	.00
18867	1826	00	SIMPSON NORTON CORP.	08/22/2023	64.17	.00
18868	1006	00	TAYLOR MADE	08/22/2023	430.20	.00
18869	3917	00	TOUCHSTONE GOLF LLC	08/22/2023	6,000.00	.00
18870	2798	00	U.S. DEPARTMENT OF ENERGY	08/22/2023	46,540.59	.00
18871	3830	00	UNIFIRST CORPORATION	08/22/2023	192.24	.00
18872	761	00	USABLUEBOOK	08/22/2023	303.83	.00
18873	1057	00	WESTERN TECHNOLOGIES INC	08/22/2023	275.00	.00
18874	3967	00	WILLDAN ENGINEERING	08/22/2023	287.50	.00

NUMBER OF CHECKS

35

GRAND TOTAL

802,772.84

PREPARED 08/14/2023, 14:35:16
PROGRAM: GM3461L
CITY OF NEEDLES

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

PAGE 1
ACCOUNTING PERIOD 2024/02
REPORT NUMBER 20

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18818*	3483	SWRCB ACCOUNTING OFFICE	000648		08/22/2023	503-4720-475.69-03	3,453.00- 3,453.00-*	VOIDED
18840	3305	AGUA CALIENTE	001019		08/22/2023	580-4750-473.63-10	25,948.00 25,948.00*	25,948.00
18841	1924	AHA MACAV POWER SERVICE	001072		08/22/2023	580-4750-473.61-21	950.00 950.00*	950.00
18842	3635	ANIXTER	001066 001067 PI0030	024028	08/22/2023 08/22/2023 08/22/2023	580-4750-473.60-55 580-4750-473.60-55 580-4750-473.60-55	176.82 425.61- 8,534.28 8,285.49*	8,285.49
18843	3750	AUTO ZONE	000717 000653 000716 000718		08/22/2023 08/22/2023 08/22/2023 08/22/2023	511-3021-432.43-23 503-4720-475.43-57 511-3021-432.43-26 511-3021-432.43-36	169.00 11.72 53.36 46.31 280.39*	280.39
18844	2629	BARON PEST SOLUTIONS	000720 000719		08/22/2023 08/22/2023	511-3020-432.43-29 510-4410-405.43-01	38.00 95.00 133.00*	133.00
18845	454	BINGHAM EQUIPMENT COMPANY	001020		08/22/2023	507-5761-453.43-04	325.70 325.70*	325.70
18846	3313	BLUE RIVER WATER CORP.	001053		08/22/2023	507-5761-453.43-17	65.45 65.45*	65.45
18847	3801	BRACK CONSTRUCTION, INC.	PI0031	024030	08/22/2023	470-4620-471.69-27	10,000.00 10,000.00*	10,000.00
18848	3856	CALIFORNIA CONSULTING, IN	PI0029	024007	08/22/2023	580-4750-473.31-90	3,300.00 3,300.00*	3,300.00
18849	4051	CORA CONSTRUCTORS, INC.	PI0025 PI0026	024019 024020	08/22/2023 08/22/2023	582-4710-471.71-05 582-4710-471.71-05	128,175.88 253,296.13 381,472.01*	381,472.01
18850	440	DECO FOODSERVICE INCRP.	001070 001071		08/22/2023 08/22/2023	580-4750-473.61-21 502-4710-471.61-21	210.00 210.00 420.00*	420.00
18851	3580	DIAMOND PURE WATER	001069		08/22/2023	503-4720-475.43-02	25.50 25.50*	25.50
18852	501	DOI-BOR-REGION: LOWER COL	001021		08/22/2023	580-4750-473.63-10	24,437.99 24,437.99*	24,437.99

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

PREPARED08/14/2023, 14:35:16

PROGRAM: GM346L

PROGRAM: GM346L

PROGRAM: GM346L

BANK U4 WELLS FARGO BANK - CITY GENERAL CHECKING						
CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT
18853	4087	FINAL TOUCH CONSTRUCTION	PI0027	024023	08/22/2023	575-5555-485.72-17
						79,769.60 79,769.60 *
18854	324	GRAINER	001054 001055 001056		08/22/2023 08/22/2023 08/22/2023	580-4750-473.60-55 580-4750-473.60-55 580-4750-473.60-55
						377.24 63.91 42.30 483.45 *
18855	2612	HARDWARE EXPRESS INCORP.	001022 001023 001068 000627 000627 000627 000899 000657 000658 000648 000729 000898 000972 000659 000627 000623 000625 000624 000900 000626 000727 000726 000728 000984 000983		08/22/2023 08/22/2023	502-4710-471.60-55 502-4710-471.60-55 503-4720-475.43-02 101-5774-452.43-18 101-5770-452.60-32 101-5770-452.60-32 507-5762-454.61-06 101-5770-452.60-32 101-5770-452.60-32 101-5770-452.43-02 502-4710-471.60-55 206-5771-452.43-18 507-5762-454.61-06 502-4710-471.60-55 580-4750-473.60-55 101-5774-452.43-18 101-3010-431.61-33 101-5772-452.61-12 101-5772-452.61-12 507-5762-454.61-06 507-5762-454.61-06 101-5772-452.43-18 101-5772-452.43-18 510-4410-405.43-01 101-3010-431.60-12 580-4750-473.60-55 503-4720-475.43-02
						39.87 115.50 10.23 98.19 34.79 52.18 35.82 69.57 17.40 74.35 32.74 22.07 83.90 67.60 6.43 32.75 25.71 3.24 6.13 20.46 2.56 2.56 49.10 1.43 9.19 26.61 940.38 *
18856	4000	JARROD DELEON	001024 001025		08/22/2023 08/22/2023	507-5761-453.43-17 507-5761-453.43-04
						77.11 40.29 117.40 *
18857	4064	JIM DAVIS, LLC	007037		08/22/2023	507-5761-453.60-10
						1,655.04 1,655.04 *
18858	2892	JT ELECTRIC	000627		08/22/2023	101-5770-452.43-02
						140.00 140.00 *
18859	3977	LANDIS+GYR TECHNOLOGY, IN	PI0022 PI0023 PI0024	024008 024008 024008	08/22/2023 08/22/2023 08/22/2023	582-4710-471.71-02 582-4710-471.71-02 582-4710-471.71-02
						26,204.80 17,293.88 28,284.38 71,783.06 *
						79,769.60 79,769.60
						483.45
						940.38
						117.40
						1,655.04
						140.00
						71,783.06

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18860	3283	LOWE'S	001026		08/22/2023	580-4750-473.54-62	2,065.65 2,065.65 *	2,065.65
18861	218	NEWS WEST PUBLISHING CO.	001027 001028		08/22/2023 08/22/2023	238-5772-452.72-18 575-5555-485.53-00	100.30 76.54 176.84 *	176.84
18862	1786	NPUA	001013 001014 001015 001016 001017 001018 001019 001029 001057 001058 001059 001060 001061 001062 001063 001074 001075 001076 001077 001078 001079 001080		08/22/2023 08/22/2023	575-5555-485.41-10 575-5555-485.41-20 575-5555-485.41-30 575-5555-485.41-10 575-5555-485.41-20 575-5555-485.41-30 507-5762-454.41-20 502-4710-471.41-10 502-4710-471.41-10 502-4710-471.41-10 502-4710-471.41-10 580-4750-473.41-11 580-4750-473.41-11 580-4750-473.41-11 503-4720-475.41-10 503-4720-475.41-20 503-4720-475.41-10 503-4720-475.41-20 580-4750-473.41-11 580-4750-473.41-11	366.58 3,724.17 4,517.53 628.91 3,937.54 4,517.53 120.91 34.01 63.93 3,185.78 4,073.40 35.79 33.38 34.43 41.69 45.98 44.99 46.76 35.64 47.41 36.34 25,572.70 *	25,572.70
18863	240	PITNEY BOWES GLOBAL FINAN	001030		08/22/2023	510-4410-405.52-20	536.55 536.55 *	536.55
18864	15	QUILL LLC	001031 001073		08/22/2023 08/22/2023	101-2020-423.61-01 503-4720-475.61-01	284.00 183.15 467.15 *	467.15
18865	2861	REINKE A/C CORP.	001032		08/22/2023	580-4750-473.54-62	7,380.75 7,380.75 *	7,380.75
18866	309	REPUBLIC SERVICES #78	PI0028	024002	08/22/2023	505-4730-472.31-87	101,947.21 101,947.21 *	101,947.21
18867	1826	SIMPSON NORTON CORP.	001033 001034		08/22/2023 08/22/2023	507-5761-453.43-04 507-5761-453.43-17	56.77 7.40 64.17 *	64.17
18868	1006	TAYLOR MADE	001035		08/22/2023	507-5762-454.44-10	430.20 430.20 *	430.20

PREPARED 08/14/2023, 14:35:16

PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2024/02
REPORT NUMBER 20

PAGE 4

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18869	3917	TOUCHSTONE GOLF LLC	PI0032 PI0033	024034 024034	08/22/2023 08/22/2023	507-5762-454.31-89 507-5762-454.31-89	3,000.00 3,000.00 6,000.00 *	6,000.00
18870	2798	U.S. DEPARTMENT OF ENERGY	001039 001040		08/22/2023 08/22/2023	580-4750-473.63-10 580-4750-473.63-10	6,407.50 40,133.09 46,540.59 *	46,540.59
18871	3830	UNIFIRST CORPORATION	001036 001037 001038 001064		08/22/2023 08/22/2023 08/22/2023 08/22/2023	507-5762-454.43-08 502-4710-471.61-04 502-4710-471.61-04 580-4750-473.61-04	7.94 16.83 29.64 137.83 192.24 *	192.24
18872	761	USABLUBOOK	001065		08/22/2023	580-4750-473.60-55	303.83 303.83 *	303.83
18873	1057	WESTERN TECHNOLOGIES INC	001081		08/22/2023	582-4710-471.71-05	275.00 275.00 *	275.00
18874	3967	WILLDAN ENGINEERING	001041		08/22/2023	101-0000-204.03-01	287.50 287.50 *	287.50
BANK/CHECK TOTAL							799,319.84	802,772.84
ALL BANKS/CHECKS TOTAL							799,319.84	802,772.84

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 11, 2023**

		FUND AMT.	11-Aug		23-24 BUDGET
FUND 101	GENERAL FUND				
		\$ -			
101.1015.412	CITY ATTORNEY	\$ -	\$ 5,800.00	\$ 80,000.00	
101.1020.413	CITY MANAGER	\$ 13.02	\$ 4,473.53	\$ 230,592.00	
101.1025.415	FINANCE DEPT.	\$ 27.51	\$ 31,166.35	\$ 987,957.00	
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ -	\$ 12,017.77	\$ 329,339.00	
101.1035.416	PLANNING /ZONING	\$ -	\$ 6,390.92	\$ 402,016.00	
101.1040.417	ENGINEERING	\$ -	\$ 9,928.15	\$ 439,483.00	
101.1060.410	COMMUNITY PROMOTIONS	\$ -	\$ 4,000.00	\$ 103,945.00	
101.1070.410	SENIOR CENTER	\$ -	\$ 1,441.77	\$ 62,202.00	
101.2010.421	SHERIFF	\$ -	\$ 324,002.67	\$ 3,759,034.00	
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -	\$ 2,482.56	\$ 261,130.00	
101.2025.424	BUILDING & SAFETY	\$ -	\$ 9,803.99	\$ 488,742.00	
101.2030.423	CODE ENFORCEMENT	\$ -	\$ 23,170.43	\$ 806,188.00	
101.3010.431	PUBLIC WORKS	\$ 153.45	\$ 23,041.09	\$ 818,943.00	
101.4730.472	SANITATION	\$ -	\$ 4,397.35	\$ 177,467.00	
101.5770.452.	AQUATICS	\$ 235.47	\$ 4,665.01	\$ 246,913.00	
101.5772.452	PARKS	\$ -	\$ 35,254.93	\$ 760,504.00	
101.5773.452	JACK SMITH PARK MARINA	\$ -	\$ 2,022.28	\$ 115,646.00	
101.5774.452	RECREATION	\$ 1,075.20	\$ 93,352.18	\$ 386,397.00	
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ 1,504.65		\$ 10,456,498.00	
FUND 102	GEN. FUND CAPITAL PROJECT	\$ -	\$ 92.45	\$ 4,541,710.00	
FUND 205	CDBG	\$ -	\$ -	\$ 74,559.00	
FUND 206	CEMETERY	\$ -	\$ 14,075.10	\$ 258,022.00	
FUND 208	CALTRANS GRANTS	\$ -	\$ -	\$ 1,173,000.00	
FUND 210	SPECIAL GAS TAX	\$ -	\$ -	\$ 258,629.00	
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$ -	\$ -	\$ 48,522.00	
FUND 214	SANBAG NEW LOCAL MEAS I	\$ -	\$ -	\$ 450,000.00	
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$ -	\$ 8,051.33	\$ 272,973.00	
FUND 233	JACK SMITH PARK MARINA	\$ -	\$ -	\$ 175,308.00	
FUND 238	STATE RECREATION GRANTS	\$ -	\$ -	\$ 2,819,424.00	
FUND 239	CA.CONSERV RECYCLING GRANT	\$ -	\$ 2,540.60	\$ 25,436.00	
FUND 270	REDEVELOPMENT AGENCY	\$ -	\$ -	\$ 20,000.00	
FUND 470	RDA CAP PROJ.LOW & MOD.	\$ -	\$ -	\$ 100,954.00	
FUND 501	NPUA	\$ -	\$ -	\$ 2,639,851.00	
FUND 502	WATER DEPARTMENT	\$ -	\$ 79,752.97	\$ 2,161,380.00	
FUND 503	WASTEWATER DEPARTMENT	\$ -	\$ 74,693.35	\$ 1,312,828.00	
FUND 505	SANITATION	\$ -	\$ 7,098.35	\$ 1,563,015.00	
FUND 506	ALL AMERICAN CANAL PROJ.	\$ -	\$ 2,117.07	\$ 1,041,800.00	
FUND 507	GOLF FUND	\$ 50.70	\$ -	\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 29.82	\$ 30,810.67	\$ 696,256.00	
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -	\$ 13,710.26	\$ 413,638.00	
FUND 507	GOLF FUND TOTAL	\$ -	\$ 80.52		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ -	\$ 11,644.59	\$ 496,825.00	
FUND 509	MIS	\$ 13.15	\$ 27,979.75	\$ 273,100.00	
FUND 510	ADMIN. FACILITY	\$ 21,661.00	\$ 40,936.26	\$ 244,375.00	
FUND 511	FLEET MANAGEMENT	\$ -	\$ 9,968.14	\$ 278,476.00	
FUND 512	VEHICLE REPLACEMENT	\$ -	\$ -	\$ 22,199.62	
FUND 520	SR DIAL A RIDE	\$ -	\$ -	\$ 453,450.00	
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$ -	\$ -	\$ 22,320.00	
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$ -	\$ 15,564.00	\$ 808,479.00	
FUND 575	HOUSING	\$ 250.00	\$ 38,927.85	\$ 1,434,443.00	
FUND 580	ELECTRIC	\$ 6,250.00	\$ 325,017.71	\$ 12,742,061.00	
FUND 581	NPUA CAPITAL ELECTRIC	\$ -	\$ -	\$ 506,170.00	
FUND 582	NPUA CAPITAL WATER	\$ -	\$ 18,258.59	\$ 8,052,289.00	
TOTAL	ALL FUNDS & DEPARTMENTS	\$ 29,759.32	\$ 1,318,650.02	\$ 55,837,990.62	

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Finance Department

Date

Virginia Tasker, City Treasurer

Date

PROGRAM: GM348U
CITY OF NEEDLES
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18749	3392	00	BUG EMERGENCY INC.	08/11/2023	250.00	.00
18750	1213	00	CALIF. DEPT. OF TAX & FEE ADMIN.	08/11/2023	1,099.00	.00
18751	4087	00	FINAL TOUCH CONSTRUCTION & DESIGN	08/11/2023	27,911.00	.00
18752	2879	00	JENNIFER VALENZUELA	08/11/2023	499.32	.00
NUMBER OF CHECKS				4	GRAND TOTAL	29,759.32

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18749	3392	BUG EMERGENCY INC.	000891		08/11/2023	575-5555-485.43-02	250.00 250.00 *	250.00
18750	1213	CALIFORNIA DEPT. OF TAX &	000962		08/11/2023	101-1020-413.61-02	13.02	
			000963		08/11/2023	101-1025-415.61-02	27.51	
			000964		08/11/2023	101-3010-431.61-05	134.85	
			000965		08/11/2023	101-3010-431.60-11	18.60	
			000966		08/11/2023	101-5774-452.60-24	811.35	
			000967		08/11/2023	507-5761-453.43-04	29.82	
			000968		08/11/2023	509-4910-479.61-02	13.15	
			000969		08/11/2023	507-0000-203.00-00	50.70 1,099.00 *	1,099.00
18751	4087	FINAL TOUCH CONSTRUCTION	PI0018	024009	08/11/2023	510-4410-405.72-11	21,661.00	
			PI0019	024009	08/11/2023	580-4750-473.31-10	6,250.00 27,911.00 *	27,911.00
18752	2879	JENNIFER VALENZUELA	000887		08/11/2023	101-5770-452.60-24	235.47	
			000888		08/11/2023	101-5774-452.62-00	50.00	
			000889		08/11/2023	101-5774-452.65-10	197.69	
			000890		08/11/2023	101-5774-452.61-06	16.16 499.32 *	499.32
BANK/CHECK TOTAL							29,759.32	29,759.32
ALL BANKS/CHECKS TOTAL							29,759.32	29,759.32

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 11, 2023**

		FUND AMT.	11-Aug		23-24 BUDGET
FUND 101	GENERAL FUND				
		\$ 16,922.55			
101.1015.412	CITY ATTORNEY	\$ -	\$ -	\$ 80,000.00	
101.1020.413	CITY MANAGER	\$ 1,441.27	\$ 4,385.95	\$ 230,592.00	
101.1025.415	FINANCE DEPT.	\$ 6,781.38	\$ 20,682.68	\$ 987,957.00	
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 2,521.13	\$ 12,017.77	\$ 329,339.00	
101.1035.416	PLANNING /ZONING	\$ 427.37	\$ 6,390.92	\$ 402,016.00	
101.1040.417	ENGINEERING	\$ 2,540.17	\$ 9,928.15	\$ 439,483.00	
101.1060.410	COMMUNITY PROMOTIONS	\$ -	\$ 4,000.00	\$ 103,945.00	
101.1070.410	SENIOR CENTER	\$ -	\$ 1,441.77	\$ 62,202.00	
101.2010.421	SHERIFF	\$ -	\$ 324,002.67	\$ 3,759,034.00	
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -	\$ 2,482.56	\$ 261,130.00	
101.2025.424	BUILDING & SAFETY	\$ 1,770.23	\$ 9,803.99	\$ 488,742.00	
101.2030.423	CODE ENFORCEMENT	\$ 6,592.09	\$ 23,170.43	\$ 806,188.00	
101.3010.431	PUBLIC WORKS	\$ 4,009.81	\$ 22,775.42	\$ 818,943.00	
101.4730.472	SANITATION	\$ 131.30	\$ 4,397.35	\$ 177,467.00	
101.5770.452	AQUATICS	\$ -	\$ 4,370.54	\$ 246,913.00	
101.5772.452	PARKS	\$ 6,488.84	\$ 35,254.93	\$ 760,504.00	
101.5773.452	JACK SMITH PARK MARINA	\$ 752.76	\$ 2,022.28	\$ 115,646.00	
101.5774.452	RECREATION	\$ 1,354.98	\$ 92,168.92	\$ 386,397.00	
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ 51,733.88	\$ 10,456,498.00		
FUND 102	GEN. FUND CAPITAL PROJECT	\$ -	\$ 92.45	\$ 4,541,710.00	
FUND 205	CDBG	\$ -	\$ -	\$ 74,559.00	
FUND 206	CEMETERY	\$ 2,506.26	\$ 14,075.10	\$ 258,022.00	
FUND 208	CALTRANS GRANTS	\$ -	\$ -	\$ 1,173,000.00	
FUND 210	SPECIAL GAS TAX	\$ -	\$ -	\$ 258,629.00	
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$ -	\$ -	\$ 48,522.00	
FUND 214	SANBAG NEW LOCAL MEAS I	\$ -	\$ -	\$ 450,000.00	
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$ -	\$ 8,051.33	\$ 272,973.00	
FUND 233	JACK SMITH PARK MARINA	\$ -	\$ -	\$ 175,308.00	
FUND 238	STATE RECREATION GRANTS	\$ -	\$ -	\$ 2,819,424.00	
FUND 239	CA.CONSERV RECYCLING GRANT	\$ -	\$ 2,540.60	\$ 25,436.00	
FUND 270	REDEVELOPMENT AGENCY	\$ -	\$ -	\$ 20,000.00	
FUND 470	RDA CAP PROJ.LOW & MOD.	\$ -	\$ -	\$ 100,954.00	
FUND 501	NPUA	\$ -	\$ -	\$ 2,639,851.00	
FUND 502	WATER DEPARTMENT	\$ 6,418.56	\$ 79,752.97	\$ 2,161,380.00	
FUND 503	WASTEWATER DEPARTMENT	\$ 4,146.12	\$ 74,693.35	\$ 1,312,828.00	
FUND 505	SANITATION	\$ -	\$ 7,098.35	\$ 1,563,015.00	
FUND 506	ALL AMERICAN CANAL PROJ.	\$ (582.74)	\$ 2,117.07	\$ 1,041,800.00	
FUND 507	GOLF FUND	\$ -	\$ -	\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 1,316.94	\$ 19,224.26	\$ 696,256.00	
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ 922.88	\$ 7,433.03	\$ 413,638.00	
FUND 507	GOLF FUND TOTAL	\$ -	\$ 2,239.82		
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ 5,034.03	\$ 11,644.59	\$ 496,825.00	
FUND 509	MIS	\$ -	\$ 22,546.23	\$ 273,100.00	
FUND 510	ADMIN. FACILITY	\$ 205.60	\$ 11,169.27	\$ 244,375.00	
FUND 511	FLEET MANAGEMENT	\$ 1,806.05	\$ 9,968.14	\$ 278,476.00	
FUND 512	VEHICLE REPLACEMENT	\$ -	\$ -	\$ 22,199.62	
FUND 520	SR DIAL A RIDE	\$ -	\$ -	\$ 453,450.00	
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$ -	\$ -	\$ 22,320.00	
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$ -	\$ 15,564.00	\$ 808,479.00	
FUND 575	HOUSING	\$ 5,855.36	\$ 34,435.51	\$ 1,434,443.00	
FUND 580	ELECTRIC	\$ 21,139.47	\$ 293,974.93	\$ 12,742,061.00	
FUND 581	NPUA CAPITAL ELECTRIC	\$ -	\$ -	\$ 506,170.00	
FUND 582	NPUA CAPITAL WATER	\$ -	\$ 18,258.59	\$ 8,052,289.00	
TOTAL	ALL FUNDS & DEPARTMENTS	\$ 100,502.41	\$ 1,211,936.10	\$ 55,837,990.62	

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Finance Department

Date

Virginia Tasker, City Treasurer

Date

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18735	1924	00	AHA MACAV POWER SERVICE	08/11/2023	690.25	-00
18736	4014	00	ASHLEE HOOPER	08/11/2023	148.00	-00
18737	4022	00	BENEFIT COORDINATORS CORPORATION	08/11/2023	3,573.70	-00
18738	3808	00	HATZ, BERNARD	08/11/2023	564.85	-00
18739	3275	00	CALIFORNIA STATE DISB.UNIT	08/11/2023	255.23	-00
18740	3286	00	COLONIAL LIFE	08/11/2023	3,359.80	-00
18741	1305	00	GREAT WEST LIFE	08/11/2023	5,944.00	-00
18742	3634	00	GREAT-WEST LIFE & ANNUITY	08/11/2023	1,093.60	-00
18743	2489	00	HOME DEPOT CREDIT SERVICES	08/11/2023	192.60	-00
18744	818	00	R & R PRODUCTS INC.	08/11/2023	1,305.94	-00
18745	1199	00	SBPEA TEAMSTERS LOCAL 1932	08/11/2023	497.87	-00
18746	1199	00	SBPEA TEAMSTERS LOCAL 1932	08/11/2023	1,054.72	-00
18747	284	00	SOUTHWEST GAS CORP.	08/11/2023	47.06	-00
18748	3242	00	SDRMA	08/11/2023	81,774.79	-00
NUMBER OF CHECKS				14	GRAND TOTAL	100,502.41

PREPARED 08/08/2023, 14:15:53

PROGRAM: GM3461

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

PAGE 1
ACCOUNTING PERIOD 2024/02
REPORT NUMBER 15

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18735	1924	AHA MACAV POWER SERVICE	000609		08/11/2023	580-4750-473.63-12	690.25 690.25 *	690.25
18736	4014	ASHLEE HOOPER	000738		08/11/2023	101-2030-423.55-00	148.00 148.00 *	148.00
18737	4022	BENEFIT COORDINATORS CORP	000804 000805 000806 000807 000808 000809 000810 000811 000812 000813 000814 000815 000816 000817 000818 000819 000820 000821 000822 000823 000824		08/11/2023 08/11/2023	101-1020-413.24-10 101-1025-415.24-10 101-1030-414.24-10 101-1035-416.24-10 101-1040-417.24-10 101-2025-424.24-10 101-2030-423.24-10 101-3010-431.24-10 101-4730-472.24-10 101-5772-452.24-10 101-5773-452.24-10 101-5774-452.24-10 206-5771-452.24-10 502-4710-471.24-10 503-4720-475.24-10 506-4713-477.24-10 508-4810-478.24-10 511-3020-432.24-10 575-5555-485.24-15 580-4750-473.24-10	74.78 326.54 155.04 36.19 103.10 92.20 292.93 204.42 33.01 280.54 45.60 82.08 126.26 277.35 159.43 63.64 195.30 62.06 182.40 91.20 762.01 3,573.70 *	
18738	3808	BERNARD J. HATZ	000739		08/11/2023	101-2030-423.55-00	564.85 564.85 *	564.85
18739	3275	CALIFORNIA STATE DISB.UNI	000825		08/11/2023	575-0000-209.03-01	255.23 255.23 *	255.23
18740	3286	COLONIAL LIFE	000798 000799 000800 000801 000802 000803		08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023	101-0000-209.03-01 502-0000-209.03-01 503-0000-209.03-01 508-0000-209.03-01 580-0000-209.03-01 511-0000-209.03-01	2,665.90 115.92 195.82 168.80 145.08 68.28 3,359.80 *	3,359.80
18741	1305	GREAT WEST LIFE & ANNUITY	000785 000786 000787		08/11/2023 08/11/2023 08/11/2023	101-0000-209.03-01 502-0000-209.03-01 580-0000-209.03-01	3,530.00 410.00 2,004.00 5,944.00 *	5,944.00
18742	3634	GREAT-WEST LIFE & ANNUITY	000776 000777		08/11/2023 08/11/2023	101-0000-209.03-01 101-0000-209.03-01	43.12 194.13	

PREPARED 08/08/2023, 14:15:53

PROGRAM: GM3461

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2024/02
REPORT NUMBER 15

PAGE 2

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18742	3634	GREAT-WEST LIFE & ANNUITY	000778 000779 000780 000781 000782 000783 000784		08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023	101-0000-209.03-01 101-0000-209.03-01 101-0000-209.03-01 101-0000-209.03-01 580-0000-209.03-01 580-0000-209.03-01 580-0000-209.03-01	24.27 213.04 97.57 158.76 174.52 60.36 127.83 1,093.60 *	24.27 213.04 97.57 158.76 174.52 60.36 127.83 1,093.60
18743	2489	HOME DEPOT CREDIT SERVICE	007017		08/11/2023	510-4410-405.61-01	192.60 192.60 *	192.60 192.60
18744	818	R & R PRODUCTS INC.	000310 000309 000311 000420		08/11/2023 08/11/2023 08/11/2023 08/11/2023	507-5761-453.43-04 507-5761-453.43-17 507-5761-453.43-17 507-5761-453.43-17	812.52 206.53 173.14 113.75 1,305.94 *	812.52 206.53 173.14 113.75 1,305.94
18745	1199	SBPEA TEAMSTERS LOCAL 193	000795 000796 000797		08/11/2023 08/11/2023 08/11/2023	101-0000-209.03-01 502-0000-209.03-01 580-0000-209.03-01	386.49 50.44 60.94 497.87 *	386.49 50.44 60.94 497.87
18746	1199	SBPEA TEAMSTERS LOCAL 193	000788 000789 000790 000791 000792 000793 000794		08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023	101-0000-209.03-01 502-0000-209.03-01 503-0000-209.03-01 508-0000-209.03-01 511-0000-209.03-01 580-0000-209.03-01 575-0000-209.03-01	529.55 133.76 30.70 62.74 35.64 217.64 44.69 1,054.72 *	529.55 133.76 30.70 62.74 35.64 217.64 44.69 1,054.72
18747	284	SOUTHWEST GAS CORP.	000773 000774 000775		08/11/2023 08/11/2023 08/11/2023	101-3010-431.41-60 507-5761-453.41-50 510-4410-405.41-60	23.06 11.00 13.00 47.06 *	23.06 11.00 13.00 47.06
18748	3242	SPECIAL DISTRICT RISK	000856 000857 000858 000859 000860 000861 000862 000863 000864 000865 000866 000867 000868		08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023 08/11/2023	101-1020-413.24-10 101-1025-415.24-10 101-1030-414.24-10 101-1035-416.24-10 101-1040-417.24-10 101-2025-424.24-10 101-2030-423.24-10 101-3010-431.24-10 101-4730-472.24-10 101-5772-452.24-10 101-5773-452.24-10 101-5774-452.24-10 101-0000-209.03-01	1,366.49 6,454.84 2,366.09 463.56 2,437.07 1,678.03 5,586.31 3,782.33 98.29 6,208.30 707.16 1,272.90 9,079.72	1,366.49 6,454.84 2,366.09 463.56 2,437.07 1,678.03 5,586.31 3,782.33 98.29 6,208.30 707.16 1,272.90 9,079.72

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18748	3242	SPECIAL DISTRICT RISK	000869		08/11/2023	206-5771-452.24-10	1,834.28	
			000870		08/11/2023	206-0000-209.03-01	545.72	
			000871		08/11/2023	502-4710-471.24-10	4,115.05	
			000872		08/11/2023	502-0000-209.03-01	1,316.04	
			000873		08/11/2023	503-4720-475.24-10	2,891.77	
			000874		08/11/2023	503-0000-209.03-01	868.40	
			000875		08/11/2023	506-4713-477.24-10	667.60	
			000876		08/11/2023	506-0000-209.03-01	21.22	
			000877		08/11/2023	507-5762-454.24-10	922.88	
			000878		08/11/2023	508-4810-478.24-10	3,733.61	
			000879		08/11/2023	508-0000-209.03-01	873.58	
			000880		08/11/2023	511-3020-432.24-10	1,254.47	
			000881		08/11/2023	511-0000-209.03-01	385.60	
			000882		08/11/2023	575-5555-485.24-10	3,687.34	
			000883		08/11/2023	575-5555-485.24-15	1,046.42	
			000884		08/11/2023	575-0000-209.03-01	548.08	
			000885		08/11/2023	580-4750-473.24-10	12,950.84	
			000886		08/11/2023	580-0000-209.03-01	3,946.00	
							81,774.79 *	81,774.79

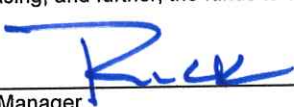
BANK/CHECK TOTAL 100,502.41 100,502.41

ALL BANKS/CHECKS TOTAL 100,502.41 100,502.41

**CITY OF NEEDLES CITY COUNCIL
WARRANT SUMMARY TOTALS FOR AUGUST 3, 2023**

		FUND AMT.	3-Aug	23-24 BUDGET
FUND 101	GENERAL FUND	\$ -		
101.1015.412	CITY ATTORNEY	\$ -	\$ -	\$ 80,000.00
101.1020.413	CITY MANAGER	\$ -	\$ 2,944.68	\$ 230,592.00
101.1025.415	FINANCE DEPT.	\$ -	\$ 13,901.30	\$ 987,957.00
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ -	\$ 9,496.64	\$ 329,339.00
101.1035.416	PLANNING /ZONING	\$ -	\$ 5,239.26	\$ 402,016.00
101.1040.417	ENGINEERING	\$ -	\$ 6,393.74	\$ 439,483.00
101.1060.410	COMMUNITY PROMOTIONS	\$ -	\$ 4,000.00	\$ 103,945.00
101.1070.410	SENIOR CENTER	\$ -	\$ 1,441.77	\$ 62,202.00
101.2010.421	SHERIFF	\$ -	\$ 324,002.67	\$ 3,759,034.00
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -	\$ 2,293.89	\$ 261,130.00
101.2025.424	BUILDING & SAFETY	\$ -	\$ 7,312.48	\$ 488,742.00
101.2030.423	CODE ENFORCEMENT	\$ -	\$ 15,687.47	\$ 806,188.00
101.3010.431	PUBLIC WORKS	\$ -	\$ 12,205.27	\$ 818,943.00
101.4730.472	SANITATION	\$ -	\$ 4,266.05	\$ 177,467.00
101.5770.452.	AQUATICS	\$ -	\$ 4,370.54	\$ 246,913.00
101.5772.452	PARKS	\$ -	\$ 26,833.55	\$ 760,504.00
101.5773.452	JACK SMITH PARK MARINA	\$ -	\$ 1,269.52	\$ 115,646.00
101.5774.452	RECREATION	\$ -	\$ 90,813.94	\$ 386,397.00
GENERAL FUND	TOTAL ALL GF DEPARTMENTS	\$ -		\$ 10,456,498.00
FUND 102	GEN. FUND CAPITAL PROJECT	\$ -	\$ 92.45	\$ 4,541,710.00
FUND 205	CDBG	\$ -	\$ -	\$ 74,559.00
FUND 206	CEMETERY	\$ -	\$ 12,081.82	\$ 258,022.00
FUND 208	CALTRANS GRANTS	\$ -	\$ -	\$ 1,173,000.00
FUND 210	SPECIAL GAS TAX	\$ -	\$ -	\$ 258,629.00
FUND 213	DEPT OF HOUSE. & COMM DEVL	\$ -	\$ -	\$ 48,522.00
FUND 214	SANBAG NEW LOCAL MEAS I	\$ -	\$ -	\$ 450,000.00
FUND 225	COPS-AB 3229 SUPPLEMENTAL	\$ -	\$ 8,051.33	\$ 272,973.00
FUND 233	JACK SMITH PARK MARINA	\$ -	\$ -	\$ 175,308.00
FUND 238	STATE RECREATION GRANTS	\$ -	\$ -	\$ 2,819,424.00
FUND 239	CA.CONSERV RECYCLING GRANT	\$ -	\$ 2,540.60	\$ 25,436.00
FUND 270	REDEVELOPMENT AGENCY	\$ -	\$ -	\$ 20,000.00
FUND 470	RDA CAP PROJ.LOW & MOD.	\$ -	\$ -	\$ 100,954.00
FUND 501	NPUA	\$ -	\$ -	\$ 2,639,851.00
FUND 502	WATER DEPARTMENT	\$ -	\$ 66,625.76	\$ 2,161,380.00
FUND 503	WASTEWATER DEPARTMENT	\$ 26,177.24	\$ 71,003.71	\$ 1,312,828.00
FUND 505	SANITATION	\$ -	\$ 7,562.18	\$ 1,563,015.00
FUND 506	ALL AMERICAN CANAL PROJ.	\$ -	\$ 1,089.03	\$ 1,041,800.00
FUND 507	GOLF FUND	\$ -	\$ -	
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ -	\$ 18,309.82	\$ 696,256.00
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -	\$ 6,510.15	\$ 413,638.00
FUND 507	GOLF FUND TOTAL	\$ -	\$ -	
FUND 508	CUST.SVC/UT BUSINESS OFFICE	\$ -	\$ 7,160.30	\$ 496,825.00
FUND 509	MIS	\$ -	\$ 22,546.23	\$ 273,100.00
FUND 510	ADMIN. FACILITY	\$ -	\$ 11,012.17	\$ 244,375.00
FUND 511	FLEET MANAGEMENT	\$ -	\$ 4,620.28	\$ 278,476.00
FUND 512	VEHICLE REPLACEMENT	\$ -	\$ -	\$ 22,199.62
FUND 520	SR DIAL A RIDE	\$ -	\$ -	\$ 453,450.00
FUND 521	DIAL-A-RIDE MEDICAL TRANS.	\$ -	\$ -	\$ 22,320.00
FUND 525	NEEDLES AREA TRANSIT (NAT)	\$ -	\$ 15,564.00	\$ 808,479.00
FUND 575	HOUSING	\$ 12,691.54	\$ 29,428.15	\$ 1,434,443.00
FUND 580	ELECTRIC	\$ -	\$ 281,942.68	\$ 12,742,061.00
FUND 581	NPUA CAPITAL ELECTRIC	\$ -	\$ -	\$ 506,170.00
FUND 582	NPUA CAPITAL WATER	\$ -	\$ 18,258.59	\$ 8,052,289.00
TOTAL	ALL FUNDS & DEPARTMENTS	\$ 38,868.78	\$ 1,116,872.02	\$ 55,837,990.62

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City


Rick Daniels, City Manager


Date


Finance Department


Date


Virginia Fasker, City Treasurer


Date

CITY OF NEEDLES

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
18720	4102	00	CHARLOTTE SCHROEDER	08/03/2023	5,267.00	.00
18721	3000	00	DON MCCONE	08/03/2023	783.00	.00
18722	4110	00	ELIZABETH HARR	08/03/2023	133.00	.00
18723	3462	00	EUSI LLC	08/03/2023	26,177.24	.00
18724	4109	00	HAROLD RASPLICKA	08/03/2023	323.00	.00
18725	4103	00	HELEN ELROD	08/03/2023	530.00	.00
18726	4106	00	HENRY BAGHDADY	08/03/2023	1,411.00	.00
18727	4111	00	KATHERINE LAWLER	08/03/2023	58.00	.00
18728	2042	00	MICHAEL P. BURGER CPA	08/03/2023	300.00	.00
18729	3746	00	OSTERHOLT	08/03/2023	198.00	.00
18730	4104	00	RIVER GARDENS LLC	08/03/2023	1,869.00	.00
18731	4108	00	RIVER PALMS APTS LLC	08/03/2023	736.00	.00
18732	4113	00	SHANEESHA PURTTY	08/03/2023	227.00	.00
18733	4107	00	SYLVIA POLEN	08/03/2023	533.00	.00
18734	2469	00	VERIZON WIRELESS	08/03/2023	323.54	.00

GRAND TOTAL

38,868.78

NUMBER OF CHECKS

15

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18720	4102	CHARLOTTE SCHROEDER	000683 000684 000685 000686 000687		08/03/2023 08/03/2023 08/03/2023 08/03/2023 08/03/2023	575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51	730.00 1,400.00 756.00 1,006.00 1,375.00 5,267.00 *	
18721	3000	DON MCCONE	000702		08/03/2023	575-5555-485.69-51	783.00 783.00 *	783.00
18722	4110	ELIZABETH HARR	000704		08/03/2023	575-5555-485.69-51	133.00 133.00 *	133.00
18723	3462	EUSI LLC	PI0015	024001	08/03/2023	503-4720-475.31-98	26,177.24 26,177.24 *	26,177.24
18724	4109	HAROLD RASPLICKA	000703		08/03/2023	575-5555-485.69-51	323.00 323.00 *	323.00
18725	4103	HELEN ELROD	000698		08/03/2023	575-5555-485.69-51	530.00 530.00 *	530.00
18726	4106	HENRY BAGHDADY	000693 000694 000695 000696		08/03/2023 08/03/2023 08/03/2023 08/03/2023	575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51	442.00 230.00 316.00 423.00 1,411.00 *	1,411.00
18727	4111	KATHERINE LAWLER	000705		08/03/2023	575-5555-485.69-51	58.00 58.00 *	58.00
18728	2042	MICHAEL P. BURGER CPA	000708		08/03/2023	575-5555-485.31-90	300.00 300.00 *	300.00
18729	3746	OSTERHOLT	000699		08/03/2023	575-5555-485.69-51	198.00 198.00 *	198.00
18730	4104	RIVER GARDENS LLC	000688 000689 000690 000691 000692		08/03/2023 08/03/2023 08/03/2023 08/03/2023 08/03/2023	575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51 575-5555-485.69-51	313.00 385.00 374.00 405.00 392.00 1,869.00 *	1,869.00
18731	4108	RIVER PALMS APTS LLC	000701		08/03/2023	575-5555-485.69-51	736.00 736.00 *	736.00
18732	4113	SHANEESHA PURTTY	000706		08/03/2023	575-5555-485.69-51	227.00 227.00 *	227.00

PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
18733	4107	SYLVIA POLEN	000700		08/03/2023	575-5555-485.69-51	533.00 533.00 *	533.00
18734	2469	VERIZON WIRELESS	000707		08/03/2023	575-5555-485.52-10	323.54 323.54 *	323.54
BANK/CHECK TOTAL							38,868.78	38,868.78
ALL BANKS/CHECKS TOTAL							38,868.78	38,868.78



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ HACN ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Approve Second Amendment to On-Call Development Review Consulting Services Agreement Between the City of Needles and Michael Baker International for Planning Consulting Services in the amount not to exceed \$80,000

Background: On August 10, 2021, the City Council awarded development review planning consulting services to Michael Baker International. The second amendment to the agreement would include on-call economic planning which would not exceed \$80,000. The City is currently seeking recruitment of a City Planner which will allow for the phase out of MBI in the role.

As our City Planner, MBI has worked collaboratively with the City Council and City Staff to conduct site plan reviews for proposed developments, update our Housing Element, amend our Zoning Code, and interact with the public in getting their questions answered for their residential and commercial development projects. The city continues to experience a surge in development that has led to the City of Needles total property value to be \$525,809,818 increasing by 9.1% this past year from \$491,271,120. Michael Baker International has a team of individuals that has helped the City reach its goal of providing residential and commercial developers a streamlined permitting process.

Fiscal Impact: The contract is within the existing budget appropriation for FY 23-24.
Finance Department

Recommended Action: Approve Second Amendment to On-Call Development Review Consulting Services Agreement Between the City of Needles and Michael Baker International for Planning Consulting Services in the amount not to exceed \$80,000

Submitted By: Patrick Martinez, Assistant City Manager

City Management Review:

Date:

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item:

**CITY OF NEEDLES
FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT**

This First Amendment to Professional Services Agreement is made and entered into this ___ day of August 2023 between the CITY OF NEEDLES, a California Charter City, (hereinafter referred to as the "City") and Michael Baker International, Inc., a Pennsylvania corporation (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

The parties entered into that certain Professional Services Agreement ("Agreement") dated August 11, 2021 whereby Consultant is to perform Development Review Consulting services as provided therein.

The Agreement provides for maximum compensation of up to Eighty Thousand Dollars (\$80,000.00) and the Parties now wish to authorize another Eighty Thousand Dollars (\$80,000.00) under the Agreement as amended by this Amendment.

AMENDMENT

Section 6.1 is hereby amended to increase the maximum compensation amount by the sum of Eighty Thousand Dollars (\$80,000) bringing the total maximum amount under the Agreement to One Hundred and Sixty Thousand Dollars (\$160,000)

All other terms and conditions of the Agreement shall remain in full force and effect subject to this Amendment. In the event of a conflict between the terms of this Amendment and the Agreement, this Amendment shall prevail.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement as of the date written above.

City of Needles

By: _____

Its: _____

Date: _____

Michael Baker International, Inc., a Pennsylvania corporation

By:  _____

Its: Vice President / Office Executive

Date: August 25, 2023



City of Needles, California

Request for City Council Action

Item 13.

☒ CITY COUNCIL ☐ NPUA ☐ RDA

☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Resolution No. 2023-50 authorizing the City Manager or his designee, the Community Services Manager, to purchase one (1) 18-Passenger Transit Vehicle for use by the Needles Area Transit

Background: \$170,000 has been budgeted in the 2023-2024 fiscal year for the purchase of a new NAT bus, funding which will come from State Transit Assistance (STA) Capital through the San Bernardino County Transportation Authority (SBCTA). This resolution will allow the city to purchase through the California Association for Coordinated Transportation (CalACT)/ Morongo Basin Transit Authority (MBTA) Vehicle Purchasing Cooperative which reduces the cost and saves staff time in going through a formal bidding process (the Cooperative has already done it).

In accordance with the California Air Resource Board Innovative Clean Transportation regulations, as of January 2026, the City will have to begin converting 25% of all new bus purchases to zero emissions (ZE) with 100% of all new bus purchases being ZE beginning January 2029. 100% of the fleet must be ZE by January 2040. Staff is working with SBCTA on compliance and conversion of transit buses and required infrastructure to meet the state deadlines.

Fiscal Impact: \$170,000 has been budgeted in line item #525-4770-461.72-15 and will be reimbursed by SBCTA after the purchase is complete

Environmental Impact: N/A

Recommended Action: Waive the reading and adopt Resolution No. 2023-50 authorizing the City Manager or his designee, the Community Services Manager, to purchase one (1) 18-Passenger Transit Vehicle for use by the Needles Area Transit.

Submitted By: Chery Sallis, Community Services Manager

City Management Review:

Date:

01/24/2023

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item:

13

RESOLUTION NO. 2023-50

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF NEEDLES, CALIFORNIA, AUTHORIZING
THE CITY MANAGER OR HIS DESIGNEE, THE
COMMUNITY SERVICES MANAGER, TO PURCHASE
ONE (1) 18-PASSENGER TRANSIT VEHICLE FOR
USE BY THE NEEDLES AREA TRANSIT

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Needles, California, does hereby authorize the California Association for Coordinated Transportation (CalACT)/Morongo Basin Transit Authority (MBTA) Vehicle Purchasing Cooperative to purchase one (1) 18-passenger transit vehicle for and on behalf of the City of Needles, and that Patrick Martinez, City Manager (as of October 2, 2023), or his designee, Cheryl K. Sallis, Community Services Manager, are hereby authorized and directed to sign and deliver all necessary requests and documents in connection therewith for and on behalf of the City of Needles. The total price of the one 18-passenger transit vehicle for use by the Needles Area Transit shall not exceed \$170,000.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of September, 2023, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

(SEAL)

ATTEST: _____

City Clerk

APPROVED AS TO FORM:

City Attorney



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Resolution No. 2023-49 approving the Title VI Compliance Plan for the Needles Area Transit

Background: As part of the Section 5311 funding for the Needles Area Transit (NAT), the City is required to comply with Title VI of the Civil Rights Act of 1964, including provisions detailed in U.S. Department of Transportation's FTA Circular 4702.1B, "Title VI Requirement and Guidelines for Federal Transit Administration Recipients." The initial Title VI Plan was approved in June 2014 and is required to be updated every three years (updates approved in July 2017 and September 2020). This Title VI Compliance Plan update has been prepared by AMMA Transit Planning through funding provided by the San Bernardino County Transportation Authority on behalf of the City of Needles.

Fiscal Impact: May be minimal cost to accommodate and provide language assistance to limited English proficient (LEP) individuals but any costs would be covered in the NAT budget -- no general fund expense

Critical Timeline: ASAP

Environmental: N/A

Recommendation: Waive the reading and adopt Resolution No. 2023-49 approving the Title VI Compliance Plan for the Needles Area Transit.

Submitted By: Cheryl Sallis, Community Services Manager

City Management Review: Positive for RB Date: 8/24/2023

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 14

RESOLUTION NO. 2023-49

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF NEEDLES, CALIFORNIA, APPROVING
THE TITLE VI COMPLIANCE PLAN FOR THE
NEEDLES AREA TRANSIT

WHEREAS, the City of Needles/Needles Area Transit (NAT) desires to comply with Title VI of the Civil Rights Act of 1964, including provisions detailed in U.S. Department of Transportation's FTA Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients"; and

WHEREAS, the City Council wishes to authorize approval of the Compliance Plan developed and prepared by the consulting firm AMMA Transit Planning, including applicable Updates, to comply with necessary provisions of the Civil Rights Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Needles, California, as follows:

1. The Community Services Manager is authorized to implement components of the Plan in order to meet federal requirements.
2. The Community Services Manager is authorized to implement policies that may be necessary to comply with subsequent revisions or interpretations to the Civil Rights Act.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of September, 2023, by the following roll call vote:

AYES:

NOES:

ABSENT:

Mayor

(SEAL)

ATTEST: _____

City Clerk

APPROVED AS TO FORM:

City Attorney

Needles Area Transit TITLE VI PROGRAM

Updated: September 2023

Approved by the Needles City Council: September 12, 2023

Developed: June 2014

Updated: July 2017 and September 2020



**Needles Area Transit
City of Needles
817 Third Street
Needles, CA 92363**

This document was originally prepared by AMMA Transit Planning in 2014, and updated every three years, most recently in July 2023, through funding provided by San Bernardino County Transportation Authority on behalf of the City of Needles transit program, Needles Area Transit. This Title VI Program, approved by the Needles City Council, complies with Title VI of the Civil Rights Act of 1964, including new provisions detailed in U.S. Department of Transportation's FTA Circular 4702.1B, "Title VI Requirement and Guidelines for Federal Transit Administration Recipients."

Needles Area Transit

TITLE VI PROGRAM

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Introduction

Title VI of the Civil Rights Act of 1964 protects persons in the United States from being excluded from participation in, denied the benefits of, or subjected to discrimination on the basis of race, color, or national origin in any program or activity receiving federal financial assistance. The Federal Transit Administration (FTA), under the Federal Department of Transportation, requires recipients to adopt a Title VI Program pursuant to FTA Circular 4702.1B, Title VI Requirements and Guidelines for Federal Transit Administration Recipients.

As a recipient of FTA funds, Needles Area Transit (NAT) is committed to ensuring that its services are delivered and implemented in accordance with Title VI and other non-discriminatory regulations. NAT also complies with non-discriminatory regulations at the state level and ensures that its programs and services comply with Title VI, whether federally-funded or not.

The Circular has general requirements for all recipients and additional guidelines for transit providers based on the type of service, the number of vehicles deployed in peak service hours, and the population of the transit agency's service area. As a deviated fixed route transit provider with less than 50 vehicles and not located in an urbanized area of 200,000 or more in population, NAT must adhere to the following requirements and guidelines:

- 1) Title VI Notice to the Public
- 2) Title VI Complaint Procedures
- 3) Title VI Complaint Form
- 4) List of transit-related Title VI investigations, complaints, or lawsuits
- 5) Public Participation Plan
- 6) Language Assistance Plan
- 7) A table depicting the membership on non-elected committees broken down by race
- 8) Monitoring procedures for Subrecipients
- 9) Title VI equity analysis for the site and location of facilities
- 10) Documentation that the governing board has reviewed and approved the Title VI Program

Additionally, as a deviated fixed route operator, NAT is required to develop the following system-wide service standards and system-wide service policies:

- 1) Effective Practices to Fulfill the Service Standard Requirement
 - Vehicle Load Standard
 - Vehicle Headway Standard
 - On Time Performance Standard
 - Service Availability Standard
- 2) Effective Practices to Fulfill the Service Policy Requirement
 - Vehicle Assignment Policy
 - Transit Amenities Policy

The following sections of this report document how NAT is in compliance with each requirement.

Needles Area Transit Service Overview

Needles Area Transit is a public transit service provided by the City of Needles for its residents and visitors. NAT is a deviated fixed route that runs one circular route through the community and provides deviations for pickups off the route if time allows.

Service runs hourly from 7 am to 7 pm Monday through Friday and 10 am to 5 pm on Saturday.

The City of Needles contracts with Transportation Concepts (TC) to operate its transit program. TC complies with all federal, state, and local requirements.

Title VI Notice to the Public

Notice to the Public of Rights under Title VI Needles Area Transit

Needles Area Transit is committed to ensuring that no person shall be excluded from the equal distribution of its transit services, programs, and resources because of race, color or national origin in accordance with Title VI of the Civil Rights Act of 1964.

- Needles Area Transit provides transit services and operates transit programs without regard to race, color, and national origin in full compliance with Title VI.
- Any person who believes she or he has been aggrieved by any unlawful discriminatory practice under Title VI while using Needles Area Transit may file a complaint with the City of Needles. All complaints will be fairly and objectively investigated.
- To file a complaint, you may contact the Community Services Manager by phone: (760) 326-2113 ext. 115 or by visiting the Community Services Manager at 817 Third Street, Needles, CA 92363.
- For more information about Needles Area Transit's Title VI Program and complaint procedures, please contact (760) 326-2113; or visit the City of Needles website: www.cityofneedles.com
- A complainant may file a complaint directly with the Federal Transit Administration Title VI Program Coordinator: FTA Office of Civil Rights, East Building, 5th Floor – TCR, 1200 New Jersey Ave., S.E., Washington, D.C. 20590.
- If information is needed in another language, contact (760) 326-2113
- Si necesita información en otro idioma, contacte al (760) 326-2113

Notificación al Público Sobre los Derechos en Virtud del Título VI Needles Area Transit

Needles Area Transit está comprometida a garantizar que ninguna persona será excluida de la distribución equitativa de sus servicios, programas y recursos por motivos de raza, color u origen nacional, de conformidad con el Título VI del Acta de Derechos Civiles de 1964.

- Needles Area Transit ofrece servicios y opera programas sin distinción de raza, color y origen nacional en plena conformidad con el Título VI.
- Cualquier persona que crea o que ha sido perjudicada/o por una práctica discriminatoria ilegal en virtud del Título VI durante el uso de los servicios de tránsito de Needles Area Transit, puede presentar una queja ante el Needles Area Transit. Todas las quejas serán investigadas de manera justa y objetiva.
- Para presentar una queja, puede ponerse en contacto con Needles Area Transit al (760) 326-2113 ext. 115 o visite Needles Area Transit en 817 Third Street, Needles, CA 92363.
- Para obtener más información sobre el programa del Título VI y del procedimiento de quejas de Needles Area Transit contacte a (760) 326-2113 o visite el sitio web: www.cityofneedles.com
- Un demandante puede presentar una queja directamente con la Administración Federal de Tránsito del Programa del Título VI de la Oficina de Derechos Civiles: Title VI Program Coordinator, FTA Office of Civil Rights, East Building, 5th Floor - TCR, 1200 New Jersey Ave., S.E., Washington, D.C. 20590.
- Si necesita información en otro idioma, contacte al (760) 326-2113.

List of Locations Where Title VI Notice Is Posted

Needles Area Transit's Title VI notice to the public is posted at the following locations:

Location Name	Address
City Administrative Offices	817 Third Street, Needles, CA 92363
NAT Vehicles	
NAT does not serve any public transit centers or stations	

The Title VI notice and program information is also provided on the City of Needles website at:
www.cityofneedles.com/transit

Title VI Complaint Procedures

Any person who believes she or he has been discriminated against on the basis of race, color or national origin by Needles Area Transit may file a Title VI complaint by completing and submitting the Title VI Complaint Form. Needles Area Transit investigates complaints received no more than 180 days after the alleged incident. Needles Area Transit will only process complaints that are complete. The following procedures will be followed to investigate formal Title VI complaints:

- Within 10 business days of receiving the complaint, Needles Area Transit Title VI Program Administrator will review it to determine if our office has jurisdiction. The complainant will receive an acknowledgement letter informing her/him whether the complaint will be investigated by our office.
- The investigation will be conducted and completed within 30 days of receipt of the formal complaint. The complainant will be notified in writing of the cause to any planned extension to the 30-day rule.
- If more information is needed to resolve the case, Needles Area Transit may contact the complainant. The complainant has 10 business days from the date of the letter to send requested information to the Title VI Administrator. If the Administrator is not contacted by the complainant or does not receive the additional information within 10 business days, Needles Area Transit can administratively close the case.
- A case can also be administratively closed if the complainant no longer wishes to pursue their case.
- Following the investigation, the Title VI Administrator will issue one of two letters to the complainant: 1) a closure letter or 2) a letter of finding (LOF). A closure letter summarizes the allegations and states that there was not a Title VI violation and that the case will be closed. A LOF summarizes the allegations and the interviews regarding the alleged incident, and explains whether any disciplinary action, additional training of the staff member or other action will occur.
- If the complainant is unsatisfied with the decision, she/he has 30 days after the date of Needles Area Transit closure letter or the LOF to appeal to the Needles City Council or its designee. The complainant is entitled to review the denial, to present additional information and arguments, and separation of functions (i.e. a decision by a person not involved with the initial decision). The complainant is entitled to receive written notification of the decision of the appeal and the reasons for it.
- The complainant may also file a complaint directly with the Federal Transit Administration, as follows: Title VI Program Coordinator, FTA Office of Civil Rights, East Building, 5th Floor - TCR, 1200 New Jersey Ave., S.E., Washington, D.C. 20590.
<https://ftawebprod.fta.dot.gov/OCF/OnlineComplaintForm/CreateOnlineComplaintForm>

Procedimientos de Quejas del Título VI

Cualquier persona que cree o que ha sido objeto de discriminación por motivos de raza, color u origen nacional por Needles Area Transit puede presentar una queja del Título VI, completando el Formulario de Queja del Título VI de Needles Area Transit. Needles Area Transit investigará las quejas recibidas no más de 180 días después del supuesto incidente. Needles Area Transit sólo procesará las denuncias que sean completas. Los siguientes procedimientos serán seguidos para investigar las quejas formales del Título VI:

- Dentro de los 10 días hábiles de haber recibido la queja, el administrador de Title VI de Needles Area Transit la revisará para determinar si nuestra oficina tiene jurisdicción. El autor recibirá un acuse de recibo informando a él / ella si la queja será investigada por nuestra oficina.
- Se llevó a cabo la investigación y se terminó dentro de los 30 días siguientes a la recepción de la queja formal. El denunciante será notificado por escrito de la causa a cualquier ampliación prevista de la norma de los 30 días.
- Si se necesita más información para resolver el caso, Needles Area Transit puede ponerse en contacto con el demandante. El demandante tiene 10 días hábiles desde la fecha de la carta para enviar la información solicitada al administrador de Title VI. Si el administrador no está en contacto con el reclamante o no recibe la información adicional dentro de los 10 días hábiles, Needles Area Transit administrativamente puede cerrar el caso.
- El denunciante será notificado por escrito de la causa a cualquier ampliación prevista de la norma de los 30 días.
- Un caso también puede ser cerrado administrativamente si el autor ya no desea seguir su caso. Tras la investigación, el administrador de Title VI emitirá una de las dos cartas a la demandante: 1) una carta de cierre o 2) una carta de encontrar. En una carta de cierre se resume las alegaciones y afirma que no había una violación del Título VI, y que el caso se cerrará. En carta de encontrar resume los hechos denunciados y de las entrevistas sobre el supuesto incidente, y explica si alguna acción disciplinaria, se producirá la formación adicional del miembro del personal, u otra acción.
- Si el demandante no está satisfecho con la decisión, él / ella tiene 30 días después de la fecha de la carta de cierre de Needles Area Transit o carta de encontrar para apelar a la junta directiva de Needles Area Transit o el personal autorizado. El demandante tiene derecho a revisar la negación, para presentar información y argumentos adicionales, y para la separación de funciones (es decir, una decisión de una persona no involucrada con la decisión inicial). El demandante tiene derecho a recibir una notificación por escrito de la decisión de la apelación y las razones para ello.
- El demandante también puede presentar una queja directamente con la Administración Federal de Tránsito, de la siguiente manera : Coordinador del Título VI del Programa , FTA Oficina de Derechos Civiles, Edificio Este , 5 ° piso - TCR , 1200 New Jersey Ave, SE, Washington, DC 20590. <https://ftawebprod.fta.dot.gov/OCF/OnlineComplaintForm/CreateOnlineComplaintForm>

Title VI Complaint Form

Available at: <https://cityofneedles.com/transit/>

Section I: Please write legibly		
1. Name:		
2. Address:		
3. Telephone:	3.a. Secondary Phone (Optional):	
4. Email Address:		
5. Accessible Format Requirements?	<input type="checkbox"/> Large Print	<input type="checkbox"/> Audio Tape
	<input type="checkbox"/> TDD	<input type="checkbox"/> Other
Section II:		
6. Are you filing this complaint on your own behalf?	YES*	NO
*If you answered "yes" to #6, go to Section III.		
7. If you answered "no" to #6, what is the name of the person for whom you are filing this complaint? Name:		
8. What is your relationship with this individual:		
9. Please explain why you have filed for a third party:		
10. Please confirm that you have obtained permission of the aggrieved party to file on their behalf.	YES	NO
Section III:		
11. I believe the discrimination I experienced was based on (check all that apply): <input type="checkbox"/> Race <input type="checkbox"/> Color <input type="checkbox"/> National Origin		
12. Date of alleged discrimination: (mm/dd/yyyy)		
13. Explain as clearly as possible what happened and why you believe you were discriminated against. Describe all persons who were involved. Include the name and contact information of the person(s) who discriminated against you (if known), as well as names and contact information of any witnesses. If more space is needed, please use the back of this form.		

Title VI Complaint Form, Page 2

Section IV:		
14. Have you previously filed a Title VI complaint with Needles Area Transit?	YES	NO
Section V:		
15. Have you filed this complaint with any other Federal, State, or local agency, or with any Federal or State court? <input type="checkbox"/> YES* <input type="checkbox"/> NO If yes, check all that apply: <input type="checkbox"/> Federal Agency _____ <input type="checkbox"/> State Agency _____ <input type="checkbox"/> Federal Court _____ <input type="checkbox"/> Local Agency _____ <input type="checkbox"/> State Court _____		
16. If you answered "yes" to #15, provide information about a contact person at the agency/court where the complaint was filed.		
Name: _____		
Title: _____		
Agency: _____		
Address: _____		
Telephone: _____		Email: _____

You may attach any written materials or other information that you think is relevant to your complaint.

Signature and date are required below to complete this form:

Signature _____ Date _____

Please submit this form in person or mail this form to the address below:

Community Services Manager

ATTN: Title VI

817 Third Street

Needles, CA 92363

Título VI Formulario de Queja de Needles Area Transit

Disponible en: <https://cityofneedles.com/transit/>

Sección 1:		
1. Nombre:		
2. Dirección:		
3. Teléfono (casa):	3.a. Teléfono (móvil o trabajo):	
4. Correo Electrónico:		
5. ¿Usted requiere formatos accesibles? ¿Cuáles?		
Sección 2 -		
6. Cuenta con la persona que sufrió la discriminación (si es diferente a la persona que presenta la denuncia):		
7. Nombre y dirección:		
8. Su relación:		
9. Explique la razón por la que presenta la queja como tercera persona:		
10. Confirme que cuenta, con el permiso de la parte agravada para presentar esta queja como tercera persona:	SI	NO
Sección 3:		
11. ¿Cuáles de las siguientes razones describe mayor el motivo de su queja? Fue por su: [] Raza [] Color [] Origen nacional		
12. ¿Cuándo ocurrió la supuesta discriminación?		
13. En sus propias palabras, describa la supuesta discriminación. Explique lo que pasó y quién considera usted que fue responsable. Por favor utilice el reverso de este formulario si necesita espacio adicional.		

Título VI Formulario de Queja de Needles Area Transit, Página 2

Sección 4:			
14. ¿Cuenta con alguna queja previa sobre discriminación según el Título VI con Needles Area Transit?	Si, por este incidente	Si, por otro incidente	No
Sección 5:			
15. ¿Ha llevado esta queja a alguna otra agencia o a una corte? <input type="checkbox"/> SI* <input type="checkbox"/> NO *En caso afirmativo, marque cada casilla que corresponda: <input type="checkbox"/> Agencia Federal _____ <input type="checkbox"/> Agencia Estatal _____ <input type="checkbox"/> Corte Federal _____ <input type="checkbox"/> Agencia Local _____ <input type="checkbox"/> Corte Estatal _____			
16. Por favor proporcione información sobre una persona de contacto en la agencia o corte donde se presentó la denuncia:			
Nombre:			
Dirección:			
Agencia :			
Teléfono			
Correo Electrónico:			

Usted puede adjuntar cualquier material escrito o cualquier otra información que considere relevante para su denuncia.

Por favor firme a continuación para dar fe que es cierto la información que está proporcionando.

Firma del denunciante _____

Fecha _____

Complete y envíe este formulario a:

Community Services Manager

ATTN: Title VI

817 Third Street

Needles, CA 92363

List of Transit-Related Title VI Investigations, Complaints, and Lawsuits

Needles Area Transit has not been involved in or received any transit-related Title VI investigations, complaints, or lawsuits. NAT will track any complaints it receives to include in the next Title VI Program update.

Table Depicting the Membership of Non-Elected Committees and Councils

This requirement is not applicable as Needles Area Transit does not have any non-elected committees or councils.

Public Participation Plan

According to FTA 4702.1B, recipients of federal funding are required to promote inclusive public participation and seek out and consider the needs and input of the general public, including interested parties and those traditionally underserved by existing transportation systems, such as minority and Limited English Proficient (LEP) persons.

The Public Participation Plan is the established process or plan that describes the proactive strategies, procedures, and desired outcomes of a recipient's public participation activities. Consistent with federal guidelines, Needles Area Transit developed its Public Participation Plan by undertaking a demographic analysis of the population(s) affected, the type of plan, program, and/or service under consideration, and the resources available to Needles Area Transit.

Needles Area Transit's Title VI Public Participation Plan is provided in Attachment A.

Language Assistance Plan

Needles Area Transit is required to take reasonable steps to ensure meaningful access to benefits, services, information, and other important portions of its programs or activities for LEP populations. FTA Circular 4702.1B details the components of the Language Assistance Plan, including the Four Factor Analysis, which provides a careful analysis of LEP persons that the recipient may encounter to determine the specific language services that are appropriate to provide.

Needles Area Transit undertook the Four Factor Analysis and developed appropriate language assistance planning and services based on the results. The resultant Language Assistance Plan will assist Needles Area Transit in effectively implementing the requirements and communicating with LEP individuals.

The Language Assistance Plan is provided in Attachment B.

Description of Subrecipient Monitoring and Schedule of Subrecipient Title VI Program Submissions

This requirement is not applicable as Needles Area Transit does not have any subrecipients at this time and does not anticipate expanding to include subrecipients.

Title VI Equity Analysis

As it has not sited any new facilities or built any facilities in the time between its 2020 submittal and this 2023 Update, Needles Area Transit was not required to conduct a Title VI Site Equity Analysis.

Effective Practices to Fulfill the Service Standard Requirement for Fixed Route Services

Vehicle Load Standard

The average of all loads during the peak operating period should not exceed the following load factors for that type of service:

Local Routes: Peak loads should not exceed 1.25 passengers / seat

Vehicle Headway Standard

Local Routes: Headways will be 60 minutes, Monday through Saturday.

On-Time Performance Standard

Local Routes:

- Definition: On-Time will be defined as from the scheduled stop time to 5 minutes after the scheduled time
- Minimum Standard: 90% of all reported time-points will be on-time.
- Target Standard: 95% of all reported time-points will be on-time.

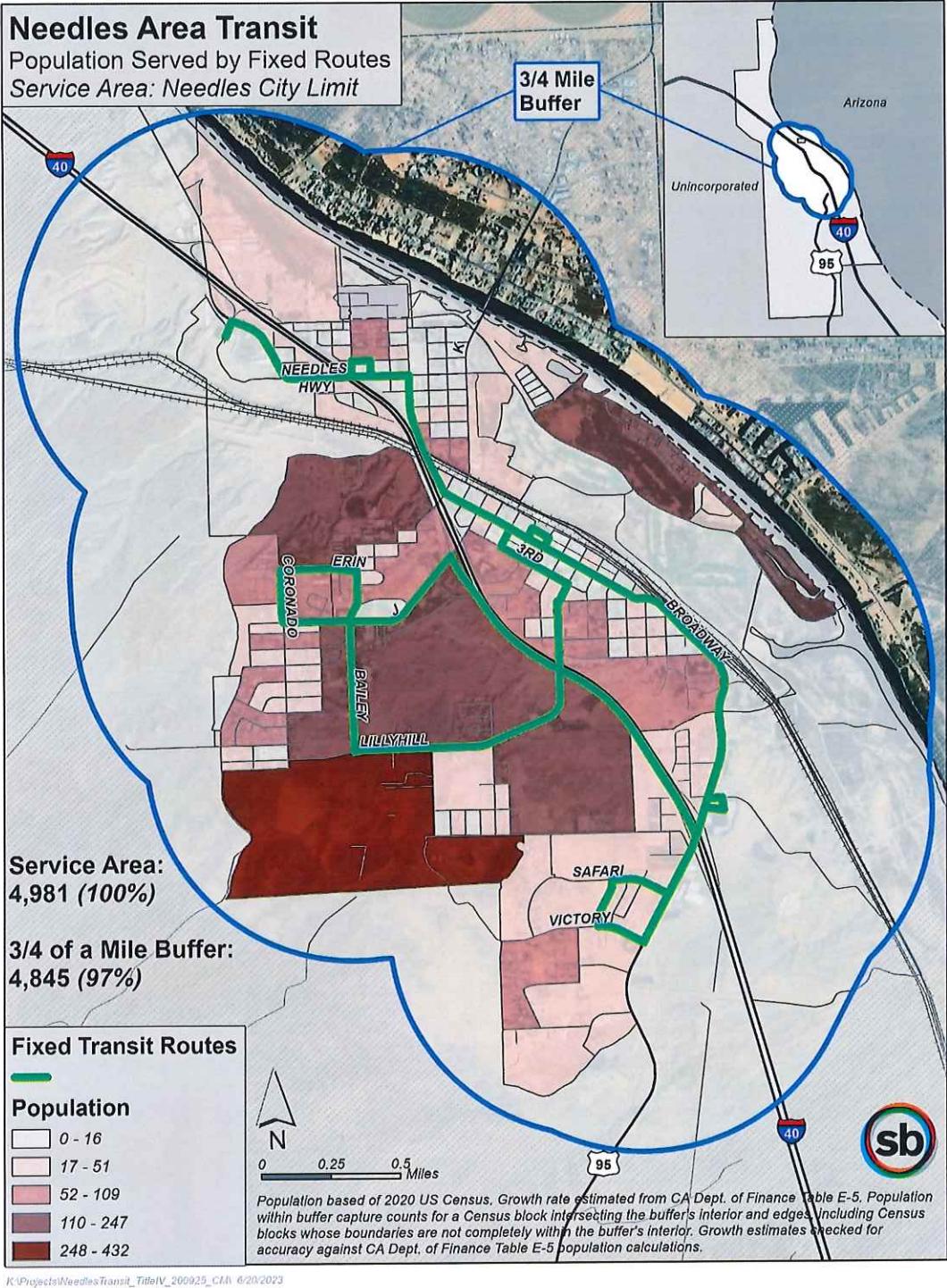
Service Availability Standards

1. Proximity to Service

Local Routes: Minimum Standard: Throughout Needles Area Transit service area, 95 percent of the population should be within $\frac{3}{4}$ miles of the fixed route.

NAT is currently exceeding this standard. The map below demonstrates Needles Area Transit's current service availability: 4,845 individuals, or 97% of the service area population are within $\frac{3}{4}$ miles of NAT's fixed route. As population counts are not available from the American Community Survey data at the Census block level, population numbers for this analysis are estimates based on 2020 Census data and growth rate estimates from CA's Department of Finance.

Needles Area Transit Service Availability



2. Bus Stop Spacing

Local Routes: Bus Stops will be located at major intersections, turning points in the routes, and major destinations and no more than ¾ mile between stops in the same direction of travel.

Effective Practices to Fulfill the Service Policy Requirement

Vehicle Assignment Policy

Local Routes: NAT is presently operated using two vehicles which are identical in age and features. When additional/new vehicles are added to this service, vehicle assignments will be made to ensure equal usage of all vehicles on a monthly basis except for non-availability due to mechanical breakdown.

Transit Amenities Policy

Local Routes:

- **Bus Stop Benches:** will be placed at all bus stops that experience a minimum of 10 boardings per weekday, as funding becomes available, for stops that are on public property or within the public right-of-way (see notes below).
- **Bus Shelters:** will be placed at all bus stops that experience a minimum of 20 boardings per weekday, as funding becomes available, for stops that are on public property or within the public right-of-way (see notes below).
- **Rail shelters and platform canopies:** NAT does not operate rail services.
- **Transit Information Displays:** will be placed at all bus stops that experience a minimum of 20 boardings per weekday, as funding becomes available, for stops that are on public property or within the public right-of-way (see notes below). This includes route schedule, bus stop time points, contact information.
Digital equipment: NAT does not have any digital equipment nor have any plans or funding to acquire such equipment.
- **Escalators:** NAT does not own or operate any facilities with escalators.
- **Elevators:** NAT does not own or operate any facilities with elevators.
- **Waste receptacles:** NAT provides and maintains a trash receptacle at one of its busier stops, Dollar General. If funding becomes available, bus stops that experience a minimum of 20 boardings per weekday will be given priority for placement of a trash receptacle.
NAT does not provide recycling receptacles.

Notes on Transit Amenities Policies:

Transit amenities shall only be placed on public property and/or within the public right-of-way and as funding becomes available for these purposes.

These policies will be implemented through an analysis of present amenity placement, refinement of the policy standards, and a phased program, as funds become available, to achieve compliance with the policies.

Needles City Council's Approval of Needles Area Transit's Title VI Program

Documentation the Title VI Program was approved by the Needles City Council is attached.
Insert board resolution or minutes.

Needles Area Transit TITLE VI PUBLIC PARTICIPATION PLAN

Updated: September 2023

Approved by the Needles City Council: September 12, 2023

Developed: June 2014

Updated: July 2017 and September 2020



**Needles Area Transit
City of Needles
817 Third Street
Needles, CA 92363**

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Introduction

PURPOSES OF THIS PLAN

As part of its Title VI Program, Needles Area Transit reviewed and enhanced its public participation processes. This includes developing strategies for engaging minority and Limited English Proficient (LEP) individuals. This plan provides guidelines for involving the public in Needles Area Transit transit-related planning efforts to ensure that all groups are represented and their needs considered during planning processes.

Needles Area Transit is committed to ensuring it serves the City of Needles consistently and in the most cost-efficient and appropriate manner within available resources. Through conversation and collaboration with riders, prospective riders, and the larger surrounding community, Needles Area Transit will be able to assess the quality of its service, measure potential impacts to the community from Needles Area Transit transit-related initiatives or proposed initiatives, and ensure that it is providing a valuable and accessible service.

DEMOGRAPHIC ANALYSIS OF NEEDLES AREA TRANSIT'S SERVICE AREA

Needles Area Transit serves the City of Needles. According to the 2021 American Community Survey, the population of Needles is 4,921. Characteristics for the population are provided here.

Age

- Nearly a quarter (23%) of the population is under 18 years old.
- 59% of the population is 18 – 64 years old.
- 18% are older adults (65 and over).

Race and Ethnicity

- White: 57%
- Black: 5%
- Native American and Alaska Native: 9%
- Asian: 1%
- Two or More: 6%
- Hispanic: 23%

Poverty

More than 1,700 people, or 35.7%, live below the poverty line. This includes.

- 52% of children under 18 live below the poverty line.
- 11% of older adults (65 and over) live below the poverty line.

Limited English Proficient Populations

Needles City, California		
Speak English less than "very well"	Estimate	Percent of Total
Total Population over 5 years	4,724	100%
Spanish	67	1%
Chinese (incl. Mandarin, Cantonese)	26	1%
Other and unspecified languages	2	0%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates, Table C16001

Public Participation Process**APPROACH TO PUBLIC PARTICIPATION**

The public participation process should be considered at the earliest stages of any transit project that may impact the surrounding community, its riders, and potential riders. As projects vary in time and size, the public participation process may vary for each, as well as the extent of public participation. The following outlines tools and strategies to ensure that public input is invited and all foreseeable impacts to the community are considered.

At the beginning of any project, staff will identify which strategies will be appropriate and effective for that given task and develop an approach. For larger projects, those conducted by contractors, part of the RFP requirements and criteria for scoring proposals will include development of that project's public participation process.

OUTREACH REQUIREMENTS AND ACTIVITIES

The following activities are intended to serve as guidelines for minimum levels of outreach to ensure that all riders and potential riders in Needles Area Transit have equal access and opportunity to participate in transportation planning and decision-making. These also provide strategies for soliciting input and engaging various LEP communities.

Minimum Outreach Requirements

- Notice for public events may include posters, email blasts to agency-level stakeholders, media releases to local papers, or radio announcements if funding allows.
- Any notices will be posted at least two weeks prior to the public event.
- Notices may be posted at Needles Area Transit public spaces, on buses and at bus shelters as appropriate and at key community centers, such as the Senior Citizens Center.
- Information about public participation opportunities will also be posted on the City of Needles' website at least two weeks prior to the event.
- Comments will be accepted at public outreach events, via email, by mail, and by fax to ensure that all populations have the opportunity to participate.

Outreach Methods to Engage Minority and Limited English Proficient Populations

Though there are no LEP populations that meet the Safe Harbor Threshold and written translation is not required, Needles Area Transit is committed to making its services accessible to all individuals. Needles Area Transit may use the following strategies to make its services accessible to LEP and other traditionally underserved populations:

- Notices may be developed in Spanish for significant participation opportunities, those relating to fare changes, major services changes, or if requested and it is feasible for Needles Area Transit to do so.
- Future bill stuffers that include transit information may be translated into Spanish as is appropriate.
- Needles is a very small, isolated community which enables distributing key information at high-traffic locations and to key community gatekeepers. Needles Area Transit will continue to distribute its printed materials and participation notices to key contacts who can get transit information to their clients. Needles Area Transit will also monitor this list of contacts, ensuring information is accurate.
- Needles Area Transit will distribute event information to community groups and agencies that work with LEP populations, if such contacts exist.
- Needles Area Transit will ensure that non-English language interpretation will be available at any public meeting relating to public transportation where it is requested at least 72 hours in advance and is feasible to provide.
- Needles Area Transit will continue cultivating relationships with community agencies that serve LEP populations.
- Public outreach events may include attending already existing community meetings and gatherings, such as school meetings, faith-based events, and other community activities to invite participation from LEP populations who may not attend Needles Area Transit hosted public events.

Needles Area Transit will continue assessing the language needs of citizens in its service area through processes established by its Language Assistance Plan. At such time that another

group with limited English proficiency reaches significant mass, Needles Area Transit will review this plan and its strategies to engaging with non-English speaking populations.

Summary of Outreach Efforts

REOCCURRING EFFORTS

- Needles Area Transit places comment cards and its flyer/schedule on its buses
- Transit information is available on the City of Needles website.
- Transit flyer/schedule is posted at the transportation office, social service locations, and Colorado River Medical Center.
- PASTACC: Needles is a voting member in SBCTA's Public and Specialized Transportation Coordination Council. Needles regularly participates in the quarterly meetings of this group that encourages coordination between human services and public and specialized transportation.

PROJECT AND PLANNING-RELATED OUTREACH EFFORTS

2023

- SBCTA's 2023 Mobility Needs Hearing: Needles hosted a remote hearing site and promoted the public hearing on mobility needs throughout San Bernardino County.
- SBCTA's Transit Equity Day Countywide promotion, including free fares on public transit.
- Needles will undertake its Short Range Transit Plan process in the fall of 2023. This effort will include a robust engagement process.
- Needles is a participant in the Mobility Working Group for SBCTA's Long Range Multimodal Transportation Plan effort currently underway.
- Needles is a participant in SBCTA's Countywide Student Free Fare approved in 2023. This program launched with the start of the 23/24 school year. In Needles, students from kindergarten through college can ride Needles Area Transit for free.

Due to health and safety concerns during the global COVID-19 pandemic, Needles Area Transit did not conduct much in-person outreach during 2020 – 2022. However, Needles Area Transit participated in the following marketing and outreach activities and campaigns.

2022

- SBCTA's Transit Equity Day Countywide promotion, including free fares on public transit.

2021

- Countywide Health and Safety “Welcome Back” Campaign: During early 2021 San Bernardino’s transit operators launched a multi-phased, joint messaging campaign to welcome riders back after the pandemic.
 - Phase 1 – So glad you’re back! Focused on Clean. Assuring riders that it was safe to use transit as all agencies were adhering to APTA’s health and safety commitments.
 - Phase 2 – Mask on? Phone on? Get on and GO! Focused on Easy. Encouraging riders to use the technology tools that make transit easy, while gently reminding them that masks are required.
 - Phase 3 – You’re Free to Go. Focused on Ready for You. Offering free rides in conjunction with Car Free Day.

Needles Area Transit LANGUAGE ASSISTANCE PLAN

Updated: September 2023

Approved by the Needles City Council: September 12, 2023

Developed: June 2014

Updated: July 2017 and September 2020



**Needles Area Transit
City of Needles
817 Third Street
Needles, CA 92363**

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Introduction

This Language Assistance Plan was developed in 2014 as part of Needles Area Transit's Title VI Program and updated every three years, consistent with FTA guidelines. This update was prepared in July of 2023. The Title VI Program complies with federal requirements and ensures that Needles Area Transit (NAT) services are provided without discrimination on the basis of race, color, or national origin. Through this Language Assistance Plan and the Public Participation Plan, the Title VI Program also ensures that Needles Area Transit provides limited English Proficient (LEP) individuals with meaningful access to NAT's services, resources and participation processes.

This Plan complies with regulation established by FTA Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," October 1, 2012.

LANGUAGE ASSISTANCE GOALS

Needles Area Transit is committed to making its services and programs available to LEP persons as part of its compliance to Title VI of the Civil Rights Act of 1964. Needles Area Transit is committed to providing meaningful access for LEP individuals to NAT's services, resources, and information by developing a Language Assistance Plan and by regular evaluation of the developed methods and strategies.

NEEDLES AREA TRANSIT SERVICE OVERVIEW

Needles Area Transit is a public transit service provided by the City of Needles for its residents and visitors. NAT is a deviated fixed route that runs one circular route through the community and provides deviations for pickups off the route if time allows. Service runs hourly from 7 am to 7 pm Monday through Friday and 10 am to 5 pm on Saturday.

Results of the Four Factor Analysis and Description of LEP Population(s) Served

FACTOR 1: NUMBERS OF LEPS ELIGIBLE TO BE SERVED

Data from the American Community Survey identifies several Limited English Proficient populations within the City of Needles, NAT's service area. As demonstrated below, there are two populations reported in the 2017-2021 American Community Survey (ACS) 5 Year Estimates that speak English less than "very well." Spanish LEPS number 67 individuals, making up 1% of Needles population. Two additional group of LEPS, Chinese (Mandarin and Cantonese) and Other languages, make up 1% or less of the population.

All LEP populations fall within the Safe Harbor Provision of less than 1,000 persons or 5%.

Safe Harbor Provision

According to the Safe Harbor Provision Guidance provided in FTA C 4702.1B, Chapter III-9, Needles Area Transit is not required to translate vital materials.

NAT recognizes that Spanish speakers do make up an important proportion of its riders and community as detailed in the following factors. To best serve these individuals, it has translated the Title VI Notice to the Public, Complaint Form, and Complaint Procedures into Spanish. Additionally, NAT has developed a language assistance program to ensure meaningful access to LEP individuals, which is detailed in a later section of this Plan.

LEP Populations in Needles Area Transit's Service Area

Speak English less than "very well"	Estimate	Percent of Total
Total Population over 5 years	4,724	100%
Spanish	67	1%
Chinese (incl. Mandarin, Cantonese)	26	1%
Other and unspecified languages	2	0%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates, Table C16001

Additional characteristics about the LEP populations includes the following:

Literacy of LEP Communities

Based on past LEP intercept surveying and interviews with community agencies, the LEP communities in Needles, particularly the Spanish-speaking community, are literate and would be served by translated materials.

Are LEPs Underserved Due to Language Barriers

Needles Area Transit has not received any calls from Spanish speakers, other LEPs, or for requests for language assistance despite promotion of its language assistance and Title VI policies. This does not confirm that LEPs are underserved due to language barriers, but does speak to limited interaction with LEPs and that LEP's may be finding the transit information they need.

FACTOR 2: FREQUENCY WITH WHICH LEPS COME INTO CONTACT WITH PROGRAM

Needles Area Transit reviewed past interaction with LEP individuals since the last Title VI Update to understand the frequency of and how NAT interacts with LEPs.

Written comments/complaints

NAT has not received comments or complaints in Spanish or any language other than English.

Requests for Translations/Language Line

NAT has not received Language Line or other requests for translation or interpretation in Spanish or any language other than English.

Calls/Visits

NAT has not received any calls or visits in Spanish or any language other than English.

Outreach Responses

- There have been no responses or comments received in Spanish or requests for translation during outreach activities.

Staff interaction with LEP Individuals

City staff was surveyed about their interaction with LEPs, including six transit staff and three city utilities staff.

- Staff reported that they infrequently or never interact with LEP individuals. One city utilities staff reported weekly interaction.
- Five individuals have interacted with Spanish-speaking LEPs and two staff members interacted with Chinese-speaking LEPs since the last Title VI Program Update.
- LEP were interested in information about bus routes and schedules.
- Some staff are bilingual and were able to translate or asked another bilingual member to translate.

Factor 2 Findings

Survey and other data suggest that although some LEPs may use NAT services, they do not interact with transit staff frequently. Evidence supporting this includes:

- LEP Spanish speakers make up 1% of the service area population, with other LEP groups at smaller percentages.
- There have been no responses or comments received in Spanish or requests for translation during outreach activities.
- Needles Area Transit has not received any requests for language assistance since the last Title VI Update.

FACTOR 3: THE NATURE AND IMPORTANCE OF PROGRAM TO LEPS LIVES

Needles Area Transit understands that its services are used by all groups for life-sustaining and essential activities, such as transportation to work, grocery shopping, non-emergency medical appointments, as well as life-enriching activities, such as school, and social events. For transit-dependent individuals, NAT services are gravely important. For this reason and to maintain full compliance with FTA C 4702.1B, Needles Area Transit is committed to providing meaningful access to its services.

FACTOR 4: RESOURCES AVAILABLE FOR LEP OUTREACH AND COSTS OF OUTREACH

As Needles is a very small community, LEP outreach can be done through many cost-effective measures. A large proportion of outreach will be possible through continuing to cultivate relationships with key contacts within the LEP populations. As identified in NAT's Public Participation Plan, keeping these contacts informed of NAT activities, services and events, and working with them to connect with the LEP populations will be an important outreach activity with little or no associated costs.

Resources that have been identified, as well as available costs, are detailed below, including several potential outreach strategies that may be utilized as is appropriate and funding is available.

Resource for LEP Outreach	Associated Costs
Posted Notice to the Public with language assistance information around the community and on buses	Free to very low cost
Posting updates, event notices, language assistance information, etc. around the community and on buses	Free to very low cost
Distributing information to community agencies, such as human service agencies, Palo Verde Community College, Colorado River Medical Center	Free to very low cost
Including transit information with City utility bills	Free to very low cost
NAT's Language Assistance Plan and Public Participation Plan	Free to very low cost every three years
Assistance and resources provided by San Bernardino County Transportation Authority (SBCTA)	Free to very low cost
Partnerships and outreach opportunities provided by membership in SBCTA's PASTACC (Public and Specialized Transportation Advisory and Coordination Council)	Free to very low cost
Posting information on City of Needles website	Very low cost
Translation, as needed	\$80 - \$150 per translated page
Oral interpretation, as needed	Determined on a case-by case basis.

Implementation Plan

RESPONSIBILITY FOR IMPLEMENTATION

Needles Area Transit's overall Title VI Program and Language Assistance Program will be implemented by the City of Needles Community Services Manager's office.

Community Services Manager
817 Third Street
Needles, CA 92363
(760) 326-2113 ext. 115

LANGUAGE SERVICE PROVISION

This implementation plan details how Needles Area Transit ensures meaningful access to LEP individuals through language assistance. Though NAT is not required to translate vital materials under the Safe Harbor Provision, it has developed the following measures to provide language assistance.

Responding to LEP individuals

1. LEP individuals are invited to call the City of Needles with any questions or concerns or visit the Community Services Manager's Office.

Language assistance is first provided by any staff members that are bilingual in English and Spanish, as appropriate. If a bilingual staff member is not available or the individual speaks a language other than Spanish, interpretation can be provided over the phone.

The City of Needles has a contract with Language Line Services Inc. to provide interpretation over the phone or over video as needed.

2. Needles Area Transit is a service of the City of Needles. As a City with many departments and personnel, Needles has accommodated and provided language assistance to limited English proficient individuals through various means and will continue using all available resources to make its services accessible to all individuals.

Oral interpretation

Simultaneous interpretation at public events will be determined on a case-by-case basis by examining several factors, such as:

- The type and size of event
- The availability of a staff member or a host organization to interpret, etc.
- Requests received at least 72 hours before an event

Translation of Vital Documents:

1. Needles Area Transit is not required to translate vital documents according to the Safe Harbor Provision. However, the Title VI Notice to the Public, Complaint Procedures, and Complaint Form have been translated into Spanish as a courtesy to riders.
2. The extent of Needles Area Transit's ability and obligation to continue translating written documents will be determined on a case-by-case basis by looking at elements presented in the Four Factor Analysis and the nature of the written material.
3. When future materials are to be translated the following guidelines will be used:
 - Vital documents include, but are not limited to: Title VI materials and forms; Rider information and brochures; materials that provide access to essential services; information about public participation and input opportunities.
 - As Spanish speakers are the largest LEP group reported by the US census and by LEP outreach, Spanish translation will be considered first. NAT staff will continue to monitor the change in LEP populations, as detailed in Section 4.

City of Needles/Needles Area Transit's Website:

1. It is not currently appropriate or feasible for the City of Needles to translate all portions of its website; however, the following provisions apply:
2. The following materials are available in Spanish on the City of Needles' website: Title VI Notice to the Public; Title Complaint Procedures; Title VI Complain Form.
3. As any future materials are deemed appropriate for translation, such as the NAT schedule, they will be posted on the website.

OUTREACH/NOTICE OF AVAILABILITY OF LANGUAGE ASSISTANCE

1. To ensure that LEP individuals are aware of language assistance measures, Needles Area Transit has included information about language assistance in its Title VI Notice to the Public.
2. Title VI information is available on the website in English and Spanish.
3. Staff will inform residents about the Language Assistance Program during any outreach and transit-orientation activities.
4. Staff will continue developing relationships with organizations that serve LEP individuals and developing strategies to spread awareness of Needles Area Transit's Language Assistance Program and transit services.

MONITORING, EVALUATING AND UPDATING THE LAP

A thorough review of this Language Assistance Plan (LAP) will be undertaken every three years concurrent with updating and submitting the Title VI Program. At that time, the LEP population will be reassessed to ensure all significant LEP languages are included in Needles Area Transit's language assistance efforts. The following reoccurring reporting and evaluation measures will be used to update the Language Assistance Plan:

1. NAT will regularly assess the effectiveness of how NAT and contracted staff members communicate with LEP individuals by:
 - Including questions about language assistance and information needs on any transit surveys
 - Conversations with community agencies that work with LEPs
 - Rider surveys or other input opportunities may be available in LEP languages, particularly Spanish, as appropriate.
2. Staff will track its language assistance efforts, including:
 - Reporting transit staff interactions with LEP
 - Reviewing American Community Survey data for updated demographics.

STAFF TRAINING

Needles Area Transit requires Title VI compliance and languages assistance training of its operations contractor, Transportation Concepts (TC), including implementing a program to train employees to provide timely and reasonable language assistance to limited English proficient (LEP) populations

Transportation Concepts LEP Policy is provided below.

Transportation Concepts Non-English Speaking Customers Policy

As providers of public transportation, we may encounter customers who have limited English-speaking skills. Customer service and service operators, who are the most direct point of contact for those with limited English proficiency (LEP), have several options when responding to an LEP individual.

In many instances, LEP individuals are accompanied by a companion who speaks English and can translate for the customer. In addition, some bus operators are bilingual.

If you are an employee who is not bilingual, ask for assistance from a bilingual person. When you have a customer with whom you have difficulty communicating, and there is no other person nearby who can translate, contact management immediately.

If the customer's primary language is Spanish, Management will be able to provide assistance through different assisted methods. If you are assisting a customer and there is no one available to speak Spanish, please take the person's information and state that someone will be in touch with them within a 24 hour period, pre-printed on comment card.

Please remember, we are in the business of providing safe and reliable transportation to our customers. If you have any questions regarding the LEP policy, please make sure you follow up with management for clarification.



City of Needles, California
Request for City Council Action

Item 15.

☒ CITY COUNCIL ☐ NPUA ☐ SARDA ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Nichols Consulting

Background: Nichols Consulting has been gathering data and preparing claim forms for the City to receive reimbursements from the State-Mandated Cost reimbursement program. These are costs related to the Racial and Identity Profiling Act and Domestic Violence Arrest Policies and Standards program that are followed by the police department.

Nichols Consulting informed the City of this available reimbursement and was able to submit claims for the years FY19-FY22. A contingency fee of 20% was agreed to be paid for any funds collected. The City has received \$52,493 from the State of California for these claims and is still expecting approx \$8,642. The contingency fee due to Nichols Consulting is \$10,500 and 20% of any additional funds received.

Fiscal Impact: Increased revenue of \$52,493 less \$10,500 to Nichols Consulting resulting in net income to the City is \$41,993.

Recommendation: Ratify the agreement and continued use of Nichols Consulting and approve the payment of the 20% contingency fee and the associated increase to the General Fund revenue and expense budget as needed.

Submitted By: Barbara DiLeo, Finance Department

City Management Review: Rick

Date: 9/16/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 15

**CITY OF NEEDLES
PROFESSIONAL SERVICES AGREEMENT
CONSULTANT SERVICES**

1. PARTIES AND DATE.

This Agreement is made and entered into this April 4, 2022, by and between the CITY OF NEEDLES, a California Charter City, (hereinafter referred to as the "City") and NICHOLS CONSULTING (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain consultant services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing professional consulting services to the City as represented in the Request for Proposal.

2.2 Project.

The City desires to engage Consultant to prepare all Law Enforcement and Local Government Employee Relations Claims whose State-imposed timely and late deadlines, for reimbursement, fall between the time of execution of this Contract and June 30, 2023. Consultant shall collect, document and process from the San Bernardino County Sheriff's Department, all the documents, records and information necessary for Consultant to file the claims on behalf of the City.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 Professional Services. Consultant agrees to perform services and serve as Consultant ("Services"). All Services shall be subject to, and performed by Consultant in accordance with this Agreement, any exhibits attached hereto, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. This Agreement shall become effective when executed and shall remain in effect until policy is complete.

3.2 Responsibilities of Consultant.

- 3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or by its employees under Consultant's supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for other clients during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of the City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall determine its own work hours and schedule; provide its own equipment; maintain its own offices; provide its own vehicles; insurance; cell phones and office phones; and consultant shall be solely responsible for managing and supervising its personnel and employees. Consultant shall further be responsible for all reports and obligations, including, but not limited to: social security taxes, income tax withholding, payroll taxes, unemployment insurance, disability insurance, and workers' compensation insurance.
- 3.2.2 Project Commencement. Consultant and City acknowledge and agree that any requested Project shall commence upon approval by both parties.
- 3.2.3 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the applicable standard of care. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of a Project, a threat to the safety of persons or

property, or any employee who fails or refuses to perform Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-assigned to perform any Services to City.

3.2.4 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of a Project or Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Project or the Services. If the Consultant performs any work contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold the City, its officials, directors, officers, employees and agents harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.5 Qualification and License. All employees and other consultants retained by Consultant in performance of this Agreement shall be qualified to perform the Services assigned to them and shall be licensed in California to practice in their respective professions.

3.2.6 Insurance.

3.2.7.1 Time for Compliance. Consultant shall not commence Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.

3.2.6.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *Automobile*

Liability: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); (2) Consultant shall comply with California requirements for worker's compensation and employer's liability insurance and shall not be insured under City's policy; and (3) Insurance Services Office Commercial General Liability Coverage (occurrence form CG0001) including insurance services form (CG0009 11/88). (4) provided Consultant does not have any employees, obtaining California workers compensation coverage for himself is optional and he has advised the City of his decision not to obtain workers compensation insurance for himself. Consultant will not be covered under the City's workers compensation coverage as he is not a City employee and Consultant has agreed to this. Consultant shall obtain workers compensation insurance if, at any time, he hires an employee.

- (B) Minimum Limits of Insurance. (1) *Automobile Liability:* \$1,000,000 per accident for bodily injury and property damage; (2) *General liability:* (including operations, product and completed operations, as applicable) \$1,000,000 per occurrences for bodily injury, personal injury and property damage
- (C) Professional Malpractice. Consultant shall maintain professional negligence malpractice (errors & omissions) insurance in the amount of \$1 million per occurrence.

3.2.6.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

- (A) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the City, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance

maintained by the City, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

- (B) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.
- (C) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents and volunteers.

3.2.6.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of Insured's provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers.

3.2.6.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.6.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the City.

3.2.6.7 Verification of Coverage. Consultant shall furnish the City Manager with original certificates of insurance and endorsements

effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City Manager before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.6.8 Indemnification. Within the limits of Consultant's insurance coverage, Consultant agrees to defend and indemnify City, its officials, officers, employees, consultants, contractors, directors, agents, and volunteers from any claim that arises out of, is caused by or allegedly caused by the negligence, gross negligence or acts of Consultant or his employees, contractors, subcontractors or agents.

3.2.7 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees, City personnel and third parties appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Responsibilities of City.

3.3.1 The City agrees to comply with all reasonable requests of Consultant and provide reasonable access to documents including objectives and constraints, space, capacity, and performance requirements, flexibility, and expandability, and any budgetary limitations, reasonably necessary to the performance of Consultant's duties under this Agreement. In order to facilitate Consultant's conformance with the Schedule, the City shall respond to Consultant's submittals in a timely manner.

3.3.2 The City designates the City Manager as City representative ("City Representative") with respect to the work to be performed under this Agreement. The City Representative shall have complete authority to transmit instructions, receive information, and interpret and define the City's policy and decisions with respect to materials, equipment, elements, and systems pertinent to the Services covered by this Agreement.

3.4 Fees and Payments.

3.4.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement, See Exhibit A.

3.4.2 Payment of Compensation. Consultant shall submit to the City an invoice for payment of contingent fee of 20% of the claims paid by the State of California with a Not-to-Exceed of \$3,200 for claims prepared on behalf of the City by the Consultant for the period beginning with the time of execution of this Contract and ending on June 30, 2023. The City's payment terms are net 30.

3.4.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by the City.

3.4.4 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. The City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.5 Accounting Records.

3.5.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of the City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.6 General Provisions.

3.6.1 Termination of Agreement.

3.6.1.1 Grounds for Termination. The City or Consultant may, by written notice to the other party, terminate this Agreement at any time and without cause by giving written notice to the other party of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been actually and adequately rendered to the City, and Consultant shall be entitled to no further compensation.

3.6.1.2 Effect of Termination. If this Agreement is terminated as provided herein, Consultant shall provide all finished or unfinished Documents and Data, programming source code, plans reports and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.6.1.3 Services. In the event this Agreement is terminated in whole or in part as provided herein, the City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.6.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

To Consultant: **Nichols Consulting**
 1857 44th Street
 Sacramento, CA 95819
 Attention: F. Andy Nichols

To City: **City of Needles**
 817 Third Street
 Needles, CA 92363
 Attention: Director of Finance

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.6.3 Ownership of Materials and Confidentiality.

3.6.3.1 City Ownership. All documents and data ("Documents & Data"), including data on electric, digital or magnetic media, prepared by Consultant under this Agreement shall be the property of the City, except that Consultant shall have the right to retain copies of all Documents & Data for its records. The City shall not be limited in any way in its use of the Documents & Data at any time. Should Consultant, either during or following termination of this Agreement, desire to use any Documents & Data prepared in connection with this Agreement, Consultant shall first obtain the written approval of the City Manager.

3.6.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of the City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use the City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper,

newspaper, television or radio production or other similar medium without the prior written consent of the City.

- 3.6.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.
- 3.6.5 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.
- 3.6.6 Governing Law. This Agreement is entered into and shall be performed in Needles, California and shall be governed by the laws of the State of California. Venue in any litigation between the parties hereto shall be in San Bernardino County.
- 3.6.7 Time of Essence. Time is of the essence for each and every provision of this Agreement.
- 3.6.8 City's Right to Employ Other Consultants. The City reserves the right to employ other consultants at any time for any purpose.
- 3.6.9 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior signed written consent of the City Manager. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
- 3.6.10 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to the City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

- 3.6.11 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.
- 3.6.12 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- 3.6.13 No Third Party Beneficiaries. The Needles Public Utility Authority and other City entities shall be intended beneficiaries of this Agreement. Otherwise, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.
- 3.6.14 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 3.6.15 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of the City, during the term of his or her service with the City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
- 3.6.16 Conflict of Interest. For the term of this Agreement, no member, officer, or employee of the City, during the term of his or her service with the City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.
- 3.6.17 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also

comply with all relevant provisions of any City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.6.18 Warranties. Consultant shall provide Services competently and in accordance with generally accepted professional practices and standards.

3.6.19 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.6.20 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.21 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.7 Subcontracting.

3.7.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of the City Manager. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement on the date and year set forth above.

OWNER: (City of Needles)

BY: Sylvia Mikdi

TITLE: DIRECTOR OF FINANCE

DATE: 4/4/22

ATTEST:

BY: Paula Dale

TITLE: Sc. Accountant

DATE: 4/4/22

CONSULTANT: (F. Andy Nichols)

BY: F. Andy Nichols

DATE: April 1, 2022

ATTEST:

BY: _____

TITLE: _____

DATE: _____



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ HACN ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Support Shannon Grove Petition Senate Bill 14 (SB 14)

Background: On February 14, 2023, the City Council approved a letter from the Mayor in support of legislation SB 14 (see attached). On August 29, 2023, City staff received an email to join in the fight against human trafficking and requested the City sign the petition for support of Senate Bill 14 (SB 14). On September 1, 2023, Senator Grove's human trafficking bill passed the Assembly Appropriations Committee. Senate Bill will next be heard by the full Assembly sometime before the legislature adjourns for the year on September 14.

SB 14 would include human trafficking in the lists of crimes that are defined as serious and violent under California law, making the crime a strike under the Three Strikes law. Currently human trafficking is defined as a non-serious and non-violent crime. If passed, SB 14 will help strengthen protections for the millions of victims of sex and labor trafficking.

SB14 amends the Penal Code to add human trafficking to the list of both serious and violent crimes under California law. SB 14 also classifies human trafficking as a strike offense and makes those convicted of this crime subject to the same penalties that apply to all serious and violent crimes. It is about time that California starts to prosecute these horrendous acts as serious and violent crimes.

Recommended Action: Approve Signing the Petition for support of Senate Bill 14 (SB 14)

Submitted By: Patrick Martinez, Assistant City Manager

City Management Review: Kick

Date: 9/7/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 116



City of Needles

817 Third Street, Needles, California 92363
(760) 326-2113 • FAX (760) 326-6765

www.cityofneedles.com

Mayor, Janet Jernigan
Vice Mayor Kirsten Merritt
Councilmember Tona Belt
Councilmember Ellen Campbell
Councilmember Jamie McCorkle
Councilmember JoAnne Pogue
Councilmember Henry Longbrake

City Manager Rick Daniels

February 22, 2023

Senator Shannon Grove
1021 O Street, Room 7150
Sacramento, CA 95814

Dear Senator Grove:

The City of Needles write in support of your legislation, SB 14, as amended, to include human trafficking in the lists of crimes that are defined as serious under California law, making the crime a strike under the Three Strikes law. It will also help strengthen protections for the millions of victims of sex and labor trafficking.

California consistently ranks number one in the nation in the number of human trafficking cases reported to the National Human Trafficking Hotline. The California Attorney General notes that California is one of the largest sites for human trafficking in the United States, recognizes the serious nature of this crime, and has defined it as "modern day slavery." Human trafficking is among the world's fastest growing criminal enterprises and is estimated to be a \$150 billion-a-year global industry. It is a form of modern day slavery that profits from the exploitation of our most vulnerable populations.

SB 14 will give a voice to the millions of victims that have suffered from this horrific abuse. This bill will fight to protect victims, strengthen prevention, and increase the prosecution of those who buy and sell human beings. It is about time that California starts to prosecute these horrendous acts as a serious crime.

For all of the reasons stated above, the City Council of the City of Needles support SB 14.

Sincerely,

Janet Jernigan
City of Needles, Mayor

Enclosure: Council Action

CC: Rick Daniels, City of Needles City Manager
CC: Patrick Martinez, City of Needles Assistant City Manager

[Display errors? Click here to view in browser.](#)



CALIFORNIA STATE SENATOR

SHANNON GROVE

REPRESENTING THE 12TH DISTRICT

Sign the Petition for SB 14! Earlier this year, I introduced [Senate Bill 14 \(SB 14\)](#), to combat human trafficking. This bill will hold sex traffickers of minors accountable by classifying this crime as a serious felony. **Shockingly, the sex trafficking of a minor is not listed as a serious crime under California law.**

Thankfully, the entire California State Senate is on board with this proposed law. It passed unanimously out of the Senate and more than half of the State Legislature has co-sponsored this bill. However, our fight is not over. This Friday SB 14 faces a key vote in the Assembly Appropriations Committee.

That's where you come in. [SIGN THIS PETITION TODAY](#) in support of SB 14 and to show that you're standing up against human trafficking.

Thank you for your support of California's children.

-Shannon



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California

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SB-14 Serious felonies: human trafficking. (2023-2024)

SHARE THIS:



Date Published: 09/02/2023 12:21 AM

CORRECTED SEPTEMBER 05, 2023

AMENDED IN ASSEMBLY SEPTEMBER 01, 2023

AMENDED IN SENATE APRIL 27, 2023

AMENDED IN SENATE APRIL 13, 2023

AMENDED IN SENATE FEBRUARY 23, 2023

CALIFORNIA LEGISLATURE—2023–2024 REGULAR SESSION

SENATE BILL

NO. 14

Introduced by Senators Grove, Caballero, and Rubio

~~(Coauthors: Senators Alvarado-Gil, Dahle, Glazer, Jones, Newman, Nguyen, Niello, Ochoa-Bogh, Seyarto, and Wilk)(Coauthors: Assembly Members Alanis, Bains, Chen, Megan Dahle, Davies, Dixon, Essayli, Flora, Vince Fong, Garcia, Lackey, Low, Mathis, Joe Patterson, Ramos, Rodriguez, Blanca Rubio, Sanchez, Ta, and Waldron)(Principal coauthor: Assembly Member Santiago)~~

(Coauthors: Senators Alvarado-Gil, Archuleta, Ashby, Bradford, Dahle, Glazer, Hurtado, Jones, Laird, Newman, Nguyen, Niello, Ochoa Bogh, Seyarto, Wahab, and Wilk)

(Coauthors: Assembly Members Addis, Alanis, Arambula, Bains, Boerner, Calderon, Wendy Carrillo, Cervantes, Chen, Megan Dahle, Davies, Dixon, Essayli, Flora, Vince Fong, Gallagher, Garcia, Gipson, Grayson, Hoover, Irwin, Lackey, Low, Maienschein, Mathis, Stephanie Nguyen, Ortega, Pacheco, Jim Patterson, Joe Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Luz Rivas, Rodriguez, Blanca Rubio, Sanchez, Soria, Ta, Villapudua, Waldron, Wallis, Wilson, and Zbur)

December 05, 2022

An act to amend Sections 667.1, 1170.125, and 1192.7 of the Penal Code, relating to felonies.

LEGISLATIVE COUNSEL'S DIGEST

SB 14, as amended, Grove. Serious felonies: human trafficking.

Existing law defines the term "serious felony" for various purposes, including, among others, enhancing the punishment for felonies pursuant to existing sentencing provisions commonly known as the Three Strikes Law.

This bill would include human trafficking of a minor within the definition of a serious felony for all purposes, including for purposes of the Three Strikes ~~Law~~. *Law, except as specified.* By expanding the scope of an enhancement, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) California consistently ranks number one in the nation in the number of human trafficking cases reported to the National Human Trafficking Hotline.

(b) The Attorney General notes that California is one of the largest sites for human trafficking in the United States and recognizes the serious nature of this crime.

~~(c) Human trafficking is among the world's fastest growing criminal enterprises and is estimated to be a \$150,000,000,000 a year global industry.~~

(c) Minorities make up a high percentage of trafficking victims across the United States.

(d) According to a 2013 Department of Justice study examining the race of sex trafficking victims, 40.4 percent were Black, 23.9 percent were Hispanic, and 4.3 percent were Asian.

~~(d)~~

(e) Native American women and girls are victims of human trafficking at a much higher rate compared to the overall population.

~~(e) California has the sixth highest death rate of indigenous women in urban cities.~~

~~(f) California was chosen to be the first pilot location for the United States Department of Justice Missing and Murdered Indigenous Persons Initiative.~~

(f) It is the intent of the Legislature to protect victims of human trafficking and ensure they are not themselves criminalized.

SEC. 2. Section 667.1 of the Penal Code is amended to read:

667.1. (a) Notwithstanding subdivision (h) of Section 667, for all offenses committed on or after November 7, 2012, but before January 1, 2024, all references to existing statutes in subdivisions (c) to (g), inclusive, of Section 667, are to those statutes as they read on November 7, 2012.

(b) Notwithstanding subdivision (h) of Section 667, for all offenses committed on or after January 1, 2024, all references to existing statutes in subdivisions (c) to (g), inclusive, of Section 667, are to those statutes as they read on January 1, 2024.

SEC. 3. Section 1170.125 of the Penal Code is amended to read:

1170.125. (a) Notwithstanding Section 2 of Proposition 184, as adopted at the November 8, 1994, statewide general election, for all offenses committed on or after November 7, 2012, but before January 1, 2024, all references to existing statutes in Sections 1170.12 and 1170.126 are to those sections as they read on November 7, 2012.

(b) Notwithstanding Section 2 of Proposition 184, as adopted at the November 8, 1994, statewide general election, for all offenses committed on or after January 1, 2024, all references to existing statutes in Sections 1170.12 and 1170.126 are to those sections as they read on January 1, 2024.

SEC. 4. Section 1192.7 of the Penal Code is amended to read:

1192.7. (a) (1) It is the intent of the Legislature that district attorneys prosecute violent sex crimes under statutes that provide sentencing under a "one strike," "three strikes" or habitual sex offender statute instead of engaging in plea bargaining over those offenses.

(2) Plea bargaining in any case in which the indictment or information charges any serious felony, any felony in which it is alleged that a firearm was personally used by the defendant, or any offense of driving while under the influence of alcohol, drugs, narcotics, or any other intoxicating substance, or any combination thereof, is prohibited, unless there is insufficient evidence to prove the people's case, or testimony of a material witness cannot be obtained, or a reduction or dismissal would not result in a substantial change in sentence.

(3) If the indictment or information charges the defendant with a violent sex crime, as listed in subdivision (c) of Section 667.61, that could be prosecuted under Sections 269, 288.7, subdivisions (b) through (i) of Section 667, Section 667.61, or 667.71, plea bargaining is prohibited unless there is insufficient evidence to prove the people's case, or testimony of a material witness cannot be obtained, or a reduction or dismissal would not result in a substantial change in sentence. At the time of presenting the agreement to the court, the district attorney shall state on the record why a sentence under one of those sections was not sought.

(b) As used in this section, "plea bargaining" means any bargaining, negotiation, or discussion between a criminal defendant, or their counsel, and a prosecuting attorney or judge, whereby the defendant agrees to plead guilty or nolo contendere, in exchange for any promises, commitments, concessions, assurances, or consideration by the prosecuting attorney or judge relating to any charge against the defendant or to the sentencing of the defendant.

(c) As used in this section, "serious felony" means any of the following:

(1) Murder or voluntary manslaughter; (2) mayhem; (3) rape; (4) sodomy by force, violence, duress, menace, threat of great bodily injury, or fear of immediate and unlawful bodily injury on the victim or another person; (5) oral copulation by force, violence, duress, menace, threat of great bodily injury, or fear of immediate and unlawful bodily injury on the victim or another person; (6) lewd or lascivious act on a child under 14 years of age; (7) any felony punishable by death or imprisonment in the state prison for life; (8) any felony in which the defendant personally inflicts great bodily injury on any person, other than an accomplice, or any felony in which the defendant personally uses a firearm; (9) attempted murder; (10) assault with intent to commit rape or robbery; (11) assault with a deadly weapon or instrument on a peace officer; (12) assault by a life prisoner on a noninmate; (13) assault with a deadly weapon by an inmate; (14) arson; (15) exploding a destructive device or any explosive with intent to injure; (16) exploding a destructive device or any explosive causing bodily injury, great bodily injury, or mayhem; (17) exploding a destructive device or any explosive with intent to murder; (18) any burglary of the first degree; (19) robbery or bank robbery; (20) kidnapping; (21) holding of a hostage by a person confined in a state prison; (22) attempt to commit a felony punishable by death or imprisonment in the state prison for life; (23) any felony in which the defendant personally used a dangerous or deadly weapon; (24) selling, furnishing, administering, giving, or offering to sell, furnish, administer, or give to a minor any heroin, cocaine, phencyclidine (PCP), or any methamphetamine-related drug, as described in paragraph (2) of subdivision (d) of Section 11055 of the Health and Safety Code, or any of the precursors of methamphetamines, as described in subparagraph (A) of paragraph (1) of subdivision (f) of Section 11055 or subdivision (a) of Section 11100 of the Health and Safety Code; (25) any violation of subdivision (a) of Section 289 where the act is accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person; (26) grand theft involving a firearm; (27) carjacking; (28) any felony offense, which would also constitute a felony violation of Section 186.22; (29) assault with the intent to commit mayhem, rape, sodomy, or oral copulation, in violation of Section 220; (30) throwing acid or flammable substances, in violation of Section 244; (31) assault with a deadly weapon, firearm, machinegun, assault weapon, or semiautomatic firearm or assault on a peace officer or firefighter, in violation of Section 245; (32) assault with a deadly weapon against a public transit employee, custodial officer, or school employee, in violation of Section 245.2, 245.3, or 245.5; (33) discharge of a firearm at an inhabited dwelling, vehicle, or aircraft, in violation of Section 246; (34) commission of rape or sexual penetration in concert with another person, in violation of Section 264.1; (35) continuous sexual abuse of a child, in violation of Section 288.5; (36) shooting from a vehicle, in violation of subdivision (c) or (d) of Section 26100; (37) intimidation of victims or witnesses, in violation of Section 136.1; (38) criminal threats, in violation of Section 422; (39) any attempt to commit a crime listed in this subdivision other than an assault; (40) any violation of Section 12022.53; (41) a violation of subdivision (b) or (c) of Section 11418; (42) human trafficking of a minor, in violation of subdivision (c) of Section ~~236.1~~; *236.1, except, with respect to a violation of paragraph (1) of subdivision (c) of Section 236.1, where the person who committed the offense was a victim of human*

trafficking, as described in subdivision (b) or (c) of Section 236.1, at the time of the offense; and (43) any conspiracy to commit an offense described in this subdivision.

Item 16.

(d) As used in this section, "bank robbery" means to take or attempt to take, by force or violence, or by intimidation from the person or presence of another any property or money or any other thing of value belonging to, or in the care, custody, control, management, or possession of, any bank, credit union, or any savings and loan association.

As used in this subdivision, the following terms have the following meanings:

(1) "Bank" means any member of the Federal Reserve System, and any bank, banking association, trust company, savings bank, or other banking institution organized or operating under the laws of the United States, and any bank the deposits of which are insured by the Federal Deposit Insurance Corporation.

(2) "Savings and loan association" means any federal savings and loan association and any "insured institution" as defined in Section 401 of the National Housing Act, as amended, and any federal credit union as defined in Section 2 of the Federal Credit Union Act.

(3) "Credit union" means any federal credit union and any state-chartered credit union the accounts of which are insured by the Administrator of the National Credit Union administration.

(e) The provisions of this section shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CORRECTIONS:

Heading—Lines 3 and 7.



City of Needles, California

Request for City Council Action

Item 17.

☒ CITY COUNCIL ☐ NPUA ☐ SARDA

☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Firetruck Restoration

Background: The Firetruck Restoration has been ongoing for many years as donations were available. The City is completing the restoration but still needs some specialized parts such as a radiator and water pump.

We have received pricing for the anticipated parts needed from Vintage Vehicle Restorations Inc. This was the only company found that could provide the specialized parts needed for a historic preservation.

Fiscal Impact: Cost of \$18,576 for purchase from Vintage Vehicle Restorations Inc for \$16,775, sales tax payment of \$1,301 and estimated shipping costs of \$500. These costs will be funded by General Fund Reserves. Ongoing fundraising will help offset these costs.

Recommendation: Approve the single source purchase from Vintage Vehicle Restorations Inc for \$16,775, sales tax of \$1,301, and shipping estimated at \$500 for a total of \$18,576 to be funded from General Fund reserves

Submitted By: Barbara DiLeo, Finance Department

City Management Review: Ruck

Date: 9/14/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 17

Vintage Vehicle Restorations Inc

201B RUTH RD
Harleysville, PA 19438

Invoice

Item 17.

Date	Invo
7/25/2023	436

Bill To

City of Needles
817 3rd St
Needles, CA. 92363

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	New American LaFrance 6cyl German silver radiator	10,875.00	10,875.00
	Restoration of 2.5" Schebler model S carburetor for American LaFrance	1,295.00	1,295.00
	Rebuild of Starter for American LaFrance	755.00	755.00
	New American LaFrance water pump	2,350.00	2,350.00
	Rebuilt 6cyl magneto	750.00	750.00
	Custom crating with skid and packing materials.	750.00	750.00
Thank you for your business.		Total	\$16,775.00



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Board of Public Utilities

Meeting Date: September 12, 2023

Title: Award the Base Bid for the Jack Smith Park Walking/Biking Trail Improvements project to Western Construction Specialist, Inc. for a total bid amount of \$134,965.30 and a total project cost of \$148,462 including 10% contingency.

Background: The City accepted a grant from the State of California Department of Parks and Recreation in the amount of \$181,116.00 for design and construction of park improvements at Jack Smith Park. Additionally, the City accepted a proposal from TKE Engineering for design and engineering services.

The original scope of the project included the installation of a walking trail made from a tire derived product and installation of City purchased exercise equipment. The project was let to bid in 2022 and bids received were over the project budget and grant funding allocation; therefore, not awarded to the apparent low bidder.

On July 20, 2023, the Jack Smith Park Walking/Biking Trail Improvements project was placed for bid for a second time with a modified scope consisting of a concrete walking/bike trail and installation of City purchased exercise equipment. Bids were opened on August 16, 2023, and four (4) bids were received:

- | | |
|--|---------------|
| • Western Construction Specialists, Inc. | \$ 134,965.30 |
| • Kormex Construction, Inc. | \$ 206,680.00 |
| • Jergensen Concrete, Inc. | \$ 261,911.07 |
| • J. Cardenas, Inc. | \$ 274,820.05 |

A bid evaluation has been completed and Western Construction Specialists, Inc. was found to be the successful bidder within the City allowable budget.

Fiscal Impact: A total not to exceed \$148,462.00 for construction of the project is being funded by a grant awarded by the California Department of Parks and Recreation through the 2018 Parks Bond Act per capital program.


Finance Dept.

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Recommendation: Award the Base Bid for the Jack Smith Park Walking/Biking Trail Improvements project to Western Construction Specialist, Inc. for a total bid amount of \$134,965.30 and a total project cost of \$148,462 including 10% contingency; and authorize staff to execute a Public Works Agreement with the Contractor and issue a Notice of Award and Notice to Proceed.

Submitted By: Kathy Raasch, Projects Manager

City Management Review:

Rick

Date:

9/6/23

City of Needles
Bid Results for Project Jack Smith Park Walking/Biking Trail Improvements (J52201)
Issued on 07/20/2023
Bid Due on August 16, 2023 3:30 PM (PDT)
Exported on 08/30/2023

Item Num	Section	Description	Unit of Measure	Quantity	Western Construction Specialists, Inc.	Kormax Construction, Inc.	Jergensen Concrete Inc.	J. CARDENAS INC.
1	BASE BID	Mobilization (5% max of total bid)	LS	1	\$6,748.00	\$8,198.00	\$22,425.00	\$3,500.00
2	BASE BID	Misc. Costs: Erosion Control, Construction Fencing	LS	1	\$1,000.00	\$3,000.00	\$38,350.00	\$8,000.00
3	BASE BID	Encroachment Permit	EA	1	\$0.00	\$250.00	\$6,900.00	\$1,000.00
4	BASE BID	Remove and dispose of existing turf	SF	9222	\$25,360.50	\$36,888.00	\$50,352.12	\$53,856.48
5	BASE BID	Install 4" thick concrete trail per detail on sheet C-1 of plans	SF	9222	\$75,159.30	\$110,664.00	\$89,453.40	\$143,494.32
Subtotal					\$108,267.80	\$159,000.00	\$207,480.52	\$209,850.80
6	ALTERNATE NO. 1	Remove and dispose of existing turf	SF	1730	\$5,190.00	\$6,920.00	\$9,445.80	\$8,304.00
7	ALTERNATE NO. 1	Install 4" thick concrete trail per detail on sheet C-1 of plans	SF	1730	\$13,840.00	\$20,760.00	\$16,781.00	\$22,144.00
Subtotal					\$19,030.00	\$27,680.00	\$26,226.80	\$30,448.00
8	ALTERNATE NO. 2	Install City provided exercise equipment per mounting detail B on sheet C-1 of the plans	EA	5	\$2,500.00	\$9,000.00	\$16,100.00	\$20,000.00
9	ALTERNATE NO. 2	Install City provided exercise equipment per mounting detail C on sheet C-1 of the plans	EA	2	\$600.00	\$2,000.00	\$7,360.00	\$8,000.00
10	ALTERNATE NO. 2	Construct 6" thick concrete flat work for 2 ADA equipment stations shown on sheet C-1 of the plans	SF	375	\$4,567.50	\$9,000.00	\$4,743.75	\$6,521.25
Subtotal					\$7,667.50	\$20,000.00	\$28,203.75	\$34,521.25
Total					\$134,965.30	\$206,680.00	\$261,911.07	\$274,820.05



City of Needles, California Request for City Council Action

Item 19.

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Board of Public Utilities

Meeting Date: September 12, 2023

Title: Award the Base Bid for the Duke Watkins Park Pump Track project to Three Peaks Corp. for a total bid amount of \$534,716.

Background: In Feb. 2022, the City received a grant from the Statewide Park Development and Community Revitalization Program in the amount of \$3,965,400 for design and construction of park improvements.

The scope of the project included the installation of a bicycle pump track, splash pad, restroom, small dog park; and improvements to the existing park to include resurfacing of the basketball court, lighting, landscaping, playground equipment, shade structures and an expression wall.

Improvements completed to date by previous bid include the LED field lights, playground equipment and shade structures for the ball fields in the amount of \$770,479.48. Additional Park Improvements were awarded to Three Peaks Corp. on June 6 in the amount of \$2,283,700.55 which include the splash pad, new restrooms, small dog park and basketball court improvements.

The bicycle pump track bid item was pulled from the previous award due to cost and redesigned to fit within the project budget.

On August 9, 2023, the Duke Watkins Park Pump Track project was advertised for bids with a bid opening date of September 1, 2023, and four (4) bids were received:

• Three Peaks Corp.	\$ 534,716.00
• Spohn Ranch	\$ 695,786.00
• Geocon Engineering, Inc.	\$ 730,217.00
• Jergensen Concrete, Inc.	\$ 869,517.00

A bid evaluation has been completed and Three Peaks Corp. was found to be the successful bidder within the City budget.

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

City of Needles, California
Request for City Council Action

Item 19.

◆-----◆

Fiscal Impact: A total not to exceed \$534,716 for construction of the project is being funded by a grant awarded by the Statewide Park Development and Community Revitalization Program.



Finance Dept.

Recommendation: Award the Base Bid for the Duke Watkins Park Pump Track project to Three Peaks Cor. for a total bid amount of \$534,716; and authorize staff to execute a Public Works Agreement with the Contractor and issue a Notice of Award and Notice to Proceed.

Submitted By: Kathy Raasch, Projects Manager

City Management Review:



Date:

9/6/23

City of Needles

Bid Results for Project Duke Watkins Park Pump Track (PK2401)

Issued on 08/09/2023

Bid Due on September 01, 2023 12:00 PM (PDT)

Exported on 09/05/2023

Item No.	Section	Description	UOM	Quantity	Three Peaks Corp.	Spohn Ranch, Inc.	Jergensen Concrete Inc.	Geocon Engineering Inc
1	BASE BID	Mobilization (5%)	LS	1	\$25,000.00	\$16,970.00	\$35,000.00	\$34,000.00
2	BASE BID	Misc Costs (Traffic Control, Erosion Control, Temporary Construction items), if applicable	LS	1	\$20,000.00	\$13,000.00	\$55,000.00	\$13,900.00
3	BASE BID	ENCROACHMENT / GRADING PERMIT	LS	1	\$1,217.00	\$1,217.00	\$1,217.00	\$1,217.00
4	BASE BID	Pump Track Construction, (see page 116 of Specification for Measurement & Payment)	LS	1	\$467,623.00	\$648,509.00	\$589,300.00	\$667,200.00
5	BASE BID	Drainage System for Pump Track Area	LS	1	\$20,876.00	\$16,090.00	\$189,000.00	\$13,900.00
				Subtotal	\$534,716.00	\$695,786.00	\$869,517.00	\$730,217.00
6	BID "ALTERNATE" - - PUMP TRACK CONSTRUCTION	Asphalt Work, Reinforcements, Embedment and Coping	SF	13900	\$20,850.00	\$0.00	\$264,100.00	\$834,000.00
				Subtotal	\$20,850.00	\$0.00	\$264,100.00	\$834,000.00
				Total	\$555,566.00	\$695,786.00	\$1,133,617.00	\$1,564,217.00



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ HACN ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: City Council Resolution No. 2023-54
A Resolution of the City Council of the City of Needles Accepting the Purchase and Sale Agreement between the City of Needles and Robert Raskin a representative of Colorado River Properties LLC, with respect to the real property located at the Southeast corner of East South Lake Drive and South Riverfront Parkway, Mohave Valley Arizona, also known as Mohave County Assessor's Parcel No. 216-14-007

Background: On April 12, 2022, the City Council declared Mohave County Assessor Parcel No. 216-14-007 as surplus under government code section 54220. ET. SEQ. Written notice of availability was sent to the Department of Housing and Community Development (PublicLands@hcd.ca.gov) and the City was notified that due to the property's location within the State of Arizona, the Surplus Land Act did not apply.

The City had received numerous offers for the property and on September 21, 2022, a legal notice for a sealed-bid auction of the property was placed in the Needles Desert Star for a minimum bid amount of \$1,600,000. The City did not receive any qualified bids that met the appraised value and retained the property. On June 15, 2023, city staff had the property reappraised and the value of the property had dropped to \$1,460,000.

On August 2, 2023, the City of Needles has received an offer from Mr. Robert Raskin a representative of Colorado River Properties LLC, in the amount of \$1,460,000 and approving Resolution No. 2023-54 will authorize the City of Needles to formally accept the offer to sell the parcel per the agreed-upon contract.

Fiscal Impact: \$1,460,000 additional funds for the City's General Fund

Recommended Action: Approve Resolution No. 2023-54 Accepting the Purchase and Sale Agreement between the City of Needles and Mr. Robert Raskin a representative of Colorado River Properties LLC, with respect to the real property located at the Southeast corner of East South Lake Drive and South Riverfront Parkway, Mohave Valley Arizona, also known as Mohave County Assessor's Parcel No. 216-14-007

Submitted By: Patrick Martinez, Assistant City Manager

City Management Review: 

Date:

9/7/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 20

RESOLUTION NO. 2023-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES ACCEPTING THE PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF NEEDLES AND ROBERT RASKIN A REPRESENTATIVE OF COLORADO RIVER PROPERTIES LLC, WITH RESPECT TO THE REAL PROPERTY LOCATED AT THE SOUTHEAST CORNER OF EAST SOUTH LAKE DRIVE AND SOUTH RIVERFRONT PARKWAY, MOHAVE VALLEY ARIZONA, ALSO KNOWN AS MOHAVE COUNTY ASSESSOR'S PARCEL NO. 216-14-007

WHEREAS, on April 12, 2022, the City Council declared Mohave County Assessor Parcel No. 216-14-007 as surplus under government code section 54220. ET. SEQ.; and

WHEREAS, written notice of availability was sent to the Department of Housing and Community Development (PublicLands@hcd.ca.gov) and the City was notified that due to the property's location within the State of Arizona, the Surplus Land Act did not apply.; and

WHEREAS, on June 15, 2023, an appraisal report was prepared for the parcel and identified its market value to be \$1,460,000; and

WHEREAS, On August 2, 2023, the City of Needles has received an offer from Mr. Robert Raskin a representative of Colorado River Properties LLC, in the amount of \$1,460,000.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Needles finds and determines that it is in the best interest to sell the property and hereby authorizes the acceptance of the agreement to purchase Mohave County Assessor's Parcel No. 216-14-007 in the amount of \$1,460,000 from Mr. Robert Raskin a representative of Colorado River Properties LLC

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council, Needles, California, held on the 12 day of September, 2023, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

 President

(Seal)

Attest:

 Secretary

Approved as to form:

 City Attorney

PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is entered into effective as of September 12, 2023 (the "**Effective Date**"), by and between The City of Needles ("**Seller**"), and Robert Raskin ("**Buyer**"), for acquisition by Buyer of certain real property hereinafter described.

RECITALS

WHEREAS, Buyer desires to acquire all of Seller's right, interest, and title in and to the real property located in the County of Mojave, Arizona that is identified on **Exhibit "A"** attached hereto ("**Property**"); and

WHEREAS, the sale will be on an "as-is where-is" basis; and

WHEREAS, Seller desires to sell to Buyer and Buyer desires to buy said Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows.

SECTION 1 PURCHASE AND SALE

1.1 Property; Agreement to Purchase Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller that certain Property in accordance with the terms, covenants and conditions set forth in this Agreement the legal description of which is contained in **Exhibit "A"**, which is attached hereto and made a part hereof by this reference.

1.2 Purchase Price. The purchase price of the Property ("**Purchase Price**") shall be the amount of One Million Four Hundred Sixty Thousand and No/100 Dollars (\$1,460,000.00).

1.3 Payment. The Purchase Price will be paid by federal wire transfer to Escrow Agent in immediately available funds in accordance with an estimated closing statement consistent with this Agreement, prepared by "**Escrow Agent**", identified in **Section 2.2** below, and executed by Buyer and Seller ("**Closing Statement**").

1.4 Amount and Deposit of Earnest Money. No later than two (2) business days after the Effective Date, Buyer shall deposit with Escrow Agent, an earnest money deposit in the amount of Fifty Thousand Dollars (\$50,000.00) (hereinafter the "**Earnest Money**"). The Earnest Money shall be deposited in Escrow Agent's non-interest bearing escrow/trust account pending disbursement pursuant to this Agreement. The sum of one hundred dollars (\$100.00) from the Earnest Money shall be nonrefundable and shall be paid to Seller in the event that Buyer cancels this Agreement in accordance with **Section 4**.

SECTION 2 ESCROW

2.1 Establishment of the Escrow. An escrow for this transaction ("**Escrow**") shall be established with Escrow Agent, and Escrow Agent shall be engaged to administer the Escrow. The Escrow shall continue in effect until the earlier of the date that (a) Buyer has purchased the Property or (b) this Agreement terminates.

2.2 Opening and Closing of Escrow. Immediately after the execution of this Agreement by both Buyer and Seller, Seller will deliver a fully executed copy of this Agreement to Chicago Title Insurance Company ("**Escrow Agent**"). The closing of Escrow (the "**Closing**") shall take place on the date Escrow Agent (i) is irrevocably committed to issue the Title Policy to Buyer pursuant to **Section 5.3**, and (ii) disburses proceeds of the sale to Seller in accordance with the approved Closing Statement. The date for the Closing ("**Closing Date**") shall be on the twenty first (21st) day after the expiration of the Due Diligence Period (defined below).

2.3 Acceptance of Escrow. By accepting this Escrow, Escrow Agent agrees to the terms of this Agreement solely as they relate to the duties of Escrow Agent.

2.4 Escrow Instructions. This Agreement constitutes escrow instructions to Escrow Agent. If Escrow Agent requires the execution of its standard form printed escrow instructions, Buyer and Seller agree to execute those instructions; however, those instructions will be construed as applying only to Escrow Agent's engagement. If there are conflicts between the terms of this Agreement and the terms of the Escrow Agent's standard form printed escrow instructions, the terms of this Agreement will control.

2.5 Escrow Cancellation Charges. If Escrow fails to close because of Seller's default, Seller will pay all customary escrow cancellation charges. If Escrow fails to close because of Buyer's default, or for any other reason, Buyer shall pay all customary escrow cancellation charges.

SECTION 3 INFORMATION SECURED BY SELLER

3.1 Title Report. Within five (5) days of the Effective Date, Seller shall order from Chicago Title Insurance Company ("**Title Company**"), the following:

3.1.1 Preliminary Title Report. A current preliminary title report (the "**Title Report**") for the Property prepared by Title Company along with copies of all documents referenced therein. Seller shall endeavor to provide a copy of the Title Report to Buyer within 30 days of the Effective Date.

SECTION 4 MATTERS RELATING TO THE ESCROW PERIOD

4.1 Title and Survey Review.

4.1.1 Survey. Buyer may obtain an ALTA survey of the Property (the "**Survey**") at no cost to Seller provided that doing so does not delay the Closing. In the event Buyer obtains an

ALTA survey, Buyer shall deliver a copy of the Survey to Seller and Escrow Agent promptly following its receipt of the same.

4.1.2 **Title Review; Cure.** Buyer will have thirty (30) days from the Effective Date (the "**Title Review Period**") to approve or disapprove any title matters disclosed by the Title Report. If Buyer is dissatisfied with any exception to title as disclosed in the Title Report, in Buyer's sole and arbitrary discretion, then Buyer may, by giving notice to Seller and Escrow Agent within the Title Review Period ("**Buyer's Objection Notice**"), either:

(a) Terminate this Agreement, in which case the Earnest Money shall be returned to Buyer; or

(b) Provisionally accept title subject to Seller's removal of any disapproved matters, exceptions or objections (the "**Disapproved Items**"), in which case Seller may (but shall not be obligated to), within five (5) days following receipt of Buyer's Objection Notice (the "**Title Cure Period**"), agree to remove some or all of the Disapproved Items prior to Closing or obtain endorsements to the Title Policy in form satisfactory to Buyer insuring against the Disapproved Items, by giving Buyer written notice ("**Seller's Cure Notice**") of the specific Disapproved Items which Seller agrees to so remove or cause to be endorsed over (the "**Cure Items**"). If, during the Title Cure Period, Seller does not timely agree to remove or cause to be endorsed over all of the Disapproved Items, then, at Buyer's election by written notice given within five (5) days following expiration of the Title Cure Period (i) this Agreement will be terminated and the Earnest Money refunded to Buyer, or (ii) Buyer may waive the Disapproved Items that Seller elected not to agree to remove or cause to be endorsed over, and such matters shall be deemed Approved Title Exceptions, as defined in **Section 4.1.2(d) below**. If, within such 5-day period, Buyer fails to waive in writing the Disapproved Items that Seller elected not to agree to remove or endorse over, Buyer will be deemed to have elected to terminate this Agreement.

(c) Title to the Property will be conveyed to Buyer at the Closing subject to the Approved Title Exceptions as defined below. Notwithstanding anything in this Agreement to the contrary, Seller agrees that title to the Property shall, at Closing, be free and clear of all monetary liens and encumbrances created by Seller (other than the lien for current real property taxes and assessments not yet due and payable), including, but not limited to, any deeds of trust or mechanics liens created by Seller, and all of such liens and encumbrances are hereby deemed to be Cure Items for the purposes of this **Section 4.1**, and Buyer need not give any Buyer's Objection Notice as to those items. Seller agrees that all such monetary liens and encumbrances created by Seller, regardless of the amount, will be released from the Property by Seller at Seller's sole expense on or before the Closing.

(d) If Buyer does not (1) accept in writing the condition of title in whole, or (2) accept title provisionally as set forth in in **Section 4.1.2(b)**, as disclosed by the Title Report within the Title Review Period, the Title Report shall be deemed disapproved by Buyer and this Agreement shall automatically terminate, and upon such termination, the Earnest Money shall be returned to Buyer. For purposes of this Agreement "**Approved Title Exceptions**" means:

(i) non-delinquent real property taxes and assessments due and payable in the fiscal tax year in which the Closing occurs (which shall be prorated at Closing pursuant to **Section 6.2.4 below**);

(ii) those matters approved or deemed approved by Buyer in accordance with this **Section 4.1** which are disclosed in the Title Report (other than the "standard exceptions") and the Survey, if obtained by Buyer; and

(iii) any other matters approved by Buyer in writing.

(e) Any requirements specified in the Title Report for the issuance of the Title Policy, together with any other requirements imposed by Escrow Agent on either or both Buyer or Seller for the issuance of the Title Policy, to the extent they are reasonable and customary in the County where the Property is located, are referred to herein as the "***Title Requirements***"; provided, however, than unless agreed by Seller, Title Requirements shall not include the payment or extinguishment of any monetary liens created by parties other than Seller.

4.2 Buyer's Right to Enter and Inspect the Property. From time to time following the Effective Date, Buyer and/or Buyer's representatives, contractors, and agents may enter the Property to examine the Property, to conduct non-invasive tests, inspections, studies. Buyer's studies may include, but are not limited to, survey, soils and geotechnical reports and a Phase I environmental assessment. If the Closing fails to close for any reason other than the default of Seller, Buyer shall transfer all of the forgoing documents to Seller.

4.2.1 Buyer Restoration and Indemnity. Buyer will restore any physical damage to the Property caused by Buyer's studies, and will indemnify, defend and hold harmless Seller and Seller's public officials, Council Members and employees ("***Related Parties***") from, and against any claims, damages, liens, stop notices, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs caused by Buyer's studies (unless resulting from Seller's or its Related Parties' negligent acts or omissions or willful misconduct) and this sentence will survive the Closing or the termination of this Agreement. In addition Buyer and Buyer's representatives who enter the Property will maintain comprehensive general liability insurance with coverage of at least one million dollars (\$1,000,000) per occurrence and provide a certificate of insurance showing Seller as an additional insured thereon prior to entering the Property.

4.2.2 Investigation and Entitlement Contingency. Buyer shall have until thirty (30) days following the Effective Date to complete the Buyer's inspections and approve or disapprove any and all aspects of the Property ("***Due Diligence Period***"). Buyer's failure to timely approve or disapprove shall be deemed disapproval of the Property. If Buyer disapproves the Property in writing to Seller prior to the expiration of the Due Diligence Period, or is deemed to have disapproved the Property by failing to timely deliver written notice of its approval of the Property, this Agreement shall terminate, and upon such termination the Earnest Money shall be returned to Buyer.

SECTION 5 CLOSING DOCUMENTS; TITLE POLICY

5.1 Seller's Closing Documents. No later than 48 hours before the Closing Date, Seller will deposit the following documents into the Escrow for delivery at the Closing, each of which will have been duly executed, and, where appropriate, acknowledged, and will be in form and

substance reasonably satisfactory to Seller, Seller's legal counsel, Buyer, Buyer's legal counsel and Escrow Agent:

5.1.1 Closing Statement. Approval of the estimated Closing Statement.

5.1.2 Grant Deed. A Special Warranty Deed conveying the Property to Buyer ("**Deed**").

5.1.3 FIRPTA Affidavit. An affidavit, signed and acknowledged by Seller under penalty of perjury, certifying that Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign person within the meaning of Section 1445 and 7701 of the Internal Revenue Code of 1986 and the associated Treasury Regulations.

5.1.4 Owner's Affidavit. A customary Owner's Affidavit executed by Seller.

5.1.5 Affidavit of Property Value. If required by law, an Arizona Affidavit of Property Value.

5.1.6 Additional Documents. Such other documents as may be necessary, appropriate or reasonably required by Escrow Agent to transfer and convey the Property to Buyer and to otherwise close this transaction and issue the Title Policy to Buyer in accordance with the terms of this Agreement.

5.2 Buyer's Closing Deliveries. Prior to Closing, Buyer will deposit into the Escrow the following funds and documents for delivery to Seller at the Closing, each of which, where appropriate, will have been duly executed and acknowledged and will be in form and substance satisfactory to Seller and Seller's legal counsel and Escrow Agent:

5.2.1 Closing Statement. Approval of the estimated Closing Statement.

5.2.2 Affidavit of Property Value. If required by law, an Arizona Affidavit of Property Value.

5.2.3 Additional Documents. Such other documents as may be necessary, appropriate or reasonably required by Escrow Agent to close this transaction in accordance with the terms of this Agreement.

5.2.4 Buyer's Closing Funds. The Purchase Price, less the Earnest Money, plus Buyer's Closing costs in accordance with the approved Closing Statement, will be paid at Closing by federal wire transfer to Escrow Agent in immediately available funds.

5.3 Title Policy. Closing is contingent upon Title Company's issuance of the Title Policy. Seller, at Seller's expense, will satisfy all of Title Company's Title Requirements (as defined in 4.1.2(e) above) for issuance of the Title Policy other than those, if any, within Buyer's control or those which Buyer is obligated to satisfy under this Agreement. Buyer, at Buyer's expense, will satisfy all of Escrow Agent's Title Requirements for issuance of the Title Policy other than those, if any, within Seller's control or those which Seller is obligated to satisfy under this Agreement. In the event that the preliminary title report approved by Buyer during the Due Diligence Period is subject to changes as regards the exceptions after the Due Diligence Period and prior to the Closing, Buyer may accept such changes and proceed to close Escrow or it may

cancel the transaction and receive a full refund of the Earnest Money and the parties shall have no further rights or obligation to one another, except for any of same that expressly survive the termination of this Agreement.

SECTION 6 CLOSING THE TRANSACTION

6.1 Closing Deadline. The Closing shall occur on or before the Closing Date.

6.2 Closing Costs and Prorations.

6.2.1 Escrow Fees. Seller and Buyer will each pay one-half (1/2) of the Escrow fees.

6.2.2 Title Insurance Fees. Seller will pay for the Title Report and the premium for a ALTA standard coverage owner's Title Policy and Buyer shall pay the portion of the Title Policy premium attributable to upgrading to ALTA extended coverage, and the cost of any endorsements, if requested by Buyer.

6.2.3 Recording Fees. Seller will pay the recording fees for recording the Deed, and all title clearance costs to remove liens, encumbrances or other title matters which are Seller's express responsibility under this Agreement.

6.2.4 Prorations. Seller is responsible for paying all taxes, assessments, fees, and other charges for the period prior to the Closing and any supplemental taxes attributable to periods prior to Closing, if any. All such items due and payable in the year of the Closing will be prorated in Escrow as of Closing, based upon the most current information then available to Escrow Agent. If, at the Closing, actual tax or assessment information is not available, then, following the Closing and within thirty (30) days of receipt by either Buyer or Seller of the actual tax or assessment information, Buyer and Seller will re-prorate real estate taxes and assessments among themselves and make any necessary adjusting payments, which obligations shall survive the Closing.

6.2.5 Miscellaneous Closing Costs. Any other closing costs not otherwise expressly provided for in this Agreement will be paid by Buyer and Seller as they shall mutually agree or, in the absence of such agreement, according to the usual and customary practice in the County where the Property is located.

6.3 Seller's Obligation to Deposit Additional Funds. Seller hereby authorizes Escrow Agent to use so much of the proceeds otherwise payable to Seller at Closing as is necessary to pay all costs and other amounts payable by or otherwise chargeable to Seller pursuant to this Agreement.

6.4 Buyer's Obligation to Deposit Additional Funds. On or before the Closing Date, Buyer will deposit with Escrow Agent cash in an amount sufficient to pay all costs and other amounts payable by or otherwise chargeable to Buyer pursuant to this Agreement.

6.5 Closing Conditions. In addition to the other conditions to Closing contained in this Agreement, Buyer's obligation to close the transaction hereunder shall be subject to the satisfaction or waiver by Buyer of the following conditions precedent:

6.5.1 Seller's representations and warranties contained in this Agreement shall be true and correct in all material respects as of the Effective Date and as of the Closing; and

6.5.2 Seller shall have performed all of its covenants and obligations which are required to be performed pursuant to this Agreement.

SECTION 7 ADDITIONAL COVENANTS

7.1 Possession. At the Closing, Seller shall deliver possession of the Property to Buyer free and clear of all tenancies and occupants, subject, however, to the Approved Title Exceptions.

7.2 Risk of Loss. Except as to any matter caused by the act, omission, negligence or willful misconduct of a party hereunder, in which cases such party shall be responsible; except as provided in **Section 4.2** or as otherwise provided herein; and subject to the express indemnities contained in this Agreement with respect to the Property, the risk of loss or damage to the Property will be with the party that owns fee simple title to the Property at the time the loss, damage or liability is suffered or incurred. In the event of loss or damage to the Property prior to the Closing, Buyer shall have the right, but not the obligation, to terminate this Agreement in which event Buyer shall be entitled to a return of its Earnest Money. Alternatively, Buyer may proceed to the Closing with no reduction in the Purchase Price and accept the Property in its then current condition subject to such loss or damage and receive an assignment of insurance proceeds, if any, payable with respect to such loss or damage.

7.3 Condemnation. If all or any portion of the Property is condemned (or sold and conveyed in lieu of condemnation) prior to the Closing or if such a condemnation proceeding is commenced or threatened prior to Closing, Seller shall notify Buyer in writing (a "**Condemnation Notice**") and Buyer may terminate this Agreement by giving written notice of termination to Seller within ten (10) days following receipt of a Condemnation Notice. If Buyer elects to terminate pursuant to this **Section 7.3** the Earnest Money will be returned to Buyer and the Agreement will be canceled. If Buyer does not elect to terminate pursuant to this Section then (i) this Agreement shall continue in effect, (ii) Seller shall not settle or compromise any condemnation or convey any portion of the Property in lieu of condemnation without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed), (iii) if Closing occurs Buyer will receive all awards or payments made by the condemning authority to which Seller would otherwise be entitled and (iv) to the extent Seller receives an award with respect to the Property prior to Closing, Seller shall hold the entire award pending (i) the Closing, in which case the award shall be applied to the Purchase Price due at Closing and retained by Seller, or (ii) in the event of termination of this Agreement the award shall be retained by Seller.

7.4 Brokerage. Buyer and Seller each represent and warrant that they have not engaged the services of any broker, agent or other person entitled to receive a commission, finder's fee or other such compensation in connection with the execution of this Agreement or the consummation of the transactions contemplated by this Agreement. If any other person asserts a claim to a finder's fee, brokerage commission or other compensation on account of alleged

employment as a finder or broker or performance of services as a finder or broker in connection with this transaction, then to the fullest extent permitted by applicable law, the party under whom the finder or broker is claiming will indemnify, defend and hold the other party and the other party's Related Parties harmless for, from, and against any claims related thereto. This indemnity will survive the Closing or the termination of this Agreement.

7.5 Representations and Warranties.

7.5.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer the following, which shall survive the Closing for a period of six (6) months:

(a) Seller has the legal right, power and authority to enter into this Agreement and to perform Seller's obligations hereunder.

(b) This Agreement constitutes the legal, valid and binding obligation of Seller and is enforceable against Seller in substantial accordance with its terms. Neither this Agreement or the consummation of any of the transactions contemplated hereby violated or shall violate any provisions of any agreement or document to which Seller is a party or to which Seller is bound. Except as provided in this Agreement, no consent from any third party is required before any of the Property may be conveyed to Seller.

(c) Seller is the record owner of the Property.

(d) To Seller's current, actual knowledge (without inquiry), no suit, action, arbitration, or legal, administrative, investigation, inquiry, or other proceeding is pending or has been threatened against the Property or against Seller with respect to the Property.

(e) No bankruptcy, insolvency, rearrangement, or similar action or proceeding, whether voluntary or involuntary, is pending or threatened against Seller and Seller has no intention of filing or commencing any such action or proceeding.

7.5.2 Seller shall promptly notify Buyer of any facts that would cause any of the representations or warranties contained in this Agreement to be untrue as of the Closing, and Seller confirms that the representations and warranties contained in this Agreement continue to be true as of the Closing.

7.5.3 **Limitation of Seller Representations and Warranties.** Except for Seller's express representations and warranties set forth in this Agreement, Seller hereby specifically disclaims any representation or any warranty (oral or written) or any obligation to disclose information concerning: (i) the nature and condition of the Property and the suitability thereof for any and all activities and uses that Buyer elects to conduct thereon; (ii) the manner, construction, condition and state of repair or lack of repair of any improvements on the Property; (iii) the compliance of the Property with any laws, rules, ordinances or regulations of any government or other body; and (iv) the content or accuracy of any documents or materials delivered by Seller to Buyer. Except for Seller's express representations and warranties set forth in this Agreement, Buyer is relying solely upon, and will have conducted, its own, independent inspection, investigation and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from

Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, taxes, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property. If the Buyer discovers any material information that is different from what has been represented by Seller or that was not disclosed by Seller, Buyer as its sole and exclusive remedy shall have the right to terminate this Agreement and recover its Earnest Money. *Except for Seller's express representations and warranties set forth in this Agreement* (i) the sale of the Property is made on a strictly "AS IS", "WHERE IS", "WITH ALL FAULTS" basis as of the date of Closing, and (ii) Seller makes no warranty or representation, express or implied, or arising by operation of law, including, but in no way limited to, any warranty of quantity, quality, condition, habitability, merchantability, suitability or fitness for a particular purpose of the Property, any improvements located thereon or any soil or environmental conditions related thereto.

7.5.4 Buyer Waiver and Release. Buyer specifically acknowledges that Buyer is not relying on (and Seller hereby disclaims and renounces) any representations or warranties made by or on behalf of Seller of any kind or nature whatsoever, except for those particular representations and warranties expressly provided in this Agreement. Except for claims related to breach of Seller's express representations and warranties and covenants in this Agreement, Buyer, for Buyer and Buyer's successors and assigns, hereby releases Seller from, and waives any and all claims and liabilities against Seller for, related to, or in connection with, any environmental or physical condition at the Property (or the presence of any matter or substance relating to the environmental condition of the Property), including, but not limited to, claims and/or liabilities relating to (in any manner whatsoever) any Hazardous Substances (defined below), toxic or dangerous materials or substances located in, at, about or under the Property, or for any and all claims or causes of action (actual or threatened) based upon, in connection with, or arising out of any Environmental Law (defined below), or any other claim or cause of action including any federal or state based statutory, regulatory or common law cause of action related to environmental matters or liability with respect to, or affecting, the Property. Buyer represents to Seller that Buyer has conducted, or will conduct prior to Closing, such investigations of the Property, including but not limited to, the physical and environmental conditions thereof, as Buyer deems necessary to satisfy itself as to the condition of the Property and the existence or nonexistence of, or curative action to be taken with respect to, any Hazardous Substances or toxic substances on or discharged from the Property, and will rely solely upon same and not upon any information provided by, or on behalf of, Seller, its agents and employees with respect thereto. The term "*Hazardous Substances*" as used herein shall mean any hazardous or toxic substances, materials, chemicals, or wastes in any form and in any concentration that is or becomes, prior to Closing, regulated by the United States or any state or local government authority having jurisdiction over the Property (including any present order or agreement imposing liability or standards concerning any such substances, materials, chemicals, or wastes and any future such order or agreement that becomes effective prior to Closing), and includes without limitation: any "hazardous substance," as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code sections 9601-9675); any "hazardous waste," as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code sections 6901-6992k); petroleum products; volatile organic compounds; radioactive materials; asbestos and lead paint, in any form or condition; and substances or compounds

containing PCBs. The term "**Environmental Law**" as used herein shall mean any federal, state or local law, ordinance or regulation, or any order, demand or guidance document of any governmental agency, relating to Hazardous Substances.

SECTION 8 REMEDIES

8.1 Seller's Remedies. If the Closing does not occur due to any default by Buyer, then Seller shall provide Buyer and Escrow Agent with written notice specifying the nature of Buyer's default. If Buyer has not cured the default within five (5) days after receipt of Seller's notice, then Seller shall have the right as Seller's sole and exclusive remedy to terminate this Agreement by giving written notice of cancellation to Buyer and Escrow Agent and the Earnest Money shall be paid to Seller with no further instruction to Escrow Holder from Buyer.

BUYER AND SELLER HEREBY AGREE THAT IF SELLER TERMINATES THIS AGREEMENT DUE TO BUYER'S FAILURE TO CLOSE THE TRANSACTION HEREUNDER IN DEFAULT OF THIS AGREEMENT, THEN IN SUCH EVENT THE EXACT AMOUNT OF SELLER'S DAMAGES WOULD BE EXTREMELY DIFFICULT TO ASCERTAIN AND THEREFORE THE EARNEST MONEY DEPOSITED INTO ESCROW SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES AND SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF SUCH BUYER'S DEFAULT SHALL BE LIMITED TO TERMINATION OF THIS AGREEMENT AND COLLECTION OF SUCH LIQUIDATED DAMAGES.

BUYER'S INITIALS: **SELLER'S INITIALS:**

8.2 Buyer's Remedies. If Seller fails to perform when due any act required by this Agreement to be performed or otherwise breaches this Agreement and such failure or breach continues for a period of five (5) days after Seller receives written notice thereof, then, as an alternative to all other remedies that are available to Buyer at law or in equity, and as Buyer's sole and exclusive remedy, Buyer may either: (i) seek specific performance of this Agreement (but only in the event that Buyer has deposited the Purchase Price with Escrow and Seller fails to deliver the Deed to the Escrow Agent at the Closing and provided further that such action for specific performance must be filed within sixty (60) days after the date of Seller's default), or (ii) terminate this Agreement and the Escrow, such cancellation to be effective immediately upon Buyer giving written notice of cancellation to Seller and Escrow Agent, and the Earnest Money and any other deposits or payments by Buyer to Seller shall be returned to Buyer and the parties shall have no further liability to one another except for any terms that expressly survive the termination of this Agreement. Notwithstanding the foregoing, in the event Seller is in breach of any of its express representations or warranties set forth herein, which breach is not discovered by Buyer until after the Closing (but subject to the limitations on survival of such representations and warranties set forth herein), Buyer shall have such rights and remedies as are available at law or equity only for a period of one hundred and eighty (180) days after the Closing; provided, however, that in no event shall: (a) Seller's liability to Buyer for breaches of representations and warranties exceed, in the aggregate, ten percent (10%) of the Purchase Price; and (b) Seller be liable for consequential, indirect, special, speculative or punitive damages, all of which are hereby waived by Buyer.

SECTION 9 GENERAL PROVISIONS

9.1 Assignment. This Agreement may not be assigned in whole or part without the express written consent of both parties. However, Buyer shall have the right to assign this Agreement to an affiliated entity to be formed by Buyer, without Seller's written consent, by providing notice to Seller provided that the original party shall remain liable hereunder. For purposes hereof, an entity is affiliated with Buyer if it is controlled by, controlling or under common control with Buyer.

9.2 Binding Effect. The provisions of this Agreement are binding upon and will inure to the benefit of the parties and their respective heirs, personal representatives, successors and permitted assigns.

9.3 Attorneys' Fees. If any action is brought by either party in respect to its rights under this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and court costs as determined by the court.

9.4 Waivers. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver be a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver. Either party may waive any provision of this Agreement intended for its benefit; provided, however, such waiver will in no way excuse the other party from the performance of any of its other obligations under this Agreement.

9.5 Construction. This Agreement will be construed according to the laws of the State of Arizona, without giving effect to its conflict of laws principles. References in this Agreement to "Sections" are to the Sections in this Agreement, unless otherwise noted. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had an equal role in its negotiation and preparation.

9.6 Time of the Essence. Time is of the essence of this Agreement.

9.7 Notices.

9.7.1 Any demand, notice or communication required or permitted to be given under this Agreement must be in writing and is deemed given on (a) the day personally delivered, (b) the third business day after the date of mailing by certified or registered first class mail, postage prepaid, return receipt requested, or (c) one business day after accepted for next business day delivery by a national commercial delivery service which provides package tracking services ("**Overnight Delivery**"), or (d) when transmitted by e-mail or telephone facsimile (provided that such Notice is confirmed on the same day by sending a copy to the addressee(s) by Overnight Delivery), in each case addressed to the parties at their respective addresses set forth below (or to such other address as the Parties hereto may designate by notice in the manner set forth herein). Notices which are rejected or refused or which cannot be delivered because of changed address of which no notice was given shall be deemed delivered.

Notice to Seller shall be sent to:

City of Needles
Attn: City Manager
817 Third Street
Needles, CA 92363

John Pinkney, City Attorney
1800 East Tahquitz Canyon Way
Palm Springs, CA 92262

Notice to Buyer shall be sent to:

Robert Raskin
2085 Palmer Avenue
Lake Havasu City, AZ, 86406
robertr@maxtool.com

Notice to Escrow Agent shall be sent to:

Chicago Title Insurance Co.
3640 AZ-95 #150
Bullhead, AZ 86442

Each party may change their address for the purpose of this Section by giving written notice of such change to the other party in the manner provided in this Section.

9.8 Further Documentation. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

9.9 Time Periods. Except as expressly provided for in this Agreement, the time for performance of any obligation or taking any action under this Agreement will be deemed to expire at 5:00 p.m. (Pacific time) on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action will be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday. Any reference in this Agreement to "days" shall mean calendar days unless the Agreement expressly states "business" days.

9.10 No Third Party Beneficiary. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person or entity not a party hereto and no such person or entity shall have any right or cause of action hereunder.

9.11 Headings and Counterparts. The headings of this Agreement are for purposes of reference only and will not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which will be an original but all of which will constitute one and the same instrument.

9.12 Entire Agreement. This Agreement, which includes the Exhibits constitutes the entire agreement between the parties pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement will be binding unless in writing and executed by Buyer and Seller.

THIS AGREEMENT SHALL NOT BE EFFECTIVE UNLESS AND UNTIL APPROVED BY THE VOTE OF CITY OF NEEDLES CITY COUNCIL AT DULY CONVENED REGULAR MEETING AND EXECUTED BY A DULY AUTHORIZED REPRESENTATIVE OF THE CITY.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date set forth above.

SELLER:
CITY OF NEEDLES

BUYER:

By: _____

By: 
Robert Raskin

Its: _____

Date: 06/09/2023

Date: _____

ATTEST:

_____, Secretary

APPROVED AS TO FORM:
SBEMP LLP

John O. Pinkney, City Attorney

EXHIBIT A**LEGAL DESCRIPTION OF THE PROPERTY**

Real property in the County of Mojave, State of Arizona, described as follows:

T9N R23E SEC 28 SBBM ALL LAND IN MOHAVE COUNTY ADJACENT TO EAST BANK OF COLORADO RIVER CONTIGUIOUS TO AND DOWNSTREAM FROM LAND DESC ON EXHIBIT A (1157/28 & 1179/370) AND LYING WLY OF DIKE ROAD EXHIBIT A IS FURTHER DESC AS FOLL: PAR LYING SLY AND WLY OF 1905 COLORADO RIVER LEFT BANK MEANDER LINE ADJACENT TO SEC 23, T17N, R 22W GSRBM AS FOLL: BEG AT NW COR SEC 23; TH S00 DEG 09 MIN 58 SEC W 234.27 FT TO MEANDER CO ON SD 1905 RIVER LEFT BANK MEANDER LN; TH S49 DEG 09 MIN 59" E 461.92 FT; TH S60 DEG 20 MIN 39 SEC E 1022.91 FT; TH S66 DEG 06 MIN 32 SEC E 712.68 FT ; TH S87 DEG 50 MIN 49 SEC E 2459.43 FT; TH S71 DEG 07 MIN 46 SEC E 132.18 FT; TH S78 DEG 29 MIN 31 SEC E 614.20 FT TO TPOB; TH S56 DEG 08MIN 47SEC E ALNG SD MEANDER LN 303.60 FT TO A 1960, 1980 WITNESS PT; TH S58DEG 40 MIN 02 SEC W 3603.51 FT TO MEANDER COR ON 1982 MEANDER LN HEREAFTER REFERERED TO AS POINT D; TH N37DEG 40 MIN 36 SEC W ALNG 1982 MEANDER LN 275.87 FT; TH N43 DEG 58 MIN 57 SEC W 336.11 FT HEREAFTER REFERRED TO POINT C; TH N73DEG 32 MIN 02 SEC E 1272.79 FT; TH N58DEG 40 MIN 02SEC E 2350 FT TO POB AND ALSO TOGETHER WITH LANDS LYING BETWEEN 1982 MEANDER LN AND MEAN HIGH WATER LN BEING NWLY OF A LN BEARING S58DEG 40 MIN 02SEC W FROM PT D AND BEING SELY OF A LN BEARING S46DEG 30MIN W FROM PT C CONT. 138,607 SQ FT (3.18 ACRES)






09122023 APN 216-147-007 Raskin PSA

Final Audit Report

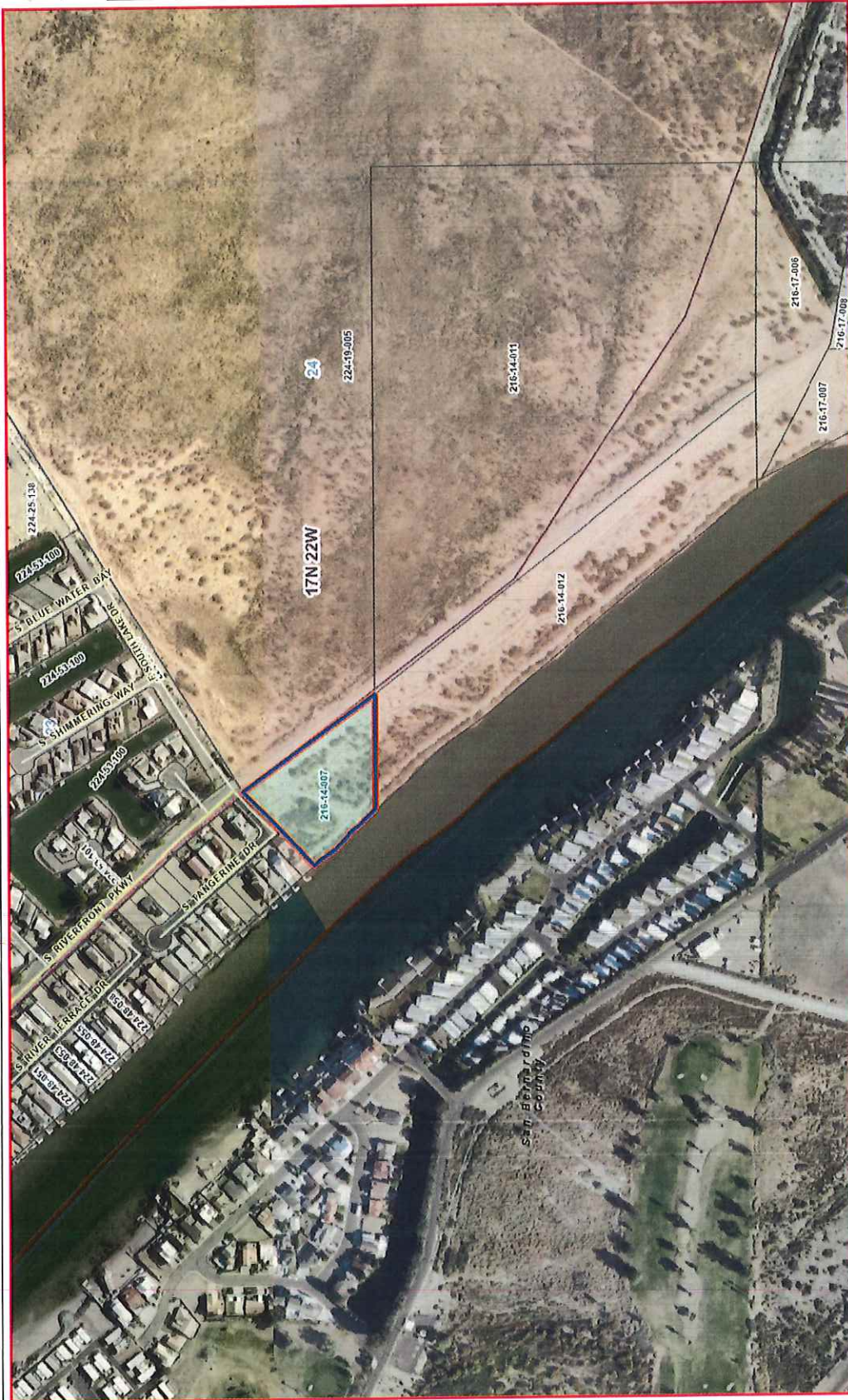
2023-09-06

Created:	2023-09-06
By:	Patrick martinez (pmartinez@cityofneedles.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3nb3ODrCRf56-V8hO9EgeZqKyFvPRc7p

"09122023 APN 216-147-007 Raskin PSA" History

-  Document created by Patrick martinez (pmartinez@cityofneedles.com)
2023-09-06 - 4:57:37 PM GMT- IP address: 69.161.204.209
-  Document emailed to Robert Raskin (robertr@maxtool.com) for signature
2023-09-06 - 4:57:41 PM GMT
-  Email viewed by Robert Raskin (robertr@maxtool.com)
2023-09-06 - 5:03:10 PM GMT- IP address: 104.28.85.127
-  Document e-signed by Robert Raskin (robertr@maxtool.com)
Signature Date: 2023-09-06 - 5:04:35 PM GMT - Time Source: server- IP address: 72.219.115.92
-  Agreement completed.
2023-09-06 - 5:04:35 PM GMT

Interactive Map Viewer



Legend

- ADOT Mileposts
- COUNTY Mileposts
- Sign Post Exits
- Calculated Measure
- Highways
- Main Arterials
- Collectors
- Local
- Railroad
- City Limits (>1:120K)
- County Boundary
- Surrounding Counties
- Township/Range
- Section
- Surface Management
- Bureau of Land Management
- Bureau of Reclamation
- County
- Indian Lands
- Local or State Parks
- Military
- National Parks Service
- Other
- Private
- State
- State Wildlife Area
- US Forest Service
- US Fish & Wildlife Service



Notes:

This map is a user generated static output from the Mohave County Interactive Map Viewer and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION, AS A LEGAL DOCUMENT, FOR PROPERTY DESCRIPTIONS, OR DETERMINATION OF LEGAL TITLE, AND SHOULD NEVER BE SUBSTITUTED FOR SURVEY OR DEED INFORMATION. The user agrees to comply with the Limitation of Use and the Assumption of Risk as stated in the full disclaimer at <https://gis.mohave.gov>

0 416.3 832.6 Feet
(approximate scale)
Map Created: 9/6/2023

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City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Board of Public Utilities

Meeting Date: September 12, 2023

Title: Ratify the action of the City Manager to accept grant funding for the City Hazard Mitigation Plan update from the California Governor's Office of Emergency Services (Cal OES) for the FEMA Hazard Mitigation Grant Program (HMGP)

Adopt Resolution No. 2023-52 for Designation of Applicant's Agent to execute for and on behalf of City of Needles for the purpose of obtaining Federal Financial Assistance for any existing or future grant program listed in the resolution.

Background: The City of Needles is needing to update a decade old Hazard Mitigation Plan to address potential new natural hazards that may impact the community.


The updated plan will identify the following natural hazards for evaluation: dam failure, flash flooding, drought, earthquake and extreme heat. The goal is to update the plan to address today's hazards and engage the community to participate and contribute ideas during the process.

In 2021, an application was submitted to Cal OES for funding opportunities for Hazard Mitigation Assistance to update the City's existing plan.

On August 21, 2023, the City received approval from the California Governor's Office of Emergency Services for FEMA Hazard Mitigation Grant Program (HMGP) funds in the amount of \$113,413.50 for the mitigation plan and \$6,270 for project management for a total of \$119,683.50. The non-federal share (local match) is \$12,601.50, approximately 10% of the total funds awarded.

Upon completion of the updated plan, the City will develop and adopt a Local Hazard Mitigation Plan to meet requirements outlined in 44 CFR Part 201 and the most current FEMA Hazard Mitigation Plan guidance.

Fiscal Impact: Grant funding in the amount of \$119,683.50 has been accepted for project reimbursement from Cal OES and FEMA. \$12,601.50 available in General Fund Reserves for local match.


Finance Dept.

Recommendation: Ratify the action of the City Manager to accept grant funding for the City Hazard Mitigation Plan update from the California Governor's Office of Emergency Services (Cal OES) for the FEMA Hazard Mitigation Grant Program (HMGP)

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

City of Needles, California
Request for City Council Action

◆-----◆

**Recommendation
Continued:**

Adopt Resolution No. 2023-52 for Designation of Applicant's Agent to execute for and on behalf of City of Needles for the purpose of obtaining Federal Financial Assistance for any existing or future grant program listed in the resolution.

Submitted By: Kathy Raasch, Projects Manager

City Management Review:

Rox

Date:

9/6/23

RESOLUTION NO. 2023-52

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF NEEDLES, CALIFORNIA, FOR DESIGNATION OF APPLICANTS AGENT TO
EXECUTE FOR AND ON BEHALF OF CITY OF NEEDLES FOR THE PURPOSE OF
OBTAINING FEDERAL FINANCIAL ASSISTANCE FOR ANY EXISTING OR FUTURE
GRANT FUNDED PROGRAM LISTED IN EXHIBIT "A" HERETO

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the
City of Needles, California, held on the 12th day of September 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

(SEAL)

ATTEST: _____
City Clerk

APPROVED AS TO FORM:

City Attorney

Cal OES ID No: 071

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

BE IT RESOLVED BY THE City Council OF THE City of Needles
(Governing Body) (Name of Applicant)

THAT City Manager, OR
(Title of Authorized Agent)

Utility Manager, OR
(Title of Authorized Agent)

(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the City of Needles,
(Name of Applicant)

a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following:

- **Federally declared Disaster (DR), Fire Mitigation Assistance Grant (FMAG), California State Only Disaster (CDAA), Immediate Services Program (ISP), Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), Legislative Pre-Disaster Mitigation Program (LPDM),** under
- Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
- **Flood Mitigation Assistance Program (FMA),** under Section 1366 of the National Flood Insurance Act of 1968.
- **National Earthquake Hazards Reduction Program (NEHRP)** 42 U.S. Code 7704 (b) ((2) (A) (ix) and 42 U.S. Code 7704 (b) (2) (B) National Earthquake Hazards Reduction Program, and also The Consolidated Appropriations Act, 2018, Div. F, Department of Homeland Security Appropriations Act, 2018, Pub. L. No. 115-141
- **California Early Earthquake Warning (CEEW)** under CA Gov Code – Gov, Title 2, Div. 1, Chapter 7, Article 5, Sections 8587.8, 8587.11, 8587.12

That the City of Needles, a public entity established under the
(Name of Applicant)

laws of the State of California, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.



Please check the appropriate box below

- ☒ This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.
- ☐ This is a disaster/grant specific resolution and is effective for only disaster/grant number(s): _____

Passed and approved this 12 day of September, 20 23

City Manager

(Name and Title of Governing Body Representative)

Utility Manager

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, Dale Jones, duly appointed and City Clerk of
(Name) (Title)

City of Needles, do hereby certify that the above is a true and
(Name of Applicant)

correct copy of a resolution passed and approved by the City Council
(Governing Body)

of the City of Needles on the 12th day of September, 20 23,
(Name of Applicant)

City Clerk

(Signature)

(Title)



Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted resolution is older than three (3) years from the last date of approval, is invalid, or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on pages 1 and 2. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California.

Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the California Governor's Office of Emergency Services regarding grants for which they have applied. There are two ways of completing this section:

1. **Titles Only:** The titles of the Authorized Agents should be entered here, not their names. This allows the document to remain valid if an Authorized Agent leaves the position and is replaced by another individual. If "Titles Only" is the chosen method, this document must be accompanied by either a cover letter naming the Authorized Agents by name and title, or the Cal OES AA Names document. The supporting document can be completed by any authorized person within the Agency (e.g., administrative assistant, the Authorized Agent, secretary to the Director). It does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document, or their title changes.



Checking Universal or Disaster-Specific Box: A Universal resolution is effective for all past disasters and for those declared up to three (3) years following the date of approval. Upon expiration it is no longer effective for new disasters, but it remains in effect for disasters declared prior to expiration. It remains effective until the disaster goes through closeout unless it is superseded by a newer resolution.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents. A minimum of three (3) approving board members must be listed. If less than three are present, meeting minutes must be attached in order to verify a quorum was met.

Certification Section:

Name and Title: This is the individual in attendance who recorded the creation and approval of this resolution.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member. If a person holds two positions (such as City Manager and Secretary to the Board) and the City Manager is to be listed as an Authorized Agent, then that person could sign the document as Secretary to the Board (not City Manager) to eliminate "Self-Certification."

GAVIN NEWSOM
GOVERNOR



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

NANCY WARD
DIRECTOR

8/30/2023

Hazard Mitigation Assistance Kickoff Checklist

DR/Project NO. DR4610-AP0489 Meeting Date: 08/30/2023

Subrecipient: Needles, City of

Project Title: City of Needles Hazard Mitigation Plan Update

Project Approval Date: 08/21/2023 Current Completion Date: 08/16/2026

BCR: n/a Total Project Cost: \$ 126,015

Fed Share: \$ 113,413.50 Local Match: \$ 12,601.50

Attendees (Name & Titles):

Sandra Singer Rodriguez, Kathy Raasch, Rainie Torrance, Patrick Martinez, Nadilyn Encinas

Items Covered:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Project Discussion | <input checked="" type="checkbox"/> Reimbursement |
| <input checked="" type="checkbox"/> Fiscal Requirements | <input checked="" type="checkbox"/> Revision Requests |
| <input checked="" type="checkbox"/> Procurement Standards | <input checked="" type="checkbox"/> Phased Projects |
| <input checked="" type="checkbox"/> Technical Assistance | <input checked="" type="checkbox"/> Subaward Closeout |
| <input checked="" type="checkbox"/> Quarterly Reporting | <input checked="" type="checkbox"/> Resources |

Comments:

The above requirements and procedures have been reviewed in detail.

Authorized Agent/Responsible Representative Cal OES Representative

Signature

Date

DocuSigned by:

Rick Daniels

9/1/2023

Printed Name

Title

Signature

Date

DocuSigned by:

Nadilyn Encinas

8/30/2023

Printed Name

Title

Certificate Of Completion

Envelope Id: 8C4985D98E8748459C9FACEE1519E010
 Subject: DR4610-AP0489 Kickoff Meeting Checklist Needles.pdf
 Source Envelope:
 Document Pages: 1
 Certificate Pages: 5
 AutoNav: Enabled
 Envelope Stamping: Enabled
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Signatures: 2
 Initials: 0

Status: Completed

Envelope Originator:
 Nadilyn Encinas
 3650 Schriever Ave
 Mather, CA 95630
 Nadilyn.Encinas@CalOES.ca.gov
 IP Address: 63.193.207.1

Record Tracking

Status: Original
 8/30/2023 10:53:05 AM
 Security Appliance Status: Connected
 Storage Appliance Status: Connected

Holder: Nadilyn Encinas
 Nadilyn.Encinas@CalOES.ca.gov
 Pool: StateLocal
 Pool: California Governor's Office of Emergency Services


Location: DocuSign

Location: DocuSign

Signer Events

Nadilyn Encinas
 nadilyn.encinas@caloes.ca.gov
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

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Signature Adoption: Pre-selected Style
 Using IP Address: 63.193.207.1

Timestamp

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 Signed: 8/30/2023 10:55:34 AM

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

Rick Daniels
 rdaniels@cityofneedles.com
 Security Level: Email, Account Authentication (None)

DocuSigned by:

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Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	9/1/2023 12:01:40 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure



City of Needles, California Request for Council Action

☒ CITY COUNCIL ☐ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Adopt Resolution 2023-51 Authorizing the City Manager or Designee to submit an application and accept funding the Strategic Growth Council (SGC) under the Community Resilience Center (CRC) Program

Background: The Strategic Growth Council ("SGC") issued a funding opportunity for Community Resilience Centers (CRC).

The CRC Program will fund planning, development, construction, and upgrades of local facilities to serve as Community Resilience Centers, providing shelter and resources during climate and other emergencies, including extreme heat events and poor air quality days.

SGC anticipates that approximately \$5 million in Planning Grant funding, approximately \$9.6 million in Project Development Grant funding, and approximately \$84 million in Implementation Grant funding will be available for competitive awards in Round 1 due September 18, 2023.

The City of Needles has prepared a project titles the Needles Resiliency Center Renewable Project. The project scope is to install

- 1) A roof top solar system with battery backup at the Needles Recreation Center. The system size is 64,964 Watts (AC), estimated annual production is 120,000kWh or 1KW. Estimated monthly utility savings \$1,997/\$23,968 Annually.
- 2) A combination or roof top and carport solar system with battery backup at the Senior Center. The system size is 34,444 Watts (AC), estimated annual production is 66,600kWh or 1KW. Estimated monthly utility savings \$1,078/\$12,930 Annually.

The project estimated cost is \$720,000 and is intended to be submitted under the CRC Project Development Grant funding.

Fiscal Impact: Increase in grant funding and no match requirement.

Recommended Action: Adopt Resolution 2023-51 Authorizing the City Manager or Designee to submit an application and accept funding the Strategic Growth Council (SGC) under the Community Resilience Center (CRC) Program

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 22

RESOLUTION NO. 2023-51

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF NEEDLES, CALIFORNIA, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO
SUBMIT AN APPLICATION AND ACCEPT FUNDING FROM THE STRATEGIC GROWTH
COUNCIL (SGC) UNDER THE COMMUNITY RESILIENCE CENTER (CRC) PROGRAM

WHEREAS, the Strategic Growth Council ("SGC") issued the final Community Resilience Center (CRC) Round 1 final guidelines in April 2023; and

WHEREAS, CRC Program will fund planning, development, construction, and upgrades of local facilities to serve as Community Resilience Centers, providing shelter and resources during climate and other emergencies, including extreme heat events and poor air quality days. The program will also fund ongoing year-round community services and programs, such as information and resource distribution and workforce development trainings, that build overall community resilience; and

WHEREAS, SGC anticipates that approximately \$5 million in Planning Grant funding, approximately \$9.6 million in Project Development Grant funding, and approximately \$84 million in Implementation Grant funding will be available for competitive awards in Round 1; and

WHEREAS; The City of Needles/Needles Public Utility Authority seeks financing from SGC under the CRC round 1 for a project commonly known as the Needles Resiliency Center Renewable Project ("Project");

NOW, THEREFORE, BE IT RESOLVED that:

- 1) The City Manager or his designee is hereby authorized and directed to sign and file, for and on behalf of the City of Needles/Needles Public Utility Authority an application and accept funding if awarded under the SGC CRC Round 1; and
- 2) If awarded, the Applicant agrees to use CRC funding for only eligible activities as approved by SGC and in accordance with all Program requirements, Program Guidelines, other rules and laws, as well as in a manner consistent and in compliance with its Application and other contracts between the Applicant and SGC

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of September 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

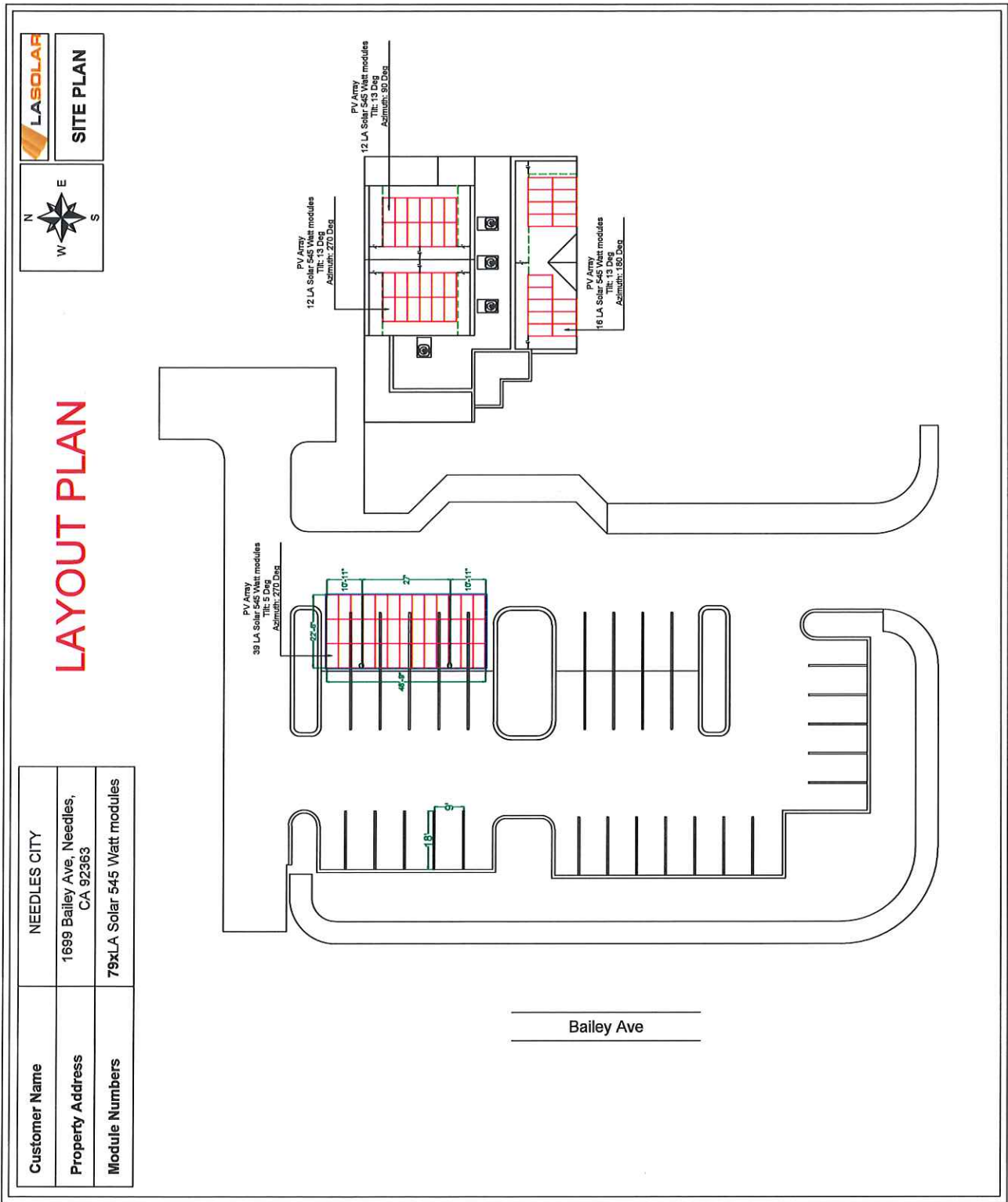
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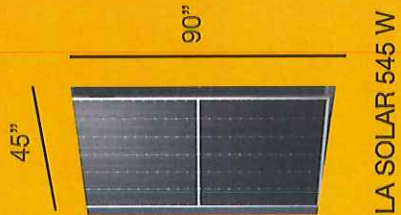
ATTEST: _____

City Clerk

APPROVED AS TO FORM:

City Attorney



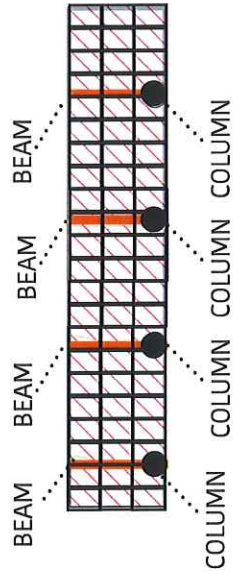


LA SOLAR 545 W

L SHAPE DESIGN

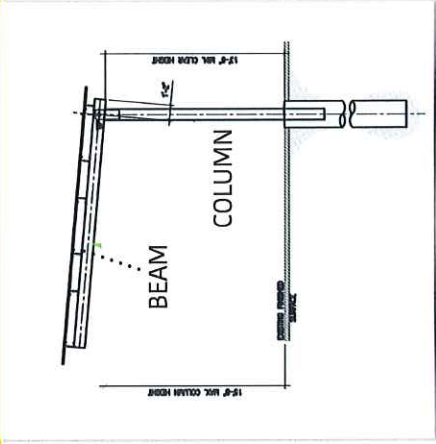


PLAN VIEW



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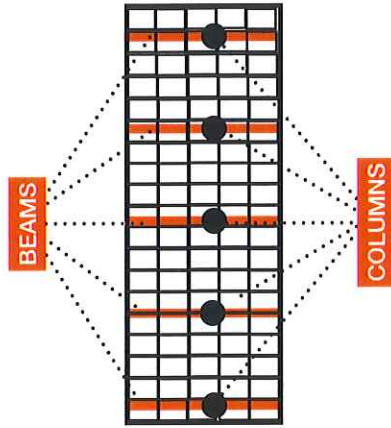
ELEVATION



T SHAPE DESIGN

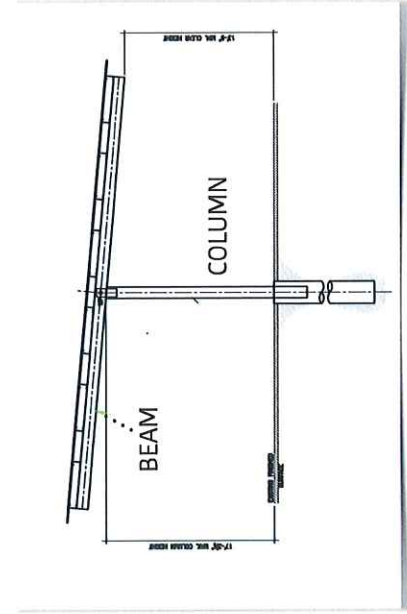


PLAN VIEW



Column spacing is 28'

ELEVATION



CARPORT DESIGN

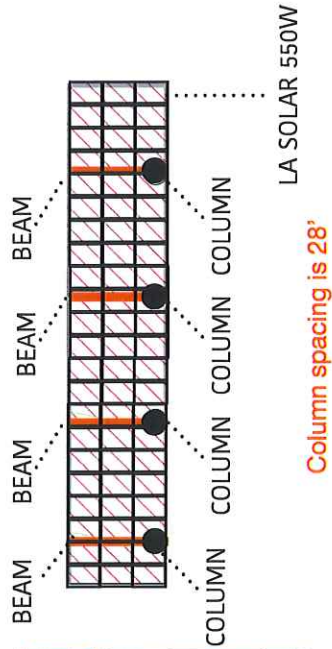
45°



90°

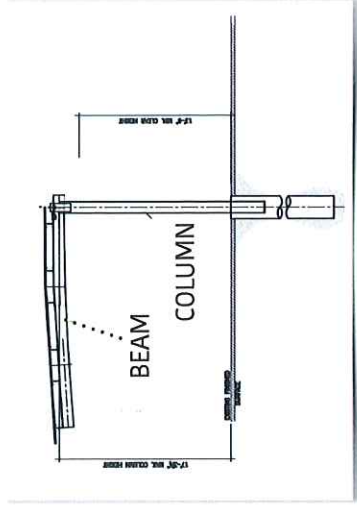
LA SOLAR 545 W

L SHAPE DESIGN

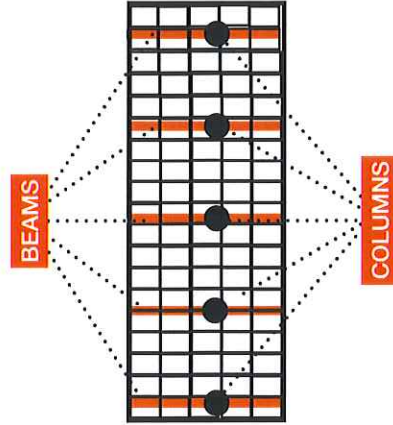


PLAN VIEW

ELEVATION

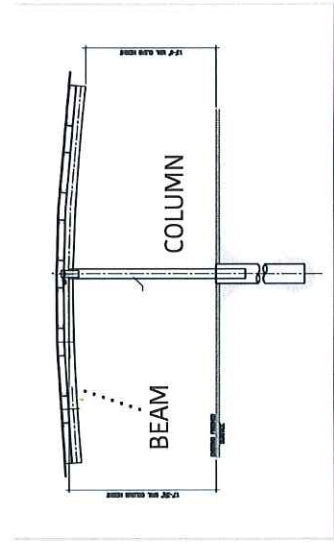


T SHAPE DESIGN



PLAN VIEW

ELEVATION



CARPORT DESIGN

Column spacing is 28'

Customer Name	NEEDLES RECREATION CENTER
Property Address	1705 J St, Needles, CA 92363
Module Numbers	149xLA Solar 545 Watt modules

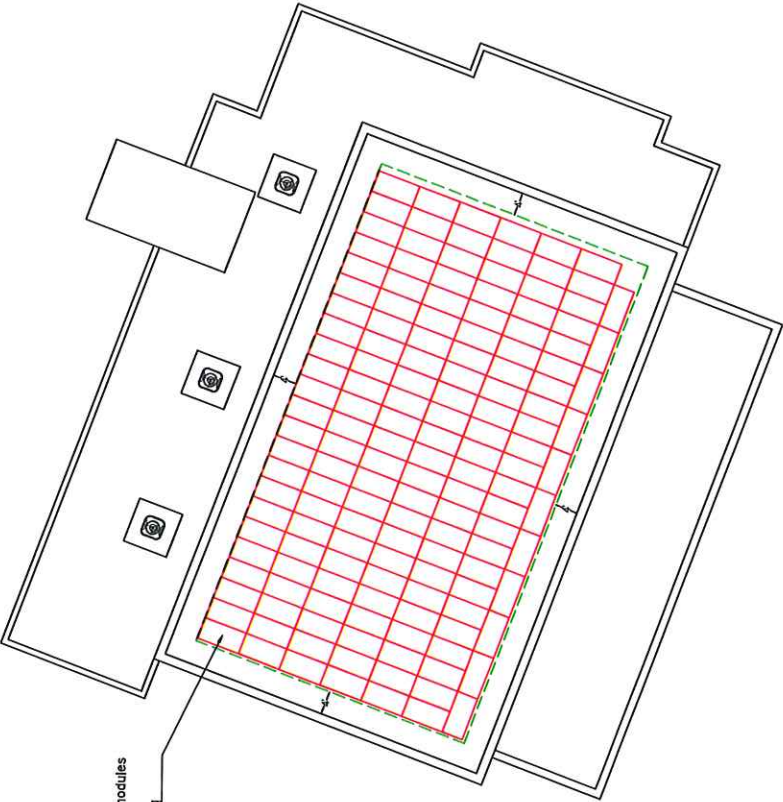
LAYOUT PLAN





SITE PLAN

J St



PV Array
149 LA Solar 545 Watt modules
Tilt: 2 Deg
Azimuth: 201 Deg



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ HACN ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Letter of Support of Permanent Implementation of Daylight-Saving Time

Background: On June 28, 2022, the City Council gave direction to city staff to research the City's ability to adopt the permanent implementation of Daylight-Savings time.

In November 2018, California voters endorsed a legislative proposal that paved the way for the adoption of year-round Daylight Saving Time (DST). Nevertheless, the permanent implementation of DST in California necessitates a two-thirds majority vote in the state's legislature, along with approval from the U.S. Congress.

On November 6, 2018, Proposition 7 received the approval of California's voters, with a 60% majority. This proposition sought to overturn a 1949 ballot initiative that had originally established the practice of Daylight-Saving Time in California. Its primary objective was to establish a framework for transitioning to year-round DST, granting authority to the state legislature, contingent upon federal government approval, to determine the state's timekeeping practices.

A significant development occurred when the U.S. Senate passed the Sunshine Protection Act of 2021 on March 15, 2023. This act is scheduled to take effect on November 5, 2023, signaling a federal-level effort to address DST-related issues.

The process of implementing a different time zone for Needles involves coordination among several key agencies:

1. **California State Legislature:** This agency plays a pivotal role in this process by passing a bill that either amends or repeals the existing time zone law.
2. **Governor's Office:** After the bill successfully passes both chambers of the California State Legislature, it requires the approval of the Governor, who must sign it into law.
3. **California Department of Transportation:** This agency is essential for ensuring that any changes in timekeeping practices align with and do not disrupt transportation schedules within the state.
4. **The Department of Transportation:** The Secretary of Transportation, at the federal level, plays a critical role by giving their approval and endorsement.
5. **United States Congress:** As timekeeping falls under federal jurisdiction, securing approval from the United States Congress is a necessary step in this process.

The collaborative efforts of these agencies are crucial in successfully implementing a different time zone for Needles, ensuring a smooth transition and compliance with both state and federal regulations.

Recommended Action: Approve Letter from the Mayor in Support of Permanent Implementation of Daylight-Saving Time

Submitted By: Patrick Martinez, Assistant City Manager

City Management Review: For

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 23



City of Needles

817 Third Street, Needles, California 92363
(760) 326-2113 • FAX (760) 326-6765
www.cityofneedles.com

Mayor, Jane
Vice Mayor Kirst
Councilmember Tona Belt
Councilmember Ellen Campbell
Councilmember Jamie McCorkle
Councilmember JoAnne Pogue
Councilmember Henry Longbrake
City Manager Rick Daniels

Item 23.

September 12, 2023

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

Re: Enactment of Proposition 7, year-round observance of Daylight-Saving Time

Dear Governor Newsom:

I am writing to you on behalf of the City Council of the City of Needles to express our strong support the enactment of Proposition 7, which calls for the year-round observance of Daylight-Saving Time (DST) in California.

We believe that adopting DST year-round will have numerous benefits for our community and the entire state. This proposition aligns with the preferences of our residents and provides several advantages, such as increased energy efficiency, improved public safety, and enhanced quality of life.

For a city like Needles, which experiences extreme temperatures during the summer months, the extra hour of daylight in the evenings can significantly enhance the well-being of our residents. It encourages outdoor activities, promotes local businesses, and reduces energy consumption during peak cooling hours.

Furthermore, the elimination of the biannual clock changes will lead to fewer disruptions for our citizens, contributing to better sleep patterns, and reducing the risk of accidents associated with the abrupt shift in time.

We understand that the implementation of Proposition 7 requires careful consideration, but we believe that the benefits it offers far outweigh any potential challenges. By choosing to make Daylight Saving Time permanent in California, we can improve the lives of our residents and create a more stable and prosperous environment for our community.

We respectfully urge you to support the enactment of Proposition 7 and work towards making DST year-round a reality for the state of California. Your leadership in this matter would be greatly appreciated.

Thank you for your time and attention to this important issue. We look forward to a brighter and more consistent future for all Californians.

For all of the reasons stated above, the City Council of the City of Needles supports the enactment of Proposition 7, year-round observance of Daylight-Saving Time.

Sincerely,

Janet Jernigan
City of Needles, Mayor

Cc: Assemblymember Eduardo Garcia
Cc: State Senator Steve Padilla
Cc: Congressman Dr. Raul Ruiz
Cc: Third District Supervisor Dawn Rowe

ORDINANCE NO. 662-AC

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES CALIFORNIA,
(1) AMENDING CHAPTER 9 ARTICLE I, SECTION 9-1 OF THE NEEDLES
MUNICIPAL CODE TO ADOPT SAN BERNARDINO COUNTY ORDINANCE FPD 23-01
REFERENCING ITS VERSION OF THE 2022 EDITION OF THE CALIFORNIA FIRE
CODE SUBJECT TO MODIFICATIONS REFERENCED HEREIN AND RESCINDING
PRIOR ORDINANCE NO. 630-AC**

WHEREAS, the City of Needles has been annexed as part of the San Bernardino County Fire Protection District, providing fire protection and services; and

WHEREAS, the San Bernardino County Fire Protection District has adopted the San Bernardino County Fire Protection District Fire Code referencing the 2022 Edition of the California Fire Code; and

WHEREAS, the Board of Directors of the San Bernardino County Fire Protection District has adopted the 2022 Edition of the California Fire Code along with certain changes, modifications, amendments, additions, deletions, and exceptions, relating to fire regulations as shown in Exhibit A;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEEDLES AS FOLLOWS:

SECTION 1. The City Council HEREBY FINDS AND DETERMINES that this activity is not subject to the California Environmental Quality Act ("CEQA") as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. (14C.C.R. § 15060 (c)(2).)

SECTION 2. The City Council HEREBY FINDS AND DETERMINES that it is in the interests of the health, safety and general welfare of the City and its residents to amend CHAPTER 9 ARTICLE I, SECTION 9-1 OF THE NEEDLES MUNICIPAL CODE TO READ AS FOLLOWS::

9-1 Adoption of San Bernardino County Ordinance FPD 23-01 referencing the 2022 Edition of the California Fire Code Subject to Modifications

Except as otherwise provided herein, the City Council hereby adopts San Bernardino County Ordinance FPD 23-01 ("FPD 23-01") a copy of which is attached hereto and incorporated herein by this reference as Exhibit "A" as amended by the County Board of Supervisors from time to time, subject to the modifications provided below in subsections (a)-(c).

- (a) Section 903.2 of FPD 23-01 concerning automatic fire sprinkler systems, including any and all amendments or successors thereto that may hereafter be made and adopted, shall not apply within the boundaries of the City and it is deemed stricken in its entirety.
- (b) Exception number 2 of Section 503.2.3, "Surface" of FPD 23-01 including any and all amendments and successors thereto that may hereafter be made and adopted, shall not apply within the boundaries of the City and is deemed stricken and in place thereof Fire Apparatus Access Roads Surface Alternative Amendment dated June 12, 2020 attached hereto as Exhibit "B" is hereby re-adopted and shall continue in full force and affect.
- (c) Section 505.1, "Address Identification" of the San Bernardino County Fire Protection District Ordinance FPD 23-01 including any and all amendments thereto that may hereafter

be made and adopted, shall not apply to existing buildings within the boundaries of the City and to evidence the same the word "existing" is deemed stricken.

SECTION 3. The City Council HEREBY FINDS AND DETERMINES that it is in the interests of the health, safety and general welfare of the City and its residents to approve rescinding Ordinance No. 630-AC and approve the attached Exhibit A thereby adopting the San Bernardino County Ordinance FPD 23-01 referencing the 2022 Edition of the California Fire Code, along with certain changes, modifications, amendments, additions, deletions, and exceptions, relating to fire regulations as provided herein.

SECTION 4. If any section, subsection, subdivision, paragraph, sentence, clause or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivision, paragraphs, sentences, clauses or phrases are declared unconstitutional, invalid or ineffective.

SECTION 5. The action shall become final and effective after thirty (30) days from its adoption by the City Council as provided for by the Code.

SECTION 6. Publication and Certification. The City Clerk shall cause this ordinance to be published at least once in a newspaper of general circulation published and circulated in the City within fifteen (15) days after its passage in accordance with Section 36933 of the Government Code, shall certify to the adoption of this ordinance, and shall cause this ordinance and certification, together with proof of publication, to be entered in the book of ordinances of the Council of this City.

INTRODUCED AND READ for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 8th day of August, 2023, by the following roll call vote:

AYES: Council Members Campbell, McCorkle, Merritt, Pogue and Longbrake
 NOES: None
 ABSENT: Councilmember Belt
 ABSTAIN: None

PASSED, APPROVED AND ADOPTED, at a regular meeting of the City Council of the City of Needles, California, held on the 12th of September, 2023 by the following roll call vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

(Seal)

Attest:

 Mayor

 City Clerk

Approved as to form:

 City Attorney



CITY OF NEEDLES

Development Services Department

817 Third Street • Needles, California 92363

(760) 326-5740 • FAX (760) 326-6765

www.cityofneedles.com

Item 24.

Exhibit "B" Ordinance 662-AC

August 8, 2023

Fire Apparatus Access Roads Surface Alternative

Proposed "Exception Number 2 of Section 503.2.3" alternative:

PURPOSE: The requirement for the fire code official being authorized to allow alternate roadway surfaces designed or evaluated by a qualified professional engineer is over burdensome for developers in the City of Needles and creates challenges for development in the City as it is so isolated from the rest of San Bernardino County. The fire access roadway appropriate thickness of surface materials and base materials will be an administrative action determined by the City Manager or designee subject to applicable provisions of the Needles Municipal Code.

1. The City Manager or designee is authorized to evaluate and designate fire apparatus roadway surfaces and after consultation with the San Bernardino County Fire Protection District to determine the reliability and safety of the road and subject to applicable provisions of the Needles Municipal Code.

ORDINANCE NO. FPD 23-01

An ordinance of the Board of Directors of the San Bernardino County Fire Protection District, State of California, to repeal San Bernardino County Fire Protection District Ordinance No. FPD 20-01 and to adopt the San Bernardino County Fire Protection District Fire Code, which adopts by reference the 2022 Edition of the California Fire Code, along with certain changes, modifications, amendments, additions, deletions, and exceptions to the 2022 Edition of the California Fire Code, relating to fire regulations.

The Board of Directors of the San Bernardino County Fire Protection District, State of California, ordains as follows:

SECTION 1. Ordinance No. FPD 20-01 is repealed.

SECTION 2. This ordinance is hereby adopted as the San Bernardino County Fire Protection District Fire Code, to read:

**SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
FIRE CODE**

Sections:

1. Findings, Adoption, and Applicability.
2. Amendments to the 2022 California Fire Code.
3. Reserved.
4. Referenced Standards.
5. Conflicting Provisions.
6. Validity and Severability.
7. No Liability or Warranty.
8. Authority - General.
9. Authority at Fires and Other Emergencies.

- 1 10. Authority to Inspect, Issue Notices and Administrative Citations or
- 2 Abate a Hazardous Condition.
- 3 11. Closure of Public and Private Lands.
- 4 12. Interference Unlawful.
- 5 13. Official Records.
- 6 14. Permits Required.
- 7 15. Fees.
- 8 16. Applications and Permits – Abandonment, Period of Validity,
- 9 Expiration and Extensions.
- 10 17. Permits not Transferable.
- 11 18. Permit Revocation.
- 12 19. Operation or Construction Without a Permit or With an Expired or
- 13 Revoked Permit.
- 14 20. Issuance of Stop Work Orders.
- 15 21. Failure to Comply with a Stop Work Order.
- 16 22. Service of Notices and Orders.
- 17 23. Tampering with Notices, Orders or Seals Unlawful.
- 18 24. Overcrowding Unlawful.
- 19 25. Obstructed Egress Unlawful.
- 20 26. Open Fires and Other Outdoor Fires.
- 21 27. Explosives, Fireworks, Pyrotechnics, Rockets and Rocket Motors.
- 22 28. Prohibited Storage of Flammable and Combustible Liquids.
- 23 29. Prohibited Bulk Storage of Liquefied Petroleum Gases.
- 24 30. Prohibited Storage of Flammable Cryogenic Fluids.
- 25 31. Transport Vehicles and Trailers Storing Hazardous Materials.
- 26 32. Shared Emergency and Fire Apparatus Access Roads.
- 27 33. Violations - General.
- 28 34. Continuing Violations.

- 1 35. Acts Including Causing, Aiding and Abetting.
- 2 36. Enforcement – Purpose and Remedies.
- 3 37. Enforcement Remedies and Penalties are Cumulative and
- 4 Discretionary; Not Exclusive.
- 5 38. Criminal Actions.
- 6 39. Authority to Investigate, Detain, Issue Criminal Citations and Arrest.
- 7 40. Civil Actions.
- 8 41. Administrative Citations and Penalties - General.
- 9 42. Administrative Citations and Penalties – Dangerous Fireworks and
- 10 Unlawful Use of Safe & Sane Fireworks.
- 11 43. Administrative Penalties – Egregious Violations.
- 12 44. Administrative Remedies and Penalties For Nuisance Fire Alarms.
- 13 45. Appeal of Administrative Citations.
- 14 46. Recording of a Notice of Pendency.
- 15 47. Filing Notice of Action.
- 16 48. Public Nuisance Abatement of Fire Hazards.
- 17 49. Board of Appeals – Code Application and Interpretations.
- 18 50. Cost Recovery.
- 19 51. Treble Damages.

20

21 1. Findings, Adoption, and Applicability.

22 (a) FINDINGS. The Board of Directors of the San Bernardino County Fire

23 Protection District hereby finds as follows:

24 (1) The California Fire Code, 2022 Edition, adopts and amends

25 portions of the 2021 International Fire Code, which International Code is nationally

26 recognized compilations of proposed rules, regulations, and standards of the

27 International Code Council, Inc.

28

1 (2) That said California Fire Code, which includes the portions of the
2 International Fire Code that have been adopted and amended by the State of
3 California, has been printed and published as a code in book form within the meaning of
4 Section 50022.2 et seq. of the California Government Code. That said California Fire
5 Code and the International Fire Code have been printed and published as a code in book
6 form within the meaning of Section 50022.2 et seq. of the California Government Code.

7 (3) That the sections and subsections of said California Fire Code and
8 the International Fire Code may be referred to by the number used in said published
9 compilation preceded by the words "California Fire Code Section," "Fire Code Section" or
10 "Subsection" and may also be referred to by additional reference to the Ordinances of the
11 San Bernardino County Fire Protection District and sections therein pertaining to said
12 California Fire Code and International Fire Code.

13 (4) That California Health and Safety Code Section 13869 et seq.
14 provides, in pertinent part, that a Fire Protection District may make such changes or
15 modifications to the provisions published in the California Building Standards Code and
16 other regulations adopted pursuant to Section 17922 as it determines are reasonably
17 necessary because of local climatic, geological and topographical conditions.

18 (5) That the additional requirements and standards established herein
19 are needed to properly protect the health, safety, and welfare of the existing and future
20 residents, workers and visitors of the San Bernardino County Fire Protection District. Said
21 additional requirements and standards are reasonably necessary because of local
22 climatic, geological, and topographical conditions described herein. The finding in this
23 subsection (a)(5) is based upon the express findings and determinations on the proposed
24 amendments to the Code identified herein and on file with the Building Standards
25 Commission.

26 (6) Local Climatic Conditions.

27 (A) The District is subject to extremely strong winds, commonly
28 known as "Santa Ana Winds" which can reach speeds in excess of 90 miles per hour.

ORDINANCE NO. FPD 23-01

An ordinance of the Board of Directors of the San Bernardino County Fire Protection District, State of California, to repeal San Bernardino County Fire Protection District Ordinance No. FPD 20-01 and to adopt the San Bernardino County Fire Protection District Fire Code, which adopts by reference the 2022 Edition of the California Fire Code, along with certain changes, modifications, amendments, additions, deletions, and exceptions to the 2022 Edition of the California Fire Code, relating to fire regulations.

The Board of Directors of the San Bernardino County Fire Protection District, State of California, ordains as follows:

SECTION 1. Ordinance No. FPD 20-01 is repealed.

SECTION 2. This ordinance is hereby adopted as the San Bernardino County Fire Protection District Fire Code, to read:

**SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
FIRE CODE**

Sections:

1. Findings, Adoption, and Applicability.
2. Amendments to the 2022 California Fire Code.
3. Reserved.
4. Referenced Standards.
5. Conflicting Provisions.
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- 19 51. Treble Damages.

20

21 1. Findings, Adoption, and Applicability.

22 (a) FINDINGS. The Board of Directors of the San Bernardino County Fire

23 Protection District hereby finds as follows:

24 (1) The California Fire Code, 2022 Edition, adopts and amends

25 portions of the 2021 International Fire Code, which International Code is nationally

26 recognized compilations of proposed rules, regulations, and standards of the

27 International Code Council, Inc.

28

1 (2) That said California Fire Code, which includes the portions of the
2 International Fire Code that have been adopted and amended by the State of
3 California, has been printed and published as a code in book form within the meaning of
4 Section 50022.2 et seq. of the California Government Code. That said California Fire
5 Code and the International Fire Code have been printed and published as a code in book
6 form within the meaning of Section 50022.2 et seq. of the California Government Code.

7 (3) That the sections and subsections of said California Fire Code and
8 the International Fire Code may be referred to by the number used in said published
9 compilation preceded by the words "California Fire Code Section," "Fire Code Section" or
10 "Subsection" and may also be referred to by additional reference to the Ordinances of the
11 San Bernardino County Fire Protection District and sections therein pertaining to said
12 California Fire Code and International Fire Code.

13 (4) That California Health and Safety Code Section 13869 et seq.
14 provides, in pertinent part, that a Fire Protection District may make such changes or
15 modifications to the provisions published in the California Building Standards Code and
16 other regulations adopted pursuant to Section 17922 as it determines are reasonably
17 necessary because of local climatic, geological and topographical conditions.

18 (5) That the additional requirements and standards established herein
19 are needed to properly protect the health, safety, and welfare of the existing and future
20 residents, workers and visitors of the San Bernardino County Fire Protection District. Said
21 additional requirements and standards are reasonably necessary because of local
22 climatic, geological, and topographical conditions described herein. The finding in this
23 subsection (a)(5) is based upon the express findings and determinations on the proposed
24 amendments to the Code identified herein and on file with the Building Standards
25 Commission.

26 (6) Local Climatic Conditions.

27 (A) The District is subject to extremely strong winds, commonly
28 known as "Santa Ana Winds" which can reach speeds in excess of 90 miles per hour.

1 Extensive damage frequently accompanies these winds, such as blowing sand and
2 debris, downed power lines, fallen trees, overturned vehicles and structural damage to
3 buildings. These conditions result in increased demand for fire services, blocked or
4 delayed emergency vehicle access and impaired water supplies and building emergency
5 systems.

6 (B) During the summer months, the Santa Ana Winds produce
7 periods of extremely low humidity, thereby reducing the fuels moisture and increasing the
8 possibility and severity of fire from dry vegetation and other common combustibles.

9 (C) During the summer months, much of the District experiences
10 prolonged periods of temperatures in excess of 100°F. When coupled with sustained
11 severe Santa Ana Winds, an increase in the threat from rapidly moving wildfires exists.

12 (D) During the winter months, heavy rains routinely cause
13 damage to roadways rendering them completely impassible, or with limited access,
14 sometimes for extended periods.

15 (E) During winter months, heavy snow and ice conditions exist in
16 the mountain areas resulting in increased demand for fire services and limiting or delaying
17 emergency vehicle access. In some cases, emergency vehicle access roads are
18 completely impassible, or have limited access, sometimes for extended periods.

19 (7) Local Geological Conditions.

20 (A) The District is subject to moderately strong to severe shaking
21 and surface ruptures resulting from numerous known earthquake faults located
22 throughout the District. These local earthquake faults have the potential to cause severe
23 personal and property damage, utility interruptions, fire hazards and hazardous materials
24 releases. Additionally, significant roadway, bridge structure, water supply and
25 communications systems are subject to failure, thereby causing a detriment to emergency
26 services response.

27 (B) Unstable slopes in several areas throughout the District have
28 experienced soil movement as a result of heavy or soaking rains, resulting in damage to

1 roadways, structures and utilities.

2 (C) Some desert areas of the District have limited aquifers,
3 exceptionally deep aquifers or aquifers providing only brackish or contaminated water
4 supplies. This limits, or in some cases eliminates, water supplies available for firefighting
5 purposes.

6 (D) The District has many areas with rich deposits of minerals
7 resulting in the presence of many subsurface and strip mining operations. These
8 operations pose special problems due to confined access and large quantities of fuels
9 and explosive materials.

10 (8) Local Topographical Conditions.

11 (A) The District encompasses an exceptionally large
12 geographical area with limited access routes connecting valley, mountain and desert
13 areas. This distance, combined with these limited access routes, results in delays in the
14 reallocation of resources to emergency scenes.

15 (B) The topography of the District is exceptionally diverse,
16 ranging from relatively flat desert and valley areas, to foothill areas, canyon areas and
17 steep mountainous areas. This results in some areas that are inaccessible to radio
18 communications, which hampers emergency response capabilities.

19 (C) The large geographical area and diverse topography of the
20 District results in numerous water purveyors and water pressure zones throughout the
21 response areas. This results in many areas having limited, unreliable or unavailable water
22 supplies available for firefighting purposes.

23 (D) The District is traversed by several State and Interstate
24 highways, which provide for limited under or over crossing access points for emergency
25 vehicles to cross to adjacent areas. These highways also restrict the ability of the local
26 water supply grids to provide water from multiple points to all areas and necessitates the
27 use of dead-end water mains in many areas adjacent the highways.

28 (E) The District is traversed by two major active railroad main rail

1 systems. These rail systems are used for both commuter and large freight trains, including
2 the transportation of large quantities of hazardous materials. These rails provide for
3 limited under or over crossing access points for emergency vehicles to cross to adjacent
4 areas. Emergency vehicles experience frequent delays at grade crossings until
5 passenger and/or lengthy freight trains clear the grade crossings.

6 (F) Due to the size and topography of the District, it is traversed
7 by several high voltage electrical transmission lines which cross over inaccessible desert
8 and foothill brush-covered areas, as well as and heavily forested steep mountain areas.
9 High winds have caused damage to these lines, resulting in vegetation fires. Access to
10 many of these areas is unavailable to vehicles, making response to these fires unusually
11 difficult.

12 (G) Several large, high-pressure natural gas transmission lines
13 traverse the District to transport natural gas at pressures exceeding 500 p.s.i. These lines
14 pass through, under or over steep terrain and wildfire prone areas and are also subject
15 to damage due to flooding or seismic events.

16 (H) Several large petroleum product pipelines cross the District to
17 transport large quantities of gasoline, diesel fuel and jet fuels under extremely high
18 pressures. While generally underground, these pipelines pass through, under or over
19 steep terrain and wildfire prone areas and overhead at several overpasses located over
20 thoroughfares and waterways. Damage to these pipelines has been experienced during
21 rail accidents and flooding conditions. Additionally, these pipelines and their pumping and
22 valve stations are subject to damage from seismic events.

23 (9) These local climatic, geological and topographical conditions found
24 herein together present increased hazard potentials that create a reasonable necessity
25 for the San Bernardino County Fire Protection District to establish more restrictive building
26 and fire protection standards, as well as to prevent and discourage egregious and other
27 fire safety violations where the public is at higher risk.
28

1 (b) ADOPTION OF THE 2022 CALIFORNIA FIRE CODE. The Board of
2 Directors of the San Bernardino County Fire Protection District hereby adopts the 2022
3 Edition of the California Fire Code (sometimes referred to herein as 2022 California Fire
4 Code, California Fire Code, or CFC), also known as Part 9 of Title 24 of the California Code
5 of Regulations (which California Fire Code adopts and amends portions of the 2021
6 International Fire Code), and Appendices as compiled and published by the International
7 Code Council. The 2022 Edition of the California Fire Code is on file with the Secretary of
8 the Board.

9 (c) APPLICABILITY. The provisions of the CFC, subsequent amendments,
10 California Fire Code Appendices, and referenced standards shall be collectively known
11 as the San Bernardino County Fire Protection District Fire Code. The San Bernardino
12 County Fire Protection District Fire Code shall be applicable in all areas of San Bernardino
13 County within the San Bernardino County Fire Protection District, or in any political
14 subdivision or district that contracts with the San Bernardino County Fire Protection
15 District for fire protection and prevention services, and in those other cities, towns and
16 districts that ratify this ordinance pursuant to California Health and Safety Code section
17 13869.7.

18
19 **2. Amendments to the 2022 California Fire Code**

20 The 2022 California Fire Code, also known as Part 9 of Title 24 of the California
21 Code of Regulations, is hereby amended as follows:

22 (a) The following sections of Chapter 1 of the San Bernardino County Fire
23 Protection District Fire Code are added or amended, as follows:

24 (1) Section 105.5.4A is added to the San Bernardino County Fire
25 Protection District Fire Code, to read:

26 **105.5.4A Battery and other energy storage systems.** An operational permit is
27 required for a battery system or electrical energy storage system as regulated by section
28 1207 of the California Fire Code.

1 **Exception:** This Section does not apply to systems in R-3
2 occupancies.

3 (2) Section 105.5.17A is added to the San Bernardino County Fire
4 Protection District Fire Code, to read:

5 **105.5.17A Fixed hood and duct extinguishing systems.** An operational permit
6 is required to utilize commercial cooking appliances, as defined in Section 606, with a
7 Type I hood and an automatic fire extinguishing system as required by section 904.13.

8 (3) Section 105.5.34 of the California Fire Code is amended, to read:

9 **105.5.34 Open Fires.** An operational permit is required for the kindling or
10 maintaining of an open fire as defined in Section 202, on any public street, alley, road, or
11 other public or private ground, in accordance with Section 26.

12 **Exception:** Recreational fires and barbecues fueled solely by LP-
13 gas or natural gas.

14 (4) Section 105.5.36 of the California Fire Code is amended, to read:

15 **105.5.36. Open flames in assemblies.** An operational permit is required to use
16 open flames in connection with assembly areas, dining areas of restaurants or drinking
17 establishments.

18 **Exception:** Candles and small-open flame decorative devices in
19 accordance with Section 308.

20 (5) Section 105.5.38 of the California Fire Code is amended, to read:

21 **105.5.38 Outdoor assemblies.** An operational permit is required to conduct an
22 outdoor assembly, temporary use or other special event where planned attendance
23 exceeds 200 persons per day.

24 (6) Section 105.5.38A is added to the San Bernardino County Fire
25 Protection District Fire Code, to read:

26 **105.5.38A Pallet Yards.** An operational permit is required to store combustible
27 pallets at pallet manufacturing and/or recycling facilities.
28

1 (7) Section 105.5.51 of the California Fire Code is amended, to read:

2 **105.5.51 Waste handling and wrecking yards.** An operational permit is required
3 for the operation of automobile wrecking yards, junk yards, combustible waste material or
4 combustible recycled material handling facilities.

5 (8) Section 105.5.52 of the California Fire Code is amended, to read:

6 **105.5.52 Wood, manure and organic product storage.** An operational permit is
7 required to store or process wood chips, hogged material, lumber, plywood, manure,
8 compost or other combustible organic products in excess of 200 cubic feet (6 m³).

9 (9) Section 105.6.3A is added to the San Bernardino County Fire
10 Protection District Fire Code, to read:

11 **105.6.3A Dust Collection Systems.** A construction permit is required for the
12 installation or modification of Dust Collection System as regulated by Chapter 22.

13 (10) Section 105.6.3B is added to the San Bernardino County Fire
14 Protection District Fire Code, to read:

15 **105.6.3B Electrified Security Fence.** A construction permit is required for
16 installation of or modification to an electrified security fence. Maintenance performed in
17 accordance with this code is not considered to be a modification and does not require a
18 permit.

19 (11) Section 105.6.17 is added to the San Bernardino County Fire
20 Protection District Fire Code, to read:

21 **105.6.17 Plant Extraction Systems.** A construction permit is required for
22 installation of or modification to plant extraction systems. Maintenance performed in
23 accordance with this Code is not considered to be a modification and does not require a
24 permit.

25 (12) Section 105.6.18 is added to the San Bernardino County Fire
26 Protection District Fire Code, to read:

1 **105.6.18 Private Fire Hydrants.** A construction permit is required for installation
2 of or modification to private fire hydrants. Maintenance performed in accordance with this
3 Code is not considered to be a modification and does not require a permit.

4 (13) Section 105.6.18A is added to the San Bernardino County Fire
5 Protection District Fire Code, to read:

6 **105.6.18A Refrigeration Unit or System.** A construction permit is required to
7 install or modify a mechanical refrigeration unit or system regulated by Section 605.

8 (14) Section 105.6.19 is added to the San Bernardino County Fire
9 Protection District Fire Code, to read:

10 **105.6.19 Smoke Control or Smoke Exhaust Systems.** Construction permits are
11 required for installation of or alteration to smoke control or smoke exhaust systems.
12 Maintenance performed in accordance with this code is not considered to be an alteration
13 and does not require a permit.

14 (b) The following definitions in Chapter 2, Section 202 of the California Fire
15 Code are amended, by adding or amending the following definitions, as follows:

16 **AGRICULTURAL BURNING.** The open burning of waste vegetation produced by
17 the growing or harvesting of crops in agricultural operation.

18 **ALL WEATHER DRIVING SURFACE.** Concrete, asphalt, or any other surface,
19 as determined by a qualified engineer licensed by the State of California, to adequately
20 support the imposed load of a fire apparatus and meets the intent of this Code.

21 **BARBECUE GRILL.** (Also known as a barbeque or BBQ). A portable or fixed
22 device, constructed of non-combustible material, for the primary purpose of cooking food
23 over a liquefied petroleum-, natural gas-, wood- or charcoal-fueled fire.

24 **BARBECUE PIT.** A trench or depression in the ground in which wood or other
25 clean solid fuel is burned to produce a bed of hot coals for the sole purpose of cooking.

26 **BONFIRE.** An outdoor open fire having a total fuel area greater than 3 feet in
27 width, length or diameter or 2 feet in height, and is used for pleasure, religious,
28 ceremonial, cooking, warmth or other similar purposes.

1 **DEPARTMENT.** Department includes the San Bernardino County Fire Protection
2 District and any other recognized fire department or agency.

3 **DISTRICT.** The San Bernardino County Fire Protection District.

4 **DRIVEWAY.** A privately owned, vehicular access road having a minimum
5 unobstructed width of 12 feet (3658 mm) that serves no more than two Group R, Division
6 3 or accessory Group U occupancies.

7 **FIRE CHIEF/FIRE WARDEN.** The chief officer of the San Bernardino County Fire
8 Protection District, or a duly authorized representative.

9 **FIRE CODE OFFICIAL.** The Fire Chief/Fire Warden of the San Bernardino County
10 Fire Protection District or a duly authorized representative charged with the administration
11 and enforcement of this Code.

12 **OPEN BURNING.** Opening burning shall have the same meaning as Open Fire
13 as defined in this Section.

14 **OPEN FIRE.** Any outdoor fire including the open burning of a solid fuel, such as
15 a barbecue grill, barbecue pit, bonfire, recreational fire, agricultural burning or residential
16 burning, wherein products of combustion are emitted directly into the ambient air without
17 passing through a stack or chimney from an enclosed chamber, as regulated by Section
18 26 of this Code. Open burning does not include road flares, smudge pots, and other
19 similar devices associated with safety or occupational uses or the use of portable
20 outdoor fireplaces or outdoor ovens.

21 **PERSON.** Individuals, businesses, general partnerships, limited partnerships,
22 joint ventures, corporations, trust, concern, organization, state and local government
23 entities, heirs, executors, administrators, receivers, or assigns, agents of the aforesaid,
24 and every other legal entity or association having legal obligations subject to the
25 provisions of this Code.

26 **PORTABLE OUTDOOR FIREPLACE.** A portable, outdoor, solid-, liquid-, or gas
27 fuel burning fireplace constructed of steel, concrete, clay or other non-combustible
28 materials and specifically designed for the containment of fire. A portable outdoor

1 fireplace may have an open design or may have a small hearth opening with a short
2 chimney or opening in the top.

3 **RECREATIONAL FIRE.** An outdoor open fire burning clean materials other than
4 rubbish where the fuel being burned is not contained in an incinerator, outdoor fireplace,
5 portable outdoor fireplace, barbecue grill or barbecue pit, and has a total fuel area equal
6 to or less than 3 feet in width, length or diameter and 2 feet in height for pleasure, religious,
7 ceremonial, cooking, warmth or other, similar purposes. Recreational fires also include
8 any campfire or fire ring.

9 **RESIDENTIAL BURNING.** The open burning of waste vegetation, tree and yard
10 trimmings or similar for disposal on residential privately-owned property. For the
11 purposes of this Code, Residential Burning shall also include the burning of similar items
12 at commercial properties and on vacant properties.

13 **STAND ALONE RESIDENTIAL AUTOMATIC SPRINKLER SYSTEM.** An
14 approved fire sprinkler system, that conforms to Section 903.3.1.1, 903.3.1.2, or 903.3.1.3
15 of this Code, NFPA standards 13 R or 13 D, and San Bernardino County Fire Protection
16 District Fire Prevention Standards, and is supplied by a water source independent from a
17 municipal water distribution system.

18 **WILDFIRE RISK AREA.** Land that is covered with flammable/combustible
19 vegetation, whether privately or publicly owned, which is so situated or is of such
20 inaccessible location that a fire originating upon it would present an abnormally difficult
21 job of suppression or would result in great or unusual damage through fire. For the
22 purposes of this Code, the following areas shall be a Wildfire Risk Area: (1) any land
23 located within a Fire Safety Overlay or Fire Hazard Overlay as identified in the San
24 Bernardino County Development Code or in the ordinances or municipal code of an
25 incorporated City within the District; (2) a Very High Fire Hazard Severity Zone as
26 designated by the California Department of Forestry and Fire Protection (Cal FIRE,); or
27 (3) a No Fireworks Zone.

28 (c) The following sections of Chapter 3 of the San Bernardino County Fire

1 Protection District Fire Code are added or amended, as follows:

2 (1) Section 305.3 is added to the San Bernardino County Fire Protection
3 District Fire Code, to read:

4 **305.3 Open-flame warning devices.** Open-flame warning devices shall not be
5 used along an excavation, road or any other place where the dislodgment of such device
6 may permit the device to roll, fall or slide onto any area or land containing combustible
7 materials.

8 **Exception:** This section shall not apply to public safety personnel
9 acting in the performance of their duties.

10 (2) Section 305.6 is added to the San Bernardino County Fire Protection
11 District Fire Code, to read:

12 **305.6 Spark arrestors.** Each chimney used in conjunction with a fireplace,
13 portable outdoor fireplace, or other heating appliance in which solid fuel is burned, shall
14 be maintained with an approved spark arrester. The spark arrester shall have heat and
15 corrosion resistance equivalent to 12-gauge wire, 19-gauge galvanized wire or 24-gauge
16 stainless steel. Openings shall not permit the passage of spheres having a diameter
17 larger than one-half inch (13 mm) maximum and shall not block the passage of spheres
18 having a diameter of less than three-eighths inch (10 mm). The screen shall be mounted
19 in or over all outside flue openings in a vertical or near vertical position, adequately
20 supported to prevent movement and shall be visible from the ground. All spark arrestors
21 shall be accessible and removable for cleaning.

22 (3) Section 308.1 is added to the San Bernardino County Fire Protection
23 District Fire Code, to read:

24 **308.1 General.** Notwithstanding any other provision of this Code, open flames,
25 fire and burning on all premises shall be in accordance with Section 26 of this Code and
26 Title 19 CCR Sections 3.25(a) and (b).

27 (4) Section 308.1.3 is added to the San Bernardino County Fire
28 Protection District Fire Code, to read:

1 **308.1.3 Use of torches.** Torches and other flame-producing devices shall not be
2 used to remove paint from any structure or weeds from any premises. Notwithstanding
3 any other provision of this Code, persons utilizing a torch or other flame-producing device
4 for melting asphalt or for welding or cutting shall provide a minimum of one portable fire
5 extinguisher complying with Section 906 and with a minimum of a 4-A rating, or two
6 portable fire extinguishers, each with a minimum of a 2-A rating, or a water hose
7 connected to a working water source. The person conducting the burning or asphalt
8 melting shall remain at the location for a minimum of one hour after the torch or flame-
9 producing device is utilized.

10 (5) Section 308.1.4 is added to the San Bernardino County Fire
11 Protection District Fire Code, to read:

12 **308.1.4 Open-Flame Cooking Devices.** Charcoal burners, barbecues,
13 and other open-flame cooking devices shall be in accordance with Section 26 of this
14 Code.

15 (6) Section 308.1.6 is added to the San Bernardino County Fire
16 Protection District Fire Code, to read:

17 **308.1.6 Open-flame devices.** Torches and other devices, machines or processes
18 liable to start or cause fire shall not be operated or used in or upon Wildfire Risk Areas,
19 except by a permit in accordance with Section 105 secured from the fire code official.

20 **Exception:** Use within inhabited premises or designated campsites
21 that are not less than 30 feet (9144 mm) from grass-, grain-, brush- or forest-covered
22 areas.

23 (7) Section 308.1.6.1 is added to the San Bernardino County Fire
24 Protection District Fire Code, to read:

25 **308.1.6.1 Signals and markers.** Flame-employing signaling devices, such flare
26 guns, lanterns, or road flares shall not be operated or used as a signal or marker in or
27 upon Wildfire Risk Areas.

28 **Exception:** The proper use of fusees at the scene of emergencies

or as required by standard railroad operating procedures.

(8) Section 308.1.6.3 is added to the San Bernardino County Fire Protection District Fire Code, to read:

308.1.6.3 Sky lanterns Prohibited. The release or the failure to prevent the release of sky lanterns into the air without an effective means of control is prohibited within the jurisdiction of the San Bernardino County Fire Protection District.

Exception: Sky lanterns used for scientific or research purposes when reasonable precautions are made to prevent loss of control or the ignition of surrounding combustibles. Persons releasing Sky Lanterns used for scientific or research purposes shall first submit a plan outlining the scientific or research purpose and shall obtain a permit and specific conditions from the fire code official.

(9) Section 308.2 is added to the San Bernardino County Fire Protection District Fire Code, to read:

308.2 Permits required. Permits shall be obtained from the fire code official in accordance with Section 105.6 prior to engaging in the following activities involving open flames:

1. Use of open flames in connection with assembly occupancies.

Exception: The use of candles.

2. Use or operation of open flames, torches or other devices, machines or processes liable to cause fire in or upon Wildfire Risk Areas.

(10) Sections 309.1-309.7 are added to the San Bernardino County Fire Protection District Fire Code, to read:

SECTION 309

POWERED INDUSTRIAL TRUCKS AND EQUIPMENT

309.1 General. Powered industrial trucks and similar equipment including, but not limited to, floor scrubbers and floor buffers, shall be operated and maintained in accordance with Section 309.2 through 309.7.

309.2 Use in hazardous (classified) locations. Powered industrial trucks used

1 in areas designated as hazardous (classified) in accordance with the California Electrical
2 Code shall be listed and labeled for use in the environment intended in accordance with
3 National Fire Protection Association Standard 505.

4 **309.3 Battery chargers.** Battery chargers shall be of an approved type.
5 Combustible storage shall be kept not less than 3 feet (915 mm) from battery chargers.
6 Battery charging shall not be conducted in areas accessible to the public.

7 **309.4 Ventilation.** Ventilation shall be provided in an approved manner in battery-
8 charging areas to prevent a dangerous accumulation of flammable gases.

9 **309.5 Fire extinguishers.** Battery-charging areas shall be provided with a fire
10 extinguisher complying with Section 906 having a minimum 4-A:20-B:C rating within 20
11 feet (6096 mm) of the battery charger.

12 **309.6 Refueling.** Powered industrial trucks using liquid fuel, LP-gas or hydrogen
13 shall be refueled outside of buildings or in areas specifically approved for that purpose.
14 Fixed fuel dispensing equipment and associated fueling operations shall be in accordance
15 with Chapter 23. Other fuel-dispensing equipment and operations, including cylinder
16 exchange for LP-gas-fueled vehicles, shall be in accordance with Chapter 57 for
17 flammable and combustible liquids or Chapter 61 for LP-gas.

18 **309.7 Repairs.** Repairs to fuel systems, electrical systems and repairs utilizing
19 open flame or welding shall be done in approved locations outside of buildings or in areas
20 specifically approved for that purpose.

21 (11) Sections 311.1- 311.4 are added to the San Bernardino County Fire
22 Protection District Fire Code, to read:

23 **311.1 General.** Temporarily unoccupied buildings, structures, premises, or
24 portions thereof, including tenant spaces, shall be safeguarded and maintained in
25 accordance with this section, the California Building Code and the San Bernardino County
26 Code.

27 **311.1.1 Abandoned premises.** Buildings, structures and premises for which an
28 owner cannot be identified or located by dispatch of a certificate of mailing to the last

1 known or registered address, which persistently or repeatedly become unprotected or
2 unsecured, which have been occupied by unauthorized persons or for illegal purposes,
3 or which present a danger of structural collapse or fire spread to adjacent properties shall
4 be considered abandoned, declared unsafe and abated by demolition or rehabilitation in
5 accordance with the California Building Code and the International Property Maintenance
6 Code as adopted by the local Building Department.

7 **311.1.2 Tenant spaces.** Storage and lease plans required by this Code shall be
8 revised and updated to reflect temporary or partial vacancies.

9 **311.2 Safeguarding vacant premises.** Temporarily unoccupied buildings,
10 structures, premises or portions thereof shall be secured and protected in accordance
11 with Sections 311.2.1 through 311.2.3.

12 **311.2.1 Security.** Exterior and interior openings accessible to other tenants or
13 unauthorized persons shall be boarded, locked, blocked or otherwise protected to prevent
14 entry by unauthorized individuals. The fire code official is authorized to placard, post
15 signs, erect barrier tape or take similar measures as necessary to secure public safety.

16 **311.2.2 Fire protection.** Fire alarm, sprinkler and standpipe systems shall be
17 maintained in an operable condition at all times.

18 **Exceptions:**

19 1. Where the premises have been cleared of all combustible
20 materials and debris and, in the opinion of the fire code official, the type of construction,
21 fire separation distance and security of the premises do not create a fire hazard.

22 2. Where approved by the fire code official, buildings that will not
23 be heated and where fire protection systems will be exposed to freezing temperatures,
24 fire alarm and sprinkler systems are permitted to be placed out of service and standpipes
25 are permitted to be maintained as dry systems (without an automatic water supply),
26 provided the building has no contents or storage, and windows, doors and other openings
27 are secured to prohibit entry by unauthorized persons.
28

1 3. Where approved by the fire code official, fire alarm and
2 sprinkler systems are permitted to be placed out of service in seasonally occupied
3 buildings that will not be heated and where fire protection systems will be exposed to
4 freezing temperatures; and where fire areas do not exceed 5,000 square feet (464 m2);
5 and that do not store motor vehicles or hazardous materials.

6 **311.2.3 Fire separation.** Fire-resistance-rated partitions, fire barriers and fire
7 walls separating vacant tenant spaces from the remainder of the building shall be
8 maintained. Openings, joints and penetrations in fire-resistance-rated assemblies shall
9 be protected in accordance with Chapter 7.

10 **311.3 Removal of combustibles.** Persons owning, or in charge or control of, a
11 vacant building or portion thereof, shall remove therefrom all accumulations of
12 combustible materials, flammable or combustible waste or rubbish and shall securely lock
13 or otherwise secure doors, windows and other openings to prevent entry by unauthorized
14 persons. The premises shall be maintained clear of waste or hazardous materials.

15 **Exceptions:**

16 1. Buildings or portions of buildings undergoing additions,
17 alterations, repairs or change of occupancy in accordance with the California Building
18 Code, where waste is controlled and removed as required by Section 304.

19 2. Seasonally occupied buildings.

20 **311.4 Removal of hazardous materials.** Persons owning or having charge or
21 control of a vacant building containing hazardous materials regulated by Chapter 50 shall
22 comply with the facility closure requirements of Section 5001.6.

23 (12) Section 315.7 of the California Fire Code is amended, to read:

24 **315.7 Outdoor pallet storage.** The outside storage of combustible pallets shall
25 comply with sections 315.7 – 315.7.7 and San Bernardino County Fire Protection District
26 Fire Prevention Standards. Pallets stored within a building shall be protected in
27 accordance with Chapter 32. Outdoor storage of pallets at pallet manufacturing and/or
28 recycling facilities shall be in accordance with Section 2810.

1 **315.7.1 Storage beneath overhead projections from buildings.** Where
2 buildings are equipped throughout with an automatic sprinkler system, the outdoor storage
3 of pallets under eaves, canopies or other projections or overhangs are prohibited except
4 where automatic sprinklers are installed under such eaves, canopies or other projections
5 or overhangs.

6 **315.7.2 Distance to the lot line.** Pallet storage shall not be located within 20 feet
7 (6096 mm) of a lot line.

8 **315.7.3 Storage Height.** Pallet storage shall not exceed 16 feet (4877 mm) in
9 height.

10 **315.7.4 Pallet pile stability and size.** Pallet stacks shall be arranged to form
11 stable piles. Individual pallet piles shall not exceed 20 feet (6096 mm) in width and 20
12 feet (6096 mm) in length. Piles shall not exceed 6,400 cubic feet (227 m³) in volume and
13 shall cover an area not greater than 400 square feet (37 m²).

14 **315.7.5 Pallet types.** Pallets shall be all wood, with slatted or solid top or bottom,
15 with metal fasteners, or shall be plastic or composite pallets, listed and labeled in
16 accordance with the UL 2335 or FM 4996. Plastic pallets shall be both solid and gridded
17 deck, independent of the pallet manufacturing process, type of resin used in fabrication
18 or geometry of the pallet.

19 **315.7.6 Pile separation distances.** In addition to the other requirements of this
20 section, pallet stacks and piles shall be separated in accordance with sections 315.7.6.1
21 and 315.7.6.2.

22 **315.7.6.1 Building separation.** Pallet stacks and piles shall be separated from
23 buildings in accordance with Table 315.7.6(1) for wood pallets and Tables 315.7.6(2) for
24 plastic pallets.

25 **315.7.6.2 Separation from the other pallets and on-site storage.** Pallets shall
26 be separated from other pallet piles and other storage in accordance with Table
27 315.7.6(3) for wood pallets and Table 315.7.6(4) for plastic pallets.

28 **315.7.7 Prohibited locations.** Pallets shall not be stored within 100 feet (30480

mm) of welding or cutting equipment, underneath high-voltage transmission lines, public roadways or railways.

(13) Section 315.8 is added to the San Bernardino County Fire Protection District Fire Code, to read:

315.8 Outside storage of firewood. The outside storage of firewood shall comply with the provisions of Section 315 of this Code, and San Bernardino County Fire Protection District Fire Prevention Standards.

(14) Section 315.9 is added to the San Bernardino County Fire Protection District Fire Code, to read:

315.9 Storage of motor vehicles and trailers. Outside storage of automobiles, trucks, recreational vehicles, truck trailers and other similar vehicles on a temporary basis shall meet the requirements of the San Bernardino County Fire Protection District Fire Prevention Standards.

(15) Section 316.7 is added to the San Bernardino County Fire Protection District Fire Code, to read:

316.7 Electrified fences. Electrified fences or other barriers intended to secure a premise shall have provided a means of disconnecting all electrical power and de-energizing any and all barriers with a single main switch. The main electrical disconnect switch shall be clearly labeled and be accessible for firefighter use by means of a key switch, locked cabinet, or other means approved by the fire code official. Such electrified fences or barriers shall be clearly labeled with warning signs that read "DANGER – ELECTRIC FENCING" at a minimum of every 100 feet (30,480 m) apart around the perimeter.

(d) The following sections of Chapter 4 of the San Bernardino County Fire Protection District Fire Code are added or amended, as follows:

(1) Sections 403.11 - 403.11.3.3 are added to the San Bernardino County Fire Protection District Fire Code, to read:

1 **403.11 Special requirements for public safety.** Special requirements for public
2 safety shall be in accordance with Sections 403.11.1 through 403.11.3.3.

3 **403.11.1 Fire watch personnel.** Where, in the opinion of the fire code official, it
4 is essential for public safety in a place of assembly or any other place where people
5 congregate, because of the nature of the performance, exhibition, display, contest or
6 activity, the owner, agent or lessee shall provide one or more fire watch personnel, as
7 required and approved. Fire watch personnel shall comply with Sections 403.11.1.1 and
8 403.11.1.2 and San Bernardino County Fire Protection District Fire Prevention Standards.

9 **403.11.1.1 Duty times.** Fire watch personnel shall remain on duty while places
10 requiring a fire watch are open to the public, or when an activity requiring a fire watch is
11 being conducted.

12 **403.11.1.2 Duties.** On-duty fire watch personnel shall have the following
13 responsibilities:

- 14 1. Keep diligent watch for fires, obstructions to means of egress
15 and other hazards.
- 16 2. Take prompt measures for remediation of hazards and
17 extinguishment of fires that occur.
- 18 3. Take prompt measures to assist in the evacuation of the
19 public from the structures.

20 **403.11.2 Public safety plan for gatherings.** Where the fire code official
21 determines that an indoor or outdoor gathering of persons has an adverse impact on
22 public safety through diminished access to buildings, structures, fire hydrants or fire
23 apparatus access roads or where such gatherings adversely affect public safety services
24 of any kind, the fire code official shall have the authority to order the development of or
25 prescribe a public safety plan that provides an approved level of public safety and
26 addresses the following items:

- 27 1. Emergency vehicle ingress and egress.
- 28 2. Provisions for maintaining fire protection equipment.

3. Emergency egress or escape routes.
4. Emergency medical services facilities and personnel.
5. Public assembly areas.
6. The directing of both attendees and vehicles, including the parking of vehicles.
7. Vendor and food concession distribution.
8. The need for the presence of law enforcement.
9. The need for fire department apparatus or personnel available on the site, provided owner, agent, or lessee's expense, as required by the fire code official.
10. The need for a weather monitoring person.
11. The need for qualified crowd managers meeting the requirements of section 403.11.3 through 403.11.3.3.

403.11.3 Crowd managers. Where required by the fire code official, crowd managers shall be provided in accordance with sections 403.11.3.1 through 403.11.3.3.

403.11.3.1 Number of crowd managers. Not fewer than two trained crowd managers, and not fewer than one trained crowd manager for each 250 persons or portion thereof, shall be provided for the gathering.

Exception: The number of crowd managers shall be reduced where, in the opinion of the fire code official, the fire protection provided by the facility and the nature of the event warrant a reduction.

403.11.3.2 Training.

Training for crowd managers shall be a certification from the National Association of State Fire Marshals (NASFM) or an equivalent training and certification program as approved by the fire code official.

403.11.3.3 Duties.

The duties of crowd managers shall include, but not be limited to:

1. Conduct an inspection of the area of responsibility and identify

and address any egress barriers.

2. Conduct and inspection of the area of responsibility to identify and mitigate any fire hazards.
3. Verify compliance with all permit conditions
4. Direct and assist the event attendees in evacuation during an emergency.
5. Direct emergency response personnel to a location when requested.
6. Other duties required by the fire code official.
7. Other duties as specified in the fire safety plan.

(e) The following sections of Chapter 5 of the San Bernardino County Fire Protection District Fire Code are added or amended, as follows:

(1) Sections 503.1-503.5.1 are added to the San Bernardino County Fire Protection District Fire Code, to read:

SECTION 503

FIRE APPARATUS ACCESS ROADS

503.1 Where required. Fire apparatus access roads shall be provided and maintained in accordance with Sections 503.1.1 through 503.1.3.

503.1.1 Buildings and facilities. Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire apparatus access road shall comply with the requirements of this section and shall extend to within 150 feet (45720 mm) of all portions of the facility and all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility.

Exceptions:

1. The fire code official is authorized to increase the dimension of 150 feet (45720 mm) where any of the following conditions occur:

1.1. Unless required by another section of this Code, the

1 building is equipped throughout with an approved automatic sprinkler system installed in
2 accordance with Section 903.3.1.1, 903.3.1.2 or 903.3.1.3.

3 1.2. Fire apparatus access roads cannot be installed
4 because of location on property, topography, waterways, nonnegotiable grades or other
5 similar conditions, and an approved alternative means of fire protection is provided.

6 1.3. There are not more than two Group R-3 or Group U
7 occupancies.

8 2. Where approved by the fire code official, fire apparatus
9 access roads shall be permitted to be exempted or modified for solar photovoltaic power
10 generation facilities.

11 **503.1.2 Additional access.** The fire code official is authorized to require more
12 than one fire apparatus access road based on the potential for impairment of a single
13 road by vehicle congestion, condition of terrain, climatic conditions or other factors that
14 could limit access.

15 **503.1.3 High Piled Storage.** Fire department vehicle access to buildings used for
16 high-piled combustible storage shall comply with the applicable provisions of Chapter 32.

17 **503.2 Specifications.** Fire apparatus access roads shall be designed,
18 constructed and maintained in accordance with Sections 503.2.1 through 503.2.8. and
19 San Bernardino Fire Protection District Fire Prevention Standards.

20 **503.2.1 Dimensions.** Fire apparatus access roads shall have an unobstructed
21 width of not less than 26 feet (7925 mm), except for approved security gates in
22 accordance with Section 503.6, and an unobstructed vertical clearance of not less than
23 14 feet, 6 inches (4420 mm.) Roadways that provide fire apparatus access to buildings
24 that have exterior walls 30 feet or higher from the lowest level of fire department access
25 to the top of the highest roof or parapet, or having occupied floors that are three or more
26 stories above such adjacent roadways shall have an unobstructed width of 30 feet (9144
27 mm.)

28 **Exceptions:**

1 1. Emergency vehicle access roads designed and provided
2 exclusively for fire department use may have an unobstructed width of not less than 20
3 feet (6096 mm) when approved by the fire code official.

4 2. Driveways and private roadways providing fire department
5 access to not more than two Group R-3 and accessory Group U occupancies shall be a
6 minimum of 12 feet (3657 mm) in width.

7 3. Required access road dimensions may be modified according
8 to the San Bernardino County Fire Protection District Fire Prevention Standards when,
9 due to location on property, topography, waterways, nonnegotiable grades or other similar
10 conditions, the fire code official determines that the conditions cannot be met. In no case
11 shall fire department access roads within State Responsibility areas (SRA) be less than
12 20 feet (6096 mm) in unobstructed width.

13 **503.2.2 Authority.** The fire code official shall have the authority to require or
14 permit modifications to the required access widths and heights where they are inadequate
15 for fire or rescue operations or where necessary to meet public safety objectives.

16 **503.2.3 Surface.** Fire apparatus access roads shall be designed and maintained
17 to support the imposed loads of fire apparatus weighing at least 75,000 pounds and shall
18 be surfaced so as to provide all-weather driving capabilities.

19 **Exceptions:**

20 1. Where road grades do not exceed eight percent (8%), and
21 where serving only one or two-family dwellings or accessory Group U occupancies, the
22 fire code official may approve existing roads constructed with approved native materials
23 or other earthen materials compacted to eighty-five percent (85%) compaction.

24 2. The fire code official is authorized to allow alternate fire
25 apparatus roadway surfaces designed or evaluated by a qualified professional engineer
26 and demonstrating an equivalent reliability and safety.

27 **503.2.4 Turning Radius.** The required turning radius of a fire apparatus access
28 road shall comply with San Bernardino Fire Protection District Fire Prevention Standards

1 as determined by the fire code official.

2 **503.2.5 Dead Ends.** Dead-end fire apparatus access roads in excess of 150 feet
3 in length (45,720 mm) shall be provided with an approved area for turning around fire
4 apparatus that complies with San Bernardino Fire Protection District Fire Prevention
5 Standards.

6 **503.2.6 Bridges and elevated surfaces.** Where a bridge or an elevated surface
7 is part of a fire apparatus access road, the bridge shall be constructed and maintained in
8 accordance with AASHTO HB-17. Bridges and elevated surfaces shall be designed for
9 a live load sufficient to carry the imposed loads of fire apparatus. Vehicle load limits shall
10 be posted at both entrances to bridges where required by the fire code official. Where
11 elevated surfaces designed for emergency vehicle use are adjacent to surfaces that are
12 not designed for such use, approved barriers, approved signs or both shall be installed
13 and maintained where required by the fire code official.

14 **503.2.7 Grade.** The grade of a fire apparatus access road or driveway shall be a
15 maximum of twelve percent (12%).

16 **Exceptions:**

17 1. The grade of a fire apparatus access road or driveway may
18 be increased to fourteen percent (14%) for a distance not to exceed 500 feet with the
19 approval of the fire code official.

20 2. The grade of a driveway providing fire access to no more than
21 two (2) one- or two-family dwelling may be increased to a maximum of sixteen percent
22 (16%) for a distance not to exceed 500 feet in areas in which the Hillside Grading
23 Standards pursuant to Chapter 83.08 of the San Bernardino County Development Code
24 apply and with the approval of the fire code official.

25 3. Where more restrictive local city requirements apply.

26 **503.2.8 Angles of approach and departure.** The angles of approach and
27 departure for fire apparatus access roads shall comply with the San Bernardino County
28 Fire Protection District Fire Prevention Standards.

1 **503.3 Marking.** Where required by the fire code official, approved signs and
2 markings that include the words "NO PARKING—FIRE LANE" and that comply with San
3 Bernardino County Fire Protection District Fire Prevention Standards shall be provided
4 for fire apparatus access roads to identify such roads or prohibit the obstruction thereof.
5 The means by which fire lanes are designated shall be maintained in a clean and legible
6 condition at all times and be replaced or repaired when necessary to provide adequate
7 visibility.

8 **503.4 Obstruction of fire apparatus access roads.** Fire apparatus access roads
9 shall not be obstructed in any manner, including the parking of vehicles. The minimum
10 widths and clearances established in Section 503.2.1 and 503.2.2 shall be maintained at
11 all times. Any condition that serves as an impediment to fire access, or any vehicle or
12 other obstruction to fire access may be removed at the orders of the fire code official or
13 other governing agency in cooperation with the fire code official, with the expense of such
14 removal to be paid by the owner of the roadway, or of said vehicle or obstruction.

15 **503.4.1 Traffic calming devices.** Traffic calming devices shall be prohibited
16 unless approved by the fire code official in accordance with the San Bernardino County
17 Fire Protection District Fire Prevention Standards.

18 **503.5 Required gates or barricades.** The fire code official is authorized to require
19 the installation and maintenance of gates or other approved barricades across fire
20 apparatus access roads, trails or other access ways, not including public streets, alleys
21 or highways. Electric gate operators, where provided, shall be listed in accordance with
22 UL 325. Gates intended for automatic operation shall be designed, constructed and
23 installed to comply with the requirements of ASTM F 2200 and the San Bernardino County
24 Fire Protection District Fire Prevention Standards.

25 **503.5.1 Secured gates and barricades.** Where required, gates and barricades
26 shall be secured in an approved manner. Roads, trails and other access ways that have
27 been closed and obstructed in the manner prescribed by Section 503.5 shall not be
28 trespassed on or used unless authorized by the owner and the fire code official.

1 **Exception:** The restriction on use shall not apply to public officers
2 acting within the scope of duty.

3 (2) Section 503.6 is added to the San Bernardino County Fire Protection
4 District Fire Code, to read:

5 **503.6 Security gates.** The installation of security gates across a fire apparatus
6 access road shall be approved by the fire code official. Where security gates are installed,
7 they shall have an approved means of emergency operation. The security gates and the
8 emergency operation shall be maintained operational at all times. Electric gate operators,
9 where provided, shall be listed in accordance with UL 325. Gates intended for automatic
10 operation shall be designed, constructed and installed to comply with the requirements of
11 ASTM F 2200 and the San Bernardino County Fire Protection District Fire Prevention
12 Standards.

13 (3) Section 504.5 is added to the San Bernardino County Fire Protection
14 District Fire Code, to read:

15 **504.5 Foam cornices.** Buildings with cornices or other trim at the edge of a roof or
16 parapet wall made of expanded foam plastic or other similar materials shall be installed in
17 accordance with San Bernardino County Fire Protection District Fire Prevention
18 Standards in order to allow a stable, rigid surface or edge on which a ladder can be used
19 to access the roof.

20 (4) Sections 505.1-505.2 are added to the San Bernardino County
21 Fire Protection District Fire Code, to read:

22 **SECTION 505**

23 **PREMISES IDENTIFICATION**

24 **505.1 Address identification.** New and existing buildings shall be provided with
25 approved address identification in accordance with this section and San Bernardino
26 County Fire Protection District Standards. The address identification shall be legible and
27 placed in a position that is visible from the street or road fronting the property. Address
28 identification characters shall contrast with their background. Address identification shall

1 be Arabic numerals or alphabetical letters. Numbers shall not be spelled out. Each
2 character shall be not less than 4 inches (102 mm) high with a minimum stroke width of
3 ½ inch (12.7 mm). Where required by sections 505.1.1 – 505.1.6, address identification
4 shall be provided in additional approved locations to facilitate emergency response.
5 Address identification shall be maintained.

6 **505.1.1 One and two family dwelling units.** All one and two family dwelling units
7 shall, in addition to the requirements of section 505.1, be provided with address
8 identification in accordance with all of the following:

9 1. Electrically illuminated by an internal low-voltage light source
10 during the hours of darkness.

11 2. Where building setbacks exceed 100 feet (30.5 m) from the
12 street, or where addresses on dwelling units would not be visible or would otherwise be
13 obstructed, additional non-illuminated address identification shall be displayed on a
14 monument, sign or other approved means used to identify structures.

15 **505.1.2 Buildings less than 100,000 square feet, other than one- and two-**
16 **family dwelling units.** All buildings less than 100,000 square feet (9290 m²) in area,
17 other than one- and two-family dwelling units, shall, in addition to the requirements of
18 Section 505.1, be provided with address identification in accordance with all of the
19 following:

20 1. Electrically illuminated by an internal or external source during
21 the hours of darkness.

22 2. Not less than eight inches (204 mm) in height, with a minimum
23 stroke width of 1 inch (25.5 mm).

24 3. Where building setbacks exceed 200 feet (61 m) from the
25 street, or where address identification would not be visible or would otherwise be
26 obstructed, additional non-illuminated address identification shall be displayed on a
27 monument, sign or other approved means used to identify structures. Address
28 identification characters shall not be less than six inches (153 mm) in height, with a

1 minimum stroke width of 0.75 inches (19 mm).

2 **505.1.3 Buildings 100,000 square feet or larger, other than one- and two-**
3 **family dwelling units.** All buildings 100,000 square feet (9290 m²) or larger in area,
4 other than one- and two-family dwelling units, shall, in addition to the requirements of
5 Section 505.1, be provided with address identification in accordance with all of the
6 following:

7 1. Electrically illuminated by an internal or external source during
8 the hours of darkness.

9 2. Not less than twelve inches (306 mm) in height, with a
10 minimum stroke width of 1.5 inch (38 mm).

11 3. Where building setbacks exceed 200 feet (61 m) from the
12 street, or where address identification would not be visible or would otherwise be
13 obstructed, additional non-illuminated address identification shall be displayed on a
14 monument, sign or other approved means used to identify structures. Address
15 identification characters shall not be less than six inches (153 mm) in height, with a
16 minimum stroke width of 0.75 inches (19 mm).

17 **505.1.4 Illuminated directory.** When required by the fire code official, new
18 multiple dwelling unit complexes of 20 or more units shall be provided with an illuminated
19 directory at each entry, clearly visible to emergency responders entering the property.
20 The directory shall comply with San Bernardino County Fire Protection District Fire
21 Prevention Standards and shall consist of a diagrammatic representation of the complex
22 which shows the location of the viewer and the unit designations within the complex.

23 **505.1.5 Individual units.** Individual dwelling units other than one- and two-family
24 dwellings, and tenant lease spaces within buildings shall be posted with address
25 identification on each unit. Addresses shall be easily visible to approaching vehicular or
26 pedestrian traffic and shall comply with section 505.1 and the San Bernardino County Fire
27 Protection District Fire Prevention Standards.

28 **505.1.6 Rear addressing.** Buildings which have vehicular access to the rear side

by means of a drive aisle alley, or parking lot shall also display address identification on the rear of the building and the San Bernardino County Fire Protection District Standards.

505.2 Street or road name signs. The names of streets or roads shall be identified with approved signs. Temporary street or road name signs meeting the San Bernardino County Fire Protection District Fire Prevention Standards shall be installed at each street intersection when construction of new roadways allows passage by vehicles and shall be maintained until replaced by permanent signs.

(5) Sections 506.1-506.2 are added to the San Bernardino County Fire Protection District Fire Code, to read:

SECTION 506

KEY BOXES

506.1 Where required. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the fire code official is authorized to require one or more key boxes to be installed in an approved location(s). The key box(es) shall be of an approved type in accordance with San Bernardino County Fire Protection District Fire Prevention Standards and shall contain keys to gain necessary access as required by the fire code official.

506.1.1 Locks. An approved lock or entry device meeting San Bernardino County Fire Protection District Fire Prevention Standards shall be installed on gates or similar barriers across fire department access roads where required by the fire code official.

506.2 Key box maintenance. The operator of the building shall immediately notify the fire code official and provide the new key where a lock is changed or rekeyed. The key to such lock shall be secured in the key box.

(6) Section 507.1 of the California Fire Code is amended, to read:

SECTION 507

FIRE PROTECTION WATER SUPPLIES

507.1 Required water supply. An approved water supply capable of supplying

1 the required fire flow for fire protection shall be provided to premises upon which facilities,
2 buildings or portions of buildings are hereafter constructed or moved into or within the
3 jurisdiction. In areas without a water purveyor capable of supplying the required water
4 supply, National Fire Protection Association Standard 1142 (current edition) shall be used
5 to establish on-site water storage capacities, when allowed by the fire code official.

6 **Exception:**

7 1. When approved by the fire code official, the following shall be
8 permitted in lieu of an adequate water supply when serving not more than two Group R-
9 3 occupancies and accessory Group U occupancies:

10 a) Accessory Group U occupancies shall be a minimum of
11 50 feet (15,240 mm) from all adjacent dwellings and property lines.

12 b) Group R-3 Occupancies shall be equipped with an
13 approved residential fire sprinkler system in accordance with NFPA 13D/CRC313.

14 c) Provide other approved alternate means and
15 methods as approved by the fire code official.

16 (7) Section 507.2.3 is added to the San Bernardino County Fire
17 Protection District Fire Code, to read:

18 **507.2.3 Temporary water supply.** When required by the fire code official, a
19 temporary water supply shall be provided for buildings under construction, prior to such
20 buildings being occupied. Temporary water supplies shall be in accordance with San
21 Bernardino County Fire Protection District Fire Prevention Standards.

22 (8) Section 507.3 of the California Fire Code is amended, to read:

23 **507.3 Fire Flow.** Fire flow requirements for buildings or portions of buildings and
24 facilities shall be determined by an approved method below or by Appendix B.

25 1. When approved by the fire code official, the following shall be considered in
26 lieu of adequate fire flow when serving not more than two Group R-3 occupancies and
27 accessory Group U occupancies:

28 a) Accessory Group U occupancies shall be a minimum

1 50 feet (15,240 mm) from all adjacent dwellings and property lines.

2 b) Group R-3 Occupancies shall be equipped with an
3 approved residential fire sprinkler system in accordance with NFPA 13D/CRC313.

4 c) Provide other approved alternate means and
5 methods as approved by the fire code official.

6 (9) Section 507.5 of the California Fire Code is amended, to read:

7 **507.5. Fire hydrant systems.** Fire hydrant systems shall comply with Sections
8 507.5.1 through 507.5.6 and San Bernardino County Fire Protection District Fire
9 Prevention Standards.

10 (10) Section 507.5.1 of the California Fire Code is amended, to read:

11 **507.5.1 Where required.** Where a portion of the facility or building hereafter
12 constructed or moved into or within the jurisdiction is more than 300 feet (91.5 m) from a
13 hydrant on a fire apparatus access road, as measured by an approved route around the
14 exterior of the facility or building, on-site fire hydrants and mains shall be provided where
15 required by the fire code official.

16 **Exception:** For Group R-3 and attached Group U occupancies, the
17 distance requirement shall not be more than 600 feet (183 m).

18 (11) Section 507.5.1.2 is added to the San Bernardino County Fire
19 Protection District Fire Code, to read:

20 **507.5.1.2 Water supply connections.** New on-site fire hydrant water systems
21 that serve buildings having a single or aggregate floor area of greater than 100,000
22 square feet (9290 m²) shall have a minimum of two separate remote connections to the
23 public water system designed and constructed in accordance with the National Fire
24 Protection Association and the San Bernardino County Fire Protection District Fire
25 Prevention Standards and approved by the fire code official.

26 (12) Section 508.2 is added to the San Bernardino County Fire Protection
27 District Fire Code, to read:
28

1 **508.2 Fire Control Room.** A fire control room for fire department operations shall
2 be provided in all newly constructed Group F-1, S-1 and S-2 distribution warehouses
3 greater than 300,000 square feet (27870 m²) in floor area. The location and accessibility
4 of the fire control room shall be approved by the fire code official. The fire control room
5 shall be separated from the remainder of the building by walls and ceilings not less than
6 one-hour fire partitions and shall have at least one exterior access door of not less than
7 3'-0" (918 mm) in width by 6'-8" (2040 mm) in height. The room shall be a minimum of
8 96 square feet (9 m²) with a minimum dimension of 8 feet (2438 mm.) The room shall
9 contain the following as a minimum:

10 1. The fire alarm control unit and associated equipment,
11 including an annunciator panel displaying status of sprinkler control valves and water flow
12 detectors.

13 2. Main controls and indicators for mechanical smoke exhaust
14 systems.

15 3. A printed graphic exhibit(s) showing the building floor plan,
16 automatic sprinkler systems, fire alarm systems, smoke exhaust systems, fire department
17 access doors, and any other equipment as required by the fire code official.

18 4. Other firefighting equipment and system controls as required
19 by the fire code official.

20 (13) Section 509.3 is added to the San Bernardino County Fire Protection
21 District Fire Code, to read:

22 **509.3 Access to equipment in multi-unit buildings.** When automatic fire
23 sprinkler systems or fire alarm systems are installed in buildings constructed for multiple
24 tenants and these systems protect multiple tenant spaces, the main risers, fire alarm
25 control panels, and any other main control valves or equipment for such systems; shall
26 be located in an attached or included room separate from any tenant space. Such rooms
27 shall have at least one exterior access door of not less than 3'-0" (918 mm) in width by
28 6'-8" (2040 mm) in height and meet the requirements of Sections 901.4.6-901.4.6.4.

(f) The following sections of Chapter 9 of the San Bernardino County Fire Protection District Fire Code are added or amended, as follows:

(1) Section 901.8.3 is added to the San Bernardino County Fire Protection District Fire Code, to read:

901.8.3 Theft deterrents. The fire code official is authorized to require installation methods, mechanisms, or other technology that will serve to deter theft or tampering with fire protection appliances. Such methods shall be in accordance with the San Bernardino County Fire Protection District Fire Prevention Standards.

(2) Section 903.2 of the California Fire Code is amended, to read:

903.2 Where required. Approved automatic fire sprinkler systems in new buildings and structures shall be provided in the locations described in this section and Sections 903.2.1 through 903.2.21. Notwithstanding any other provision of Sections 903.2.1 through 903.2.21, an approved automatic fire sprinkler system shall be provided throughout all newly constructed buildings of any occupancy group, when the gross floor area is equal to or exceeds 5,000 square feet (465 m²), regardless of fire resistive separation walls.

Exceptions:

1. Group U occupancies, accessory to a Group R-3 one- or two-family dwelling.

2. In existing buildings, other than Group R, Division 3 and Group U occupancies, not equipped with an automatic fire sprinkler system, the following requirements shall apply:

a) When an addition causes the building to exceed 5,000 square feet (465 m²) in gross floor area and such addition is equal to or greater than 50% of the existing square footage, the entire building shall be provided with an automatic sprinkler system.

b) For existing buildings larger than 5,000 square feet (465 m²) in gross floor area, when a change of use occurs that, in the opinion of the fire

code official, increases the risk of fire, or increases the danger to occupants in a fire, the entire building shall be provided with an automatic sprinkler system.

(3) Section 910.2.1 of the California Fire Code is amended, to read:

910.2.1 Group F-1, S-1 and S-2. A mechanical smoke removal system installed in accordance with section 910.4 shall be installed in buildings and portions thereof used as group F-1, S-1 and S-2 occupancy having more than 50,000 square feet (4645m²) of undivided area.

(4) Section 910.2.2 of the California Fire Code is amended, to read:

910.2.2 High-piled combustible storage. Smoke and heat removal required by Table 3206.2 for buildings and portions thereof containing high-piled combustible storage shall be installed in accordance with Section 910.3 in unsprinklered buildings. In buildings and portions thereof containing high-piled combustible storage equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1, a mechanical smoke and heat removal system shall be installed in accordance with Section 910.4. In occupied portions of a building equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 where the upper surface of the story is not a roof assembly, a mechanical smoke removal system in accordance with Section 910.4 shall be installed.

(g) The following section of Chapter 11 of the San Bernardino County Fire Protection District Fire Code is added, as follows:

(1) Section 1103.2 is added to the San Bernardino County Fire Protection District Fire Code, to read:

1103.2 Emergency responder communication coverage in existing buildings.

Existing buildings other than Group R-3, that do not have approved in-building, two-way emergency response communication coverage for emergency responders in the building based on existing coverage levels of the public safety communication system, shall be equipped with such coverage according to Section 510.1.

1 **Exception:** Where it is determined by the fire code official that the
2 in-building, two-way emergency responder communication coverage system is not
3 needed.

4 (h) The following sections of Chapter 28 of the San Bernardino County Fire
5 Protection District Fire Code are added or amended, as follows:

6 (1) Section 2808.3 of the California Fire Code is amended, to read:

7 **2808.3 Size of piles.** Piles shall not exceed 12 feet (3657 mm) in height, 150 feet
8 (45 270mm) in width and 250 feet (76 200 mm) in length. Stackable products shall not
9 be stacked in excess of 12 feet (3657 mm) in height, 80 feet (24 384 mm) in width and
10 250 feet (76 200 mm) in length.

11 (2) Section 2808.7.1 is added to the San Bernardino County Fire
12 Protection District Fire Code, to read:

13 **2808.7.1 Pile fire protection, public water supply.** The operator shall provide
14 and maintain approved fire hydrants and waterline mains as required by the fire code
15 official. Water lines may be approved aboveground lines supplied from a reliable water
16 supply with adequate protection against impact and fire flow reaction. Hydrant spacing
17 shall be at 400-foot intervals along primary fire access roadways. Fire flow at each hydrant
18 shall be least 1,000 gallons per minute at 20 psi. Duration of the required fire flow shall
19 be not less than two hours.

20 (3) Section 2808.7.2 is added to the San Bernardino County Fire
21 Protection District Fire Code, to read:

22 **2808.7.2 Pile fire protection, private water supply.** Above-ground water storage
23 tanks may be installed when authorized by the fire code official where public water supply
24 is not adequate to meet fire flow requirements. Volume and duration of the required fire
25 flow shall be as determined by the current edition of NFPA 1142.

26 (4) Sections 2810.1 through 2810.11 of the California Fire Code, is
27 amended, to read:
28

SECTION 2810**OUTDOOR STORAGE OF PALLETS AT PALLET MANUFACTURING AND/OR
RECYCLING FACILITIES**

2810.1 General. The outside storage of wood pallets and wood composite pallets on the same site as a pallet manufacturing and/or recycling facility shall comply with Sections 2810.2 through 2810.11 and San Bernardino County Fire Protection District Fire Prevention Standards.

2810.2 Site plan. Each site shall maintain an approved site plan that includes a general description of the property, the boundaries of the lot, the size and location of buildings, and all of the following:

1. Utilities.
2. Type of construction and presence of sprinkler protection for all buildings on the site.
3. Locations of all fire hydrants and any other water supply sources for fire-fighting purposes.
4. Locations of any hazards (e.g., flammable liquids, welding, LP gas tanks, and hazardous material storage areas).
5. Location of pallet storage and any other combustibles on the site.
6. Equipment protected with a dust collection system.
7. Fire apparatus access roads.
8. Designated smoking areas.
9. Location of fire alarm control panels.

2810.3 Fire prevention plan. The owner or owner's authorized representative shall prepare an approved fire prevention plan that includes all of the following:

1. Frequency of walk-through inspections to verify compliance with the plan
2. Hot work permit program in accordance with Chapter 35.
3. Preventative maintenance program for equipment associated with pallet activities

1 4. Inspection, testing and maintenance of fire protection systems in
2 accordance with Chapter 9.

3 **2810.4 Fire safety emergency evacuation plan.** The owner or owner's
4 authorized representative shall prepare and train employees in an approved fire safety
5 and emergency evacuation plan in accordance with Chapter 4.

6 **2810.5 Security management plan.** The owner or owner's authorized
7 representative shall prepare a security management plan based on a security risk
8 assessment and shall make the plan and assessment available to the fire code official
9 upon request.

10 **2810.6 Clearance to property line.** Stacks of pallets shall not be stored less than
11 20 feet (6096 mm) of the property line or shall comply with Section 2810.11.

12 **2810.7. Clearance to buildings and storage.** Stacks of pallets shall not be stored
13 less than 20 feet (6096 mm) from any building or combustible structure on site, or shall
14 comply with Section 2810.11. Pallets shall not be stored under eaves, canopies or other
15 projections or overhangs of buildings except where protected by an automatic sprinkler
16 system.

17 **2810.8 Size and Height.** Pallet stacks shall be arranged to form stable piles.
18 Individual pallet piles shall cover an area not greater than 400 square feet (37 m²). Pallet
19 stacks and piles shall not exceed 16 feet (4876 mm) in height.

20 **2810.9 Fire hydrant spacing and flow.** Fire hydrants shall be located at each
21 entrance to the facility and at locations onsite as determined by the fire code official. Fire
22 flow requirements for the site shall be based on a risk analysis and assessment
23 performed by a California licensed fire protection engineer and
24 approved by the fire code official. All water supply sources for fire- fighting shall be
25 reliable and for a sufficient duration.

26 **2810.10 Portable fire extinguishers.** A 4A40BC portable fire extinguishers shall
27 be provided within 75 feet (22 860 mm) of any pallet stack or manufacturing area(s).

28 **2810.11 Alternative approach.** Where approved by the fire code official, pallet

stacks located closer to a property line or structure than as required by Sections 2810.6 and 2810.7 shall be provided with additional fire protection including, but not limited to, the following:

1. The storage yard areas and material handling equipment selection, design and arrangement are based on an approved risk assessment.

2. Automatic fire detection that transmits an alarm to a supervising station in accordance with National Fire Protection Association Standard 72.

3. Fire apparatus access roads around all storage areas.

(i) The following sections of Appendix B of the San Bernardino County Fire Protection District Fire Code are added or amended as follows:

(1) Table B105.2 of the California Fire Code is amended, to read:

TABLE B105.2

REQUIRED FIRE-FLOW FOR BUILDINGS OTHER THAN ONE- AND TWO-FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES

AUTOMATIC SPRINKLER SYSTEM (Design Standard)	MINIMUM FIRE-FLOW (gallons per minute)	FLOW DURATION (hours)
No automatic sprinkler system	Value in Table B105.1(2)	Duration in Table B105.1(2)
Section 903.3.1.1 of the California Fire Code	50% of the value in Table B105.1(2) ^a	Duration in Table B105.1(2) at the reduced flow rate
Section 903.3.1.2 of the California Fire Code	50% of the value in Table B105.1(2) ^b	Duration in Table B105.1(2) at the reduced flow rate

1 For SI: 1 gallon per minute = 3.785 L/m.

2 a. The reduced fire-flow shall be not less than 1,000 gallons per
3 minute.

4 b. The reduced fire-flow shall be not less than 1,500 gallons per
5 minute.

6 (j) The following sections of Appendix C of the San Bernardino County Fire
7 Protection District Fire Code are added or amended as follows:

8 (1) Section C102.1 of the California Fire Code is amended, to read:

9 **C102.1 Minimum number of fire hydrants for a building.** The number of fire
10 hydrants available to provide fire protection to a building shall be determined according
11 to the spacing requirements in Section C103.

12 (2) Section C103.2 of the California Fire Code is amended, to read:

13 **C103.2 Average Spacing.** The average spacing between fire hydrants shall be
14 300 feet (91 m) apart in industrial, commercial and multifamily development, and 600 feet
15 (183 m) apart in all single family development. Fire hydrants shall comply with the San
16 Bernardino County Fire Protection District Fire Prevention Standards.

17 **Exception:** The average spacing shall be permitted to be increased
18 by 10 percent where existing fire hydrants provide all or a portion of the required fire
19 hydrants.

20 (3) Section C103.3 of the California Fire Code is adopted into the San
21 Bernardino County Fire Protection District Fire Code and amended, to read:

22 **C103.3 Maximum Spacing.** The maximum spacing between fire hydrants shall
23 be allowed to be up to 1000 feet (305 m) with the approval of the fire code official where
24 protecting only incidental hazards and not structures.

25 **3. Reserved.**

26 **4. Referenced Standards.**

27 The standards referenced in this Code shall be those that are listed in Chapter 80.

28 Such standards shall be considered part of the requirements of this Code to the

1 prescribed extent of such reference. Where conflicts occur between provisions of this
2 Code and referenced standards, the provisions of this Code shall apply. The fire code
3 official may issue San Bernardino County Fire Protection District Fire Prevention
4 Standards for informational purposes in clarifying and interpreting provisions of the
5 California Fire Code, its amendments, and referenced standards.

6 **5. Conflicting Provisions.**

7 Where there is a conflict between a general requirement and a specific
8 requirement, the fire code official shall determine which requirement meets the intent of
9 this Code. Provisions of the California Code of Regulations that are included in this Code
10 specifically or by reference shall prevail except where this Code contains a more
11 restrictive requirement.

12 **6. Validity and Severability.**

13 This Code shall not be in conflict with state or federal law. If any section,
14 subsection, sentence, clause or phrase of this Code or the application thereof is held
15 invalid, such invalidity shall not affect other provisions or applications which can be given
16 effect without the invalid provision or application, and to this end the provisions of this
17 Code are severable.

18 **7. No Liability or Warranty.**

19 San Bernardino County, the San Bernardino County Fire Protection District, any
20 city, town or district that ratifies this ordinance, and their employees or agents shall not
21 be held liable for any act or omission to act done in good faith and reliance upon state
22 law, or the ordinance, codes, standards, interpretations, policies or procedures of the San
23 Bernardino County Fire Protection District. Neither San Bernardino County, the San
24 Bernardino County Fire Protection District, nor any city, town or district that ratifies this
25 ordinance, nor their employees or agents shall be held liable for the negligence of, nor as
26 the guarantor of proper performance by, any person or entity holding any license, permit,
27 certificate, registration, privilege or other entitlement from the District.

28 **8. Authority – General.**

1 The fire code official shall implement, administer, and enforce the provisions of this
2 Code and shall have the authority to render interpretations of this Code. The fire code
3 official shall also have the authority to adopt policies, procedures, rules and regulations
4 in order to clarify the application of this Code. Such interpretations, policies, procedures,
5 rules and regulations shall be in compliance with the intent of this Code.

6 **9. Authority at Fires or Other Emergencies.**

7 (a) The Fire Chief/Fire Warden, fire code official or any officer of the San
8 Bernardino County Fire Protection District in charge at the scene of a fire or other
9 emergency involving the protection of life or property shall have the authority to direct
10 operations as necessary to extinguish or control any fire, perform any rescue operation,
11 investigate the existence of suspected or reported fires, gas leaks, or other hazardous
12 conditions or situations, or take any other action necessary in the reasonable
13 performance of duty. In the exercise of such authority, the Fire Chief/Fire Warden, fire
14 code official or officer is authorized to prohibit any person, vehicle, vessel or thing from
15 approaching the scene and is authorized to remove or cause to be removed, or keep
16 away from the scene any person, vehicle, vessel or thing which could impede or interfere
17 with the operations of the fire department.

18 (b) The Fire Chief/Fire Warden, fire code official or officer of the San Bernardino
19 County Fire Protection District in charge at the scene of a fire or other emergency is
20 authorized to place ropes, tape, flagging, barricades, guards or other obstructions across
21 any street, alley, place, driveway or private property in the vicinity of such operation so as
22 to prevent accidents or interference with the lawful operations of the fire department to
23 manage and control the situation and to allow the safe operation of fire, rescue and
24 investigation apparatus.

25 (c) The Fire Chief/Fire Warden, fire code official or officer of the San Bernardino
26 County Fire Protection District in charge at the scene of a fire or other emergency is
27 authorized to disconnect or authorize disconnection of utility service to any building,
28 structure, vehicle or system in order to safely execute emergency operations or to

1 eliminate an immediate hazard.

2 **10. Authority to Inspect, Issue Notices and Administrative Citations or Abate a**
3 **Hazardous Condition.**

4 (a) Whenever it is necessary to make an inspection to enforce the provisions
5 of this Code, or whenever the fire code official has reasonable cause to believe that there
6 exists in a building or premises any conditions or activity requiring a permit authorized by
7 this Code, or reasonably believes that there are any violations of this Code which make
8 a building, premises, condition or activity unsafe, dangerous or hazardous, the fire code
9 official and those personnel designated by the fire code official are authorized to enter, at
10 all reasonable times, upon any property, premises, enclosure, structure, vehicle or vessel
11 within the San Bernardino County Fire Protection District to determine whether the
12 building, property, premises, enclosure, structure, vehicle, vessel, condition or activity is
13 in compliance with this Code, or whether a violation of this Code has occurred or is
14 occurring, and to make any inspection as may be necessary in the performance of their
15 enforcement duties, to issue a Notice of Correction, Notice of Violation or to issue a Stop
16 Work Order or citation.

17 (b) The fire code official and those persons designated by the fire code official
18 are authorized to take photographs, samples, or other physical evidence, and make video
19 and/or audio recordings. All such entries and inspections shall be done in a reasonable
20 manner. If an owner, lawful occupant, or the respective agent, employee, or
21 representative thereof, refuses permission to enter and/or to inspect, the District may
22 seek an administrative inspection warrant pursuant to the procedures provided by
23 California Code of Civil Procedure sections 1822.50 through 1822.59, as may be
24 amended from time to time, or the successor provisions thereto.

25 (c) The fire code official and those persons designated by the fire code official
26 are authorized to investigate, detain, and issue criminal or administrative citations for any
27 violation of this Code or of the provisions of any code or standard adopted and
28 incorporated by reference by this Code.

1 (d) Any violation of this Code or of the provisions of any code adopted and
2 incorporated by reference by this Code may be deemed a fire hazard by the fire code
3 official and acted upon pursuant to the fire hazard abatement provisions of Chapter 3 of
4 Division 3 of Title 2 of the San Bernardino County Code beginning with Section 23.0301.
5 When a fire hazard or hazardous condition constitutes an immediate threat of harm to
6 public health and safety, the fire code official may take or cause emergency abatement
7 of such hazard with notice to parties concerned, or without notice, as the particular
8 circumstances reasonably allow.

9 **11. Closure of Public and Private Lands.**

10 When it is determined by the fire code official that conditions exist on public lands
11 within a Wildfire Risk Area that present an immediate, exceptional, or continuing danger,
12 the Fire Chief/Fire Warden is authorized to close the affected areas and prohibit the entry
13 of the general public. Prior to closure of private property, notification of the closure shall
14 be made to any concerned property owners and consent obtained. Upon closing and
15 prohibiting entry to public lands, signs shall be posted at the entry points of the affected
16 areas indicating that the area is closed due to the existence of dangerous conditions and
17 that entry is prohibited. Prior to closing and prohibiting entry to any State or Federally
18 controlled lands, notification shall be made and consent obtained from the Director of
19 Forestry and Fire Protection (CalFIRE) or U.S. Forest Service, as appropriate. Any public
20 highway traversing such a closed area, shall, however, be excluded from the order of
21 closure, and the closure to entry does not prohibit or curtail the entry or use of the lands
22 by the owner of the lands or his agent, nor the entry by any federal, state or county officer
23 upon the closed area in the performance of his official duties. All state and county law
24 enforcement officers shall enforce the order of closure.

25 **12. Interference Unlawful.**

26 (a) It shall be unlawful for any person or entity to deny access to, interfere with,
27 prevent, restrict, obstruct, or hinder employees or agents of the San Bernardino County
28 Fire Protection District acting within the scope of their duty.

(b) It shall be unlawful for any person to render a system or device inoperative during an emergency unless by direction of the Fire Chief/Fire Warden, fire code official or officer of the San Bernardino County Fire Protection District in charge at the scene of a fire or other emergency.

13. Official Records.

The fire code official shall keep official records as required by Sections 104.6.1 through 104.6.4. Such official records shall be retained for not less than five years or for as long as the structure or activity to which such records relate remains in existence, or in accordance with San Bernardino County Fire Protection District Operations Directive 1300 and the Special Districts Records Retention Schedule, whichever is greater.

14. Permits Required.

A permit is required to conduct any operation or business, or to install or modify systems or equipment regulated under Section 105 of the California Fire Code. Application shall be made to the fire code official prior to obtaining permits. Permit fees shall be paid prior to the issuance of the permit.

15. Fees.

(a) Fees shall be required and paid pursuant to a fee schedule established by action of the Board of Directors for any permit, license, inspection, plan or technical review, related work or services required pursuant to this Code. Any fees charged shall not exceed the actual costs of providing said work or services.

(b) Any person who conducts any activity, business, construction, work or use of equipment or to install or modify systems or equipment requiring a permit pursuant to Section 105 prior to obtaining said permits shall be subject to an additional fee, which shall be in addition to the required permit.

16. Applications and Permits – Abandonment, Period of Validity, Expiration and Extensions.

(a) An application for a permit for any proposed work or operation and its associated fee shall be deemed to have been abandoned if: (i) the applicant fails to submit

1 any required documentation within 180 days after the date application or plans have been
2 returned by the District for correction; or (ii) the applicant fails to obtain a permit within
3 180 days after the date the District has approved the application and has sent such
4 notification of approval to the applicant. The fire code official is authorized to grant one
5 or more extensions for a period not to exceed 90 days to submit such documentation or
6 corrections, or to obtain a permit from the District. All requests for extension shall be
7 made, in writing, by the applicant prior to abandonment and shall provide justifiable cause
8 to extend the application review period.

9 (b) Permits issued under the provisions of this Code shall remain in effect as
10 follows:

11 (1) Operational permits shall remain in effect for a period of time as
12 specified in the permit, not to exceed one year from issuance or until revoked.

13 (2) Construction permits shall automatically expire and become invalid
14 unless the work authorized by such permit is commenced within 12 months after its
15 issuance, or if the work authorized by such permit is suspended or abandoned for a period
16 of 12 months after the time the work is commenced. Suspension or abandonment shall
17 mean that no inspection by the District has occurred within 12 months of any previous
18 inspection.

19 (3) After a construction permit becomes invalid or expired and before
20 such previously approved work recommences, a new permit shall be first obtained and
21 the fee to recommence work shall be one half the amount required for a new permit for
22 such work, provided no changes have been made or will be made in the original
23 construction documents for such work, and provided further that such suspension or
24 abandonment has not exceeded one year. Permits which have been expired for one year
25 or more shall be deemed invalid and will require a new application, payment of fees and
26 submittal of plans and review.

27 (4) Notwithstanding any other provision of law, construction permits that
28 have expired and are renewed are subject to any new applicable codes as would be

1 required for a new project.

2 (c) A permittee holding an unexpired construction permit shall have the right to
3 apply for an extension of the time within which the permittee will commence work under
4 that permit when work is unable to be commenced within the time required by this section
5 for good and satisfactory reasons. The fire code official is authorized to grant, in writing,
6 one or more extensions of the time period of a permit for periods of not more than 180
7 days each. Such extensions shall be requested by the permittee in writing and justifiable
8 cause shall be demonstrated.

9 **17. Permits Not Transferable.**

10 (a) For operational permits, any change in occupancy, operation, tenancy, or
11 ownership shall require that a new permit be issued.

12 (b) Pursuant to Business and Professions Code section 7031.5, only a
13 contractor, licensed by the State of California to perform the type of work proposed in the
14 permit application, may apply for and be issued a construction permit required pursuant
15 to Section 105.6 et seq. of the San Bernardino County Fire Protection District Fire Code.
16 Any change of contractor named to conduct the permitted work shall require that a new
17 permit be issued.

18 **Exceptions:**

19 1. Owner-Builders intending to occupy the single-family dwelling
20 in which they obtain a permit to install a fire protection system if they have not constructed
21 more than two such dwellings in the past year pursuant to Business and Professions
22 Code Section 7062.12.

23 2. Public agencies and those public utilities exempted pursuant
24 to Business and Professions Code section 7040 et seq.

25 **18. Permit Revocation.**

26 The fire code official is authorized to revoke a permit issued pursuant to Section
27 105 of the San Bernardino County Fire Protection District Fire Code when it is found by
28 inspection or otherwise that conditions including, but not limited to, any one of the

1 following occurred:

2 (a) The permit is used for a location or establishment other than that for which
3 it was issued;

4 (b) The permit is used for a condition or activity other than that listed in the
5 permit;

6 (c) Conditions and limitations set forth in the permit have been violated;

7 (d) There have been any false statements or misrepresentations as to the
8 material fact in the application for permit or plans submitted or a condition of the permit;

9 (e) The permit is used by a different person or firm than the name for which it
10 was issued;

11 (f) The permittee failed, refused or neglected to comply with orders or notices
12 duly served in accordance with the provisions of this code within the time provided
13 therein; or

14 (g) The permit was issued in error or in violation of any state or federal law,
15 local ordinance, regulation, this Code.

16 **19. Operation or Construction Without a Permit or With an Expired or Revoked**
17 **Permit.**

18 It shall be unlawful for any person to operate or allow the operation of any activity,
19 business, construction, work or use of equipment or to install or modify systems or
20 equipment requiring a permit pursuant to Section 105 of the San Bernardino County Fire
21 Protection District Fire Code when said permits have not been obtained or said permits
22 have expired or have been revoked.

23 **20. Issuance of Stop Work Orders.**

24 (a) The fire code official is authorized to issue an order requiring any activity,
25 business, construction, work or use of equipment to immediately cease whenever it is
26 found that such activity, business, construction, work or use of equipment is being
27 performed in a manner in violation of this Code or in a dangerous or unsafe manner.

28 (b) A stop work order shall be issued in writing and shall be given to the

1 permittee or his agent, or to the person conducting the activity, business, construction,
2 work or use of equipment if no permit has been issued. The stop work order shall state
3 the reason for the order and the conditions under which the stopped activity, business,
4 construction, work or use of equipment may resume.

5 (c) A device, tag or seal preventing the use of equipment in violation of this
6 Code or posing a hazard may be affixed to the equipment at the time a stop work order
7 is issued.

8 (d) The fire code official may immediately abate or cause to be abated any
9 overcrowding situation, or remove or cause to be removed any obstructions in aisles,
10 passageways or other means of egress, including the cutting or removing of locks, chains
11 or other means of sealing or blocking exits.

12 (e) Where an emergency or potential emergency exists, the fire code official
13 shall not be required to give written notice prior to stopping the work, abating an
14 overcrowding situation or removing an obstruction that would prevent immediate egress
15 in the event of an emergency.

16 (f) Upon issuance of a stop work order, the non-compliant, dangerous or
17 unsafe activity, business, construction, work or use of equipment, overcrowding situation,
18 or egress obstruction shall immediately cease or be abated.

19 **21. Failure to Comply with a Stop Work Order.**

20 It shall be unlawful for any person to continue any activity, business, construction,
21 work or use of equipment after being issued a stop work order, except such work as that
22 person is directed to perform by the fire code official to remove a violation or unsafe
23 condition.

24 **22. Service of Notices and Orders.**

25 Notices and Orders issued pursuant to this Code shall be served in the following
26 manner:

27 (a) If a permittee or his agent, or the person conducting the activity, business,
28 construction, work or use of equipment or other responsible party is present at the scene

1 of the violation, the notice or order shall be issued by personal service.

2 (b) If the responsible party is a business, and the business owner is on the
3 premises, the notice or order shall be personally served to the business owner. If the
4 business owner is not on the premises and the only responsible party that can be located
5 is the manager or on-site supervisor, the notice or order may be issued in the name of
6 the business and a copy given to the manager or on-site supervisor. A copy of the notice
7 or order shall also be mailed to the business owner by certified mail, return receipt
8 requested, and by first class mail. If a copy of the notice or order that is sent by certified
9 mail is returned by the United States Postal Service unsigned or marked "unclaimed"
10 and/or "refused," then service by first class mail shall be deemed effective provided it is
11 also not returned by the United States Postal Service.

12 (c) If a responsible party cannot be located at the premises or the activity,
13 business, construction, work or use of equipment is located at an unattended or
14 abandoned site, then a copy of the notice or order shall be posted in a conspicuous place
15 on or near the site or equipment, if practicable, and a copy mailed by certified mail, return
16 receipt requested, and by first class mail, to each responsible party at their last known
17 addresses as they appear on the last County equalized assessment role, or any other
18 available public records related to title or ownership of the property or equipment that is
19 the subject of the notice or order. If the copy of the notice or order sent by certified mail
20 to a responsible party is returned by the United States Postal Service with the mail receipt
21 unsigned, or marked "unclaimed" and/or "refused," then service by first class mail shall
22 be deemed effective provided it is also not returned by the United States Postal Service.

23 (d) The failure of any responsible party to receive a copy of the notice or order
24 shall not affect the validity of the notice or order.

25 **23. Tampering with Notices, Orders or Seals Unlawful.**

26 It shall be unlawful to mutilate, destroy or tamper with or remove without
27 authorization any notice, order, tag, sign, or seal posted or affixed by the fire code official.

28 **24. Overcrowding Unlawful.**

1 It shall be unlawful for any person to allow overcrowding or admittance of any
2 person beyond the approved capacity of a building or portion thereof. The fire code
3 official, upon finding any overcrowding conditions, shall authorize the event to be stopped
4 and to cause the removal of excess occupants from the building until such condition is
5 corrected.

6 **25. Obstructed Egress Unlawful.**

7 It shall be unlawful for any person to obstruct any aisle, passageway or other
8 means of egress, or to lock, chain, bar or otherwise block any required means of egress.
9 The fire code official, upon finding any obstructions in aisles, passageways or other
10 means of egress, shall be authorized to cause the removal of occupants from the building
11 and the subsequent securing of the building from entry of any authorized person until
12 such obstruction is corrected.

13 **26. Open Fires and Other Outdoor Fires.**

14 (a) General. It shall be unlawful for any person to kindle, or maintain an open
15 fire, or for a person to allow an open fire to be kindled or maintained on their property,
16 except in accordance with the provisions of this Code.

17 (b) Permit Required. When required by this section, a permit shall be obtained
18 from the fire code official in accordance with Section 105.6 of this Code prior to kindling
19 any open fire. Permits shall be issued to the owner of the land on which the fire is to be
20 kindled or with written permission from the owner.

21 (c) Prohibited Open Fires and Outdoor Fires. It shall be unlawful to kindle, or
22 maintain, or to allow to be kindled or maintained the following open fires within the
23 jurisdiction of the San Bernardino County Fire Protection District:

24 **Exception:** The following activities conducted by a law enforcement
25 or fire department personnel: open fires for the purpose of training, control or prevention of
26 fire hazards, or disposal of explosives or contraband.

27 (1) Any open fire that is offensive or objectionable because of smoke
28 emission, ember production, or when local atmospheric conditions or circumstances

1 make such fires hazardous.

2 (2) Any open or other outdoor fire in which any hazardous waste,
3 biological or infectious wastes, construction debris, trash, coated or treated wood, plastic,
4 rubber, or any other manufactured materials or combustible waste materials are burned.

5 (3) Any open fire using a portable incinerator or "burn barrel" as
6 prohibited pursuant to Title 17 of the California Code of Regulations, section 93113(c)(2),
7 metal drums, salvaged appliance parts, or similar devices not intended for use with an
8 open fire.

9 (4) Open fires on a No Burn Day as declared by the Air Quality
10 Management District (AQMD) in which the burning will occur.

11 (5) Open fires when a Red Flag Warning or Fire Weather Watch is in
12 effect for the location in which the fire is to be kindled.

13 (6) Open fires and outdoor fires on any property within a Wildfire Risk
14 Area as defined in Section 202 of this Code.

15 **Exceptions:**

16 (A) (Agricultural burning or burning of Russian Thistle
17 (tumbleweeds) in accordance with Rule 444 of the AQMD and when permitted by the fire
18 code official

19 (B) Recreational fires, barbecues, and barbecue pits fueled solely
20 by liquified petroleum gas or natural gas.

21 (C) Bonfires, barbecues, barbecue pits, and recreational fires
22 within an organized camp or in non-residential areas with the approval of the fire code
23 official.

24 (D) Portable outdoor fire places that have an approved, listed
25 spark arresting screen covering.

26 (7) When local sustained winds exceed 10 miles per hour.

27 (8) Within the boundaries of a State Responsibility Area, including
28 private property, in violation of any requirements or burn restriction imposed by the

1 California Department of Forestry & Fire Protection (Cal Fire).

2 (9) Within the boundaries of the San Bernardino National Forest,
3 including private property, in violation of any requirement or burn restriction imposed by
4 the U.S. Forest Service.

5 (10) Within the boundaries of the Bureau of Land Management (BLM)
6 land, including private property, in violation of any requirement or burn restriction imposed
7 by BLM.

8 (11) When the fire code official has determined that local atmospheric or
9 other conditions present an increased risk of an escaping fire or other hazardous
10 situation.

11 (d) Extinguishment Authority. The fire code official is authorized to order or
12 cause the extinguishment of any fire that creates or adds to a hazardous condition,
13 creates smoke emissions offensive to occupants of surrounding properties, is conducted
14 without a permit when such a permit is required, or is conducted in violation of such permit
15 or in violation of this Code.

16 (e) Specific open fire requirements. Open fires as defined in this Code shall
17 meet the following requirements.

18 (1) Agricultural burning, residential burning, and open burning of
19 Russian Thistle (tumbleweeds).

20 (A) Prior to applying for a permit to conduct the open fire, any
21 written authorization or permit required by Rule 444 of the Air Quality Management District
22 (AQMD) for the area in which the burning will occur must be provided to the fire code
23 official.

24 (B) A permit shall be obtained from the fire code official prior to
25 kindling the fire.

26 (C) Burning shall only be commenced and shall be completed
27 within the periods specified in Rule 444 of the AQMD in which the burn will occur.

28 (D) Fires shall be located according to the following:

1 1. Not less than 50 feet from any structure or combustible
2 materials.

3 2. At the property for which the permit is issued.

4 (E) Burn Piles shall be in accordance with the following:

5 1. Piles shall not exceed 4 feet in width or 4 feet in height.

6 2. Piles shall be separated by a minimum of 10 feet.

7 3. Piles shall not be placed in a pit or depression.

8 (2) Bonfires.

9 (A) A permit for a bonfire shall be obtained from the fire code
10 official prior to kindling the fire.

11 (B) A bonfire shall not be kindled or maintained less than 50 feet
12 from any structure or combustible materials.

13 (3) Recreational fires.

14 (A) Recreational fires shall be maintained a minimum of 25 feet
15 from a structure or combustible materials.

16 **Exception:** Recreational fires fueled solely by liquefied
17 petroleum gas or natural gas.

18 (4) Portable outdoor fireplaces.

19 (A) Portable outdoor fireplaces shall not be kindled or maintained
20 within 15 feet of a structure or combustible materials.

21 (B) Portable outdoor fireplaces used within a Wildfire Risk Area
22 shall have an approved, listed spark arresting screen covering.

23 (C) Portable outdoor fireplaces shall not be used on any
24 combustible patio, deck or balcony which is part of a multi-family dwelling such as
25 apartments, townhomes, or condominiums, unless buildings or overhangs are protected
26 by an automatic fire sprinkler system.

27 (5) Barbecues and Barbecue Pits.

28 (A) Barbecues shall not be operated on combustible decks or

1 balconies of a multi-family dwelling such as apartments, townhomes, or condominiums
2 unless buildings and overhangs are protected by an automatic fire sprinkler system.

3 **Exception:** Liquefied petroleum gas fueled cooking devices
4 when fuel containers have a water capacity not greater than 2 ½ pounds

5 (B) Barbecue pits shall not be kindled or maintained within 25
6 feet of a structure or combustible materials.

7 (f) Attendance. All open fires shall be constantly attended by a responsible
8 adult, 18 years of age or older, until the fire is completely extinguished. A minimum of
9 one portable fire extinguisher complying with Section 906 with a minimum 4-A rating or
10 other approved on-site fire-extinguishing equipment such as dirt or sand with a shovel,
11 water barrel, hose attached to a working water source, or water truck, shall be available
12 for immediate utilization.

13 (g) Hot ash and ember disposal. Hot ashes and embers from any open fire,
14 barbecue or fireplace shall be placed only in a covered metal or other non-combustible
15 receptacle after being thoroughly cooled with water. At no time shall ashes or embers be
16 deposited in the trash or on the ground, or placed on a combustible surface until it is
17 confirmed that the ashes or embers are no longer hot to the touch. Receptacles containing
18 hot ashes and ember shall have a minimum required separation distance of 2 feet (610
19 mm) to buildings or other combustible materials.

20 **27. Explosives, Fireworks, Pyrotechnics, Rockets and Rocket Motors.**

21 (a) It shall be unlawful for any person to manufacture, store, possess, handle,
22 sell, use, launch or create a public display of any Explosive, Firework, Pyrotechnic,
23 Rocket or Rocket Motors except in accordance with this Code.

24 (b) The storage of explosives and blasting agents is prohibited in residential
25 areas, principal business districts, closely-built commercial areas and heavily-populated
26 areas, except pursuant to California Fire Code Chapter 56 and as permitted by the San
27 Bernardino County Sheriff's Department under Title 4, Division 5 of the San Bernardino
28 County Code.

(c) Unless otherwise permitted, the possession, storage, use, sale and handling of any fireworks is prohibited within the San Bernardino County Fire Protection District.

Exception: The possession, storage, sale, handling and use of fireworks complying with California Code of Regulations, Title 19, and labeled "Safe and Sane" by the California State Fire Marshal, as permitted by local ordinances or Municipal Codes within incorporated cities or towns.

(d) The fire code official and his designees are authorized to seize, take, remove or cause to be removed, at the expense of the owner, all stocks of fireworks, including but not limited to, Division 1.4G consumer fireworks, as classified pursuant to Title 49 Code of Federal Regulations, possessed, offered or exposed for sale, stored or held in violation of any state or local laws and ordinances.

(e) The use of model and high-power rockets is prohibited within Wildfire Risk Areas as defined in San Bernardino County Fire Protection District Fire Code Section 202 (as amended) except as permitted by the San Bernardino County Fire Protection District.

(f) Permits shall be required as set forth in San Bernardino County Fire Protection District Fire Code section 105.6.15 (as amended) and regulated in accordance with this section. Permits shall be obtained from the San Bernardino County Fire Protection District and the San Bernardino County Sheriff's Department in accordance with Title 4, Division 5, Chapter 2, Section 45.021 of the San Bernardino County Code to:

1. Manufacture, possess, store, sell, display or otherwise dispose of explosive materials at any location;
2. Transport explosive materials;
3. Use explosive materials;
4. Operate a terminal for handling explosive materials; or
5. Transport blasting caps or electric blasting caps on the same vehicle with explosives.

(g) Whenever a new explosive material storage or manufacturing site is

1 established, including a temporary job site, the local law enforcement agency, fire
2 department, and local emergency planning committee shall be notified by the person
3 establishing the site 48 hours in advance, not including Saturdays, Sundays and holidays,
4 of the type, quantity and location of explosive materials at the site.

5 (h) The fire code official is authorized to cause to be removed or disposed of
6 by trained explosives personnel, at the expense of the owner, explosives or explosive
7 materials offered or exposed for sale, stored, possessed or used in violation of this
8 chapter.

9 (i) Prior to conducting a public fireworks display, a permit shall be applied for
10 as specified in Section 105.5.42 from the San Bernardino County Fire Protection District,
11 permit fees shall be paid, and plans for the display, inspections of the display site and
12 demonstrations of the display operations shall be approved. A plan establishing
13 procedures to follow and actions to be taken in the event that materials fail to ignite,
14 discharge, or otherwise fail to function over the fallout area shall be provided to the fire
15 code official.

16 **28. Prohibited Storage of Flammable and Combustible Liquids.**

17 The storage of flammable and combustible liquids in outside above-ground
18 unprotected tanks and below-grade vaulted tanks is prohibited in all commercial
19 occupancy areas, developed residential areas, and other areas where the fire code official
20 determines that the installation of flammable and combustible liquid above-ground
21 storage tanks or below-grade vaulted tanks will create a hazard to occupants and property
22 owners in the area. Deviation from these requirements may be allowed only upon specific
23 documented findings by the fire code official.

24 **29. Prohibited Bulk Storage of Liquefied Petroleum Gases.**

25 The aggregate capacity of any one installation for the bulk storage of liquefied
26 petroleum gases shall not exceed 2,000 water gallons in residential areas. In non-
27 residential areas, when, in the opinion of the fire code official, the location of bulk storage
28 of liquefied petroleum gases would create a threat to the occupants and property owners,

1 the aggregate storage capacity of liquefied petroleum gas shall also be limited to 2,000
2 water gallons. The fire code official shall be guided by the appropriate City or County
3 Development Code when permitting the storage of liquefied petroleum gas in excess of
4 2,000 water gallons at any one installation.

5 **30. Prohibited Storage of Flammable Cryogenic Fluids.**

6 Pursuant to Section 5806.2 of the San Bernardino County Fire Protection District
7 Fire Code, flammable cryogenic fluids shall not be stored, dispensed or used unless a
8 written plan, submitted by a Fire Prevention Engineer, licensed by the State of California,
9 detailing engineering controls for preventing fires and explosions is approved by the fire
10 code official.

11 **31. Transport Vehicles and Trailers Storing Hazardous Materials.**

12 (a) **Compliance.** Any transport vehicle with a trailer, such as a tank, vessel, or
13 other container, attached and used for the purposes of storing and transporting hazardous
14 materials or hazardous waste as defined by this Code, upon being at a facility or property
15 for more than 30 days, or when such trailer has been detached from its mode of
16 transportation, or when the driver of such a vehicle is not carrying active shipping papers
17 as regulated by the California Department of Transportation (DOT) en route to another
18 destination, shall comply with the provisions of this section.

19 (b) **General.** Transport vehicles and trailers that contain less than or equal to
20 the maximum allowable quantities as set forth in Section 5003 of the San Bernardino
21 County Fire Protection District Fire Code for each specific material shall comply with the
22 requirements of Chapter 50 of the San Bernardino County Fire Protection District Fire
23 Code, as well as any other applicable regulations as part of a facility. Transport vehicles
24 and trailers that contain more than the maximum allowable quantities as set forth in
25 Section 5003 for each specific material shall comply with the requirements of Chapter 50
26 of the San Bernardino County Fire Protection District Fire Code of this Code, as well as
27 any other applicable regulations relevant to a facility. The use, dispensing and handling
28 of any hazardous materials from transport vehicle trailers shall be prohibited unless

1 approved in writing by the fire code official.

2 (c) **Submittals.** Transport vehicles and associated trailers shall comply with
3 the requirements of Section 5001.5.1 for Hazardous Materials Management Plan (HMMP)
4 and Section 5001.5.2 for Hazardous Materials Inventory Statement (HMIS) as part of a
5 regulated facility. These documents shall be submitted to the Office of the Fire Marshal
6 of the San Bernardino County Fire Protection District.

7 (d) **Prohibited Areas.** Transport vehicles or detached trailers storing
8 hazardous materials shall not be left stationary at any time within 500 feet (152 m) of a
9 residential area, apartment or hotel complex, educational facility, hospital or care facility.
10 Transport vehicles and trailers shall not be left unattended at any other place that would,
11 in the opinion of the fire code official, pose an extreme life safety hazard.

12 **32. Shared Emergency and Fire Apparatus Access Roads.**

13 Emergency and fire apparatus access roads passing through multiple parcels shall
14 comply with the following requirements:

15 (a) Each owner of real property through which a shared emergency access
16 road passes shall record an easement, running with the land, with the deed of each
17 affected property allowing reciprocal access to and from other properties and for
18 emergency access.

19 (b) Each owner of property upon which the easement shall pass shall provide
20 a notarized covenant agreeing to provide an emergency access road through each
21 property and to maintain that access road in accordance with the statutes, regulations
22 and standards applicable at the time the easement was recorded for full term of ownership
23 of the property.

24 (c) Each owner of property through which the easement shall pass shall
25 provide a notarized waiver with the deed releasing the San Bernardino County Fire
26 Protection District, its successors and the County of San Bernardino of any liability for
27 any inability to provide fire suppression or emergency medical aid due to lack of access
28 and shall further stipulate that the San Bernardino County Fire Protection District, its

1 successors and the County of San Bernardino shall not be party to any criminal, civil or
2 administrative action relating to the maintenance of the easement unless the action is
3 brought forth by the District, its successors, or the County.

4 **33. Violations – General.**

5 It shall be unlawful for any person, firm, partnership, or corporation to violate any
6 provision or fail to comply with any requirement of this Code or of the provisions of any
7 code adopted and incorporated by reference by this Code.

8 **34. Continuing Violations.**

9 Each and every day, and any portion of which, any violation of this Code or of the
10 provisions of any code adopted and incorporated by reference by this Code is committed,
11 continued, or permitted shall be deemed a new and separate offense and shall be
12 punishable or actionable as set forth in this Code.

13 **35. Acts Including Causing, Aiding and Abetting.**

14 Whenever in this Code any act or omission is made unlawful, it shall include
15 causing, permitting, aiding or abetting such act or omission.

16 **36. Enforcement – Purpose and Remedies.**

17 The Board of Directors of the San Bernardino County Fire Protection District has
18 determined that the enforcement of the Ordinances of the San Bernardino County Fire
19 Protection District (also known as the San Bernardino County Fire Protection District
20 Code) throughout the County is an important public service and is vital to the protection
21 of the public's health, safety, and quality of life. The Board of Directors has determined
22 a need for alternative methods of code enforcement and that a comprehensive system is
23 necessary. At the discretion of the District, violations of this Code may be addressed
24 through the institution of a criminal action, a civil action, or an administrative action
25 (administrative citations and penalties) as set forth in this Code.

26 **37. Enforcement Remedies and Penalties are Cumulative and Discretionary; Not**
27 **Exclusive.**

28 All remedies and penalties provided for in this Code shall be cumulative and

1 discretionary and not exclusive of other applicable provisions of this Code or other
2 applicable State law. The conviction and punishment (whether by fine, imprisonment, or
3 both) of any person hereunder pursuant to a criminal action, or the imposition of a
4 monetary administrative penalty pursuant to an administrative citation, shall not relieve
5 such person from the responsibility of correcting, removing, or abating the violation; nor
6 prevent the enforced correction, removal, or abatement thereof by the District, its
7 employees, agents, or representatives. The correction, removal, or abatement of a
8 violation begun after the issuance of a criminal citation or the filing of a criminal complaint
9 shall not be a defense to the infraction or misdemeanor so charged and, following a
10 conviction or plea of nolo contendere, shall not be grounds for the dismissal of the action
11 or the waiver, stay, or reduction of any fine established in this Code. Further, the
12 procedures established in this Code for the use of administrative citations, and the
13 procedures established in other titles and chapters of this Code for administrative
14 abatement and summary abatement as means for addressing violations of this Code shall
15 be in addition to criminal and civil or other legal or equitable remedies established by law
16 which may be pursued to address violations of this Code. The use of this chapter shall
17 be at the sole discretion of the District. In the exercise of such discretion in selecting an
18 appropriate code enforcement remedy, the District shall not be required to institute
19 available code enforcement remedies in any particular order, or to prefer the application
20 of one remedy to another.

21 **38. Criminal Actions.**

22 (a) **Criminal penalties for violations.** Any person violating this Code or of the
23 provisions of any code adopted and incorporated by reference by this Code, unless as
24 otherwise specified for certain sections or for sections within a certain chapter, shall be
25 deemed guilty of an infraction or misdemeanor as hereinafter specified.

26 (1) **Misdemeanor violations.** Upon conviction of a misdemeanor, or
27 upon a plea of nolo contendere (commonly called "no contest"), the penalty shall be a
28 base fine of not less than \$500.00 and not more than \$1,000.00, or by imprisonment in

1 the County jail for a period of not more than six months, or by both such base fine and
2 imprisonment. Any court costs that the court may otherwise be required to impose
3 pursuant to applicable state law or local ordinance shall be imposed in addition to the
4 base fine.

5 (2) **Infraction violations.** Notwithstanding the foregoing, a
6 misdemeanor violation may be cited, charged, and prosecuted as an infraction. Where so
7 prosecuted, or where specified in a section or chapter of this Code that the violation of a
8 certain section or sections shall be an infraction, then that shall be the type of offense and
9 each such violation shall be punishable, except as otherwise provided herein, upon
10 conviction or upon a plea of nolo contendere (commonly called "no contest"), by: (1) a
11 base fine not exceeding \$100.00 for a first violation; (2) a base fine not exceeding
12 \$500.00 for a second violation of the same Code section within one year; and (3) a base
13 fine not exceeding \$1,000.00 for each additional violation of the same Code section within
14 one year of the first violation. Any court costs that the court may otherwise be required
15 to impose pursuant to applicable state law or local ordinance shall be imposed in addition
16 to the base fine (Government Code section 25132).

17 (b) **Criminal citations.**

18 (1) If any person is arrested by a District Investigator or any other peace
19 officer or Enforcement Officer authorized to enforce this Code for a violation of any
20 provision of this Code, whether punishable as misdemeanor or as an infraction, and such
21 person is not immediately taken before a magistrate, when authorized by and as more
22 fully set forth in the Penal Code of California, the arresting officer shall prepare in duplicate
23 a written notice to appear in Court, containing the name and address of such person, the
24 offense charged, and the time and place where and when such person shall appear in
25 Court.

26 (2) The place specified in the notice to appear shall be the Court of a
27 magistrate before whom the person would be taken if the requirement of taking an
28 arrested person before a magistrate were complied with, or shall be an officer authorized

1 by such Court to receive a deposit of bail.

2 (3) The officer shall deliver one copy of the notice to appear to the
3 arrested person, and the arrested person, in order to secure release, must give his or her
4 written promise so to appear in court by signing the duplicate notice which shall be
5 retained by the officer. Thereupon the arresting officer shall forthwith release the person
6 arrested from custody.

7 (4) The officer shall, as soon as practicable, file the duplicate notice with
8 the magistrate specified therein. Thereupon, the magistrate shall fix the amount of bail
9 which in his or her judgment, in accordance with the provisions of Penal Code section
10 1275, will be reasonable and sufficient for the appearance of the defendant and shall
11 endorse upon the notice a statement signed by him or her in the form set forth in Penal
12 Code section 815a. The defendant may, prior to the date upon which he or she promised
13 to appear in Court, deposit with the magistrate the amount of bail thus set. Thereafter, at
14 the time when the case is called for arraignment before the magistrate, if the defendant
15 shall not appear, either in person or by counsel, the magistrate may declare the bail
16 forfeited, and may in his or her discretion order that no further proceeding shall be had in
17 such case.

18 (5) Upon the making of such order that no further proceedings be had,
19 all sums deposited as bail shall forthwith be paid into the County Treasury for distribution
20 pursuant to Penal Code section 1463.

21 (6) No warrant shall issue on such charge for the arrest of a person who
22 has given such promise to appear in Court, unless and until he or she has violated such
23 promise or has failed to deposit bail, to appear for arraignment, trial or judgment, or to
24 comply with the terms and provisions of the judgment, as required by law.

25 (7) When a person signs a written promise to appear at the time and
26 place specified in the written promise to appear, and has not posted bail as provided in
27 Penal Code section 853.6, the magistrate shall issue and have delivered for execution a
28 warrant for his or her arrest within 20 days after his failure to appear as promised; or if

1 such person promises to appear before an officer authorized to accept bail, other than
2 the magistrate, and fails to do so on or before the date on which he or she promised to
3 appear, then, within 20 days after the delivery of such written promise to appear by the
4 officer to the magistrate having jurisdiction over the offense.

5 (8) Nothing herein contained shall be deemed or construed to require
6 any arresting officer to issue a citation instead of taking the person arrested before a
7 magistrate as otherwise provided by law.

8 **39. Authority to Investigate, Detain, Issue Criminal Citations and Arrest.**

9 (a) District Investigators designated by the Fire Chief/Fire Warden are peace
10 officers pursuant to California Penal Code section 830.37(a):

11 (1) District Investigators shall have full peace officer powers pursuant to
12 that Section and shall investigate the cause, origin and circumstances of any fire,
13 explosion or other hazardous condition.

14 (2) District Investigators are authorized to wear and carry authorized
15 firearms, conduct investigative detentions, issue criminal citations and to make arrests
16 pursuant to California Penal Code section 836 for any violation of state law, or violations
17 of this Code or any other referenced code or regulation and to obtain and execute
18 warrants, and to seize and take charge of all physical evidence relating to the fire cause
19 or other crime or circumstance being investigated.

20 **40. Civil Actions.**

21 (a) **Injunctive relief and abatement.** At the request of any person authorized
22 to enforce this Code, the County Counsel or District Attorney may commence
23 proceedings for the abatement, removal, correction and enjoinder of any act or omission
24 that constitutes or will constitute a violation of this Code or of the provisions of any code
25 adopted and incorporated by reference by this Code or any permit issued pursuant to this
26 Code, or any condition(s) of approval for such permit granted pursuant thereto, and an
27 order requiring the violator(s) to pay civil penalties and/or abatement costs. Where
28 multiple violators are involved, they shall be jointly and severally liable for the civil

1 penalties and/or abatement costs.

2 (b) **Civil Remedies and Penalties.** Any person, whether acting as principal,
3 agent, employee, owner, lessor, lessee, tenant, occupant, operator, contractor, or
4 otherwise, who violates any provision of this Code, or any permit issued pursuant to this
5 Code or any condition(s) of approval for such permit granted pursuant thereto, shall be
6 liable for a civil penalty not to exceed one thousand dollars (\$1,000.00) per violation for
7 each day or any portion thereof, that the violation continues to exist. In determining the
8 amount of civil penalty to be imposed, both as to the daily rate and the subsequent total
9 amount for any given violation, the court shall consider all relevant circumstances,
10 including, but not limited to, the extent of the harm caused by the conduct constituting the
11 violation; the nature and persistence of such conduct; the length of time over which the
12 conduct occurred or was repeated; the assets, liabilities, and net worth of the violator;
13 whether the violator is a corporate entity or an individual; and any corrective action taken
14 by the violator.

15 (c) **Attorney's fees.** In any civil action, administrative proceeding (excluding
16 administrative citations issued pursuant to Sections 41, 42, 43 or 44), or special
17 proceeding to abate a public nuisance, whether by seeking injunctive relief and/or an
18 abatement order, or other order, attorney's fees may be recovered by the prevailing party
19 and shall not exceed the amount of reasonable attorney's fees incurred by the District in
20 that action or proceeding.

21 **41. Administrative Citations and Penalties - General.**

22 (a) Any violation of this Code or of the provisions of any code adopted and
23 incorporated by reference by this Code is subject to enforcement through the issuance of
24 an administrative citation and penalties in accordance with Government Code section
25 53069.4 and this section. Administrative citations may be issued for any violation of this
26 Code not occurring in the presence of the District Investigator or Enforcement Officer
27 issuing the citation where the issuing officer determines through investigation that the
28 responsible party committed, caused, allowed, or is otherwise responsible for the

1 violation. The following procedures shall govern the imposition, enforcement, collection,
2 administrative review, and judicial review of administrative citations and penalties.

3 (b) **Definitions.** For the purposes of this Code, certain words are defined as
4 follows:

5 (1) "Abatement costs" shall mean any and all costs or expenses
6 reasonably related to the abatement or removal of conditions which violate any provision
7 of this Code or the correction of such violation, and shall include, but not be limited to,
8 enforcement, investigation, collection, administrative costs, and attorney's fees.

9 (2) "Administrative costs" shall mean all costs incurred by or on behalf
10 of the District from the first discovery of the violation of this Code through the appeal
11 process and until compliance is achieved, including but not limited to, staff time in
12 investigating the violation, inspecting the property where the violation occurred, preparing
13 investigation reports, sending notices, preparing for and attending any appeal hearing,
14 telephone contacts, and correspondence.

15 (3) "Administrative citation" shall mean a citation issued pursuant to this
16 Code, stating that one or more violations of this Code has occurred and stating the
17 amount of the administrative penalty to be paid by the responsible party.

18 (4) "Ordinances of the San Bernardino County Fire Protection District,"
19 and "San Bernardino County Fire Code," and "this Code" shall mean the Ordinances of
20 the San Bernardino County Fire District, including all pertinent provisions of state codes
21 as from time to time adopted and incorporated therein, enacted by the Board of Directors
22 of the San Bernardino County Fire Protection District, acting pursuant to authority granted
23 under California Health and Safety Code sections 13861, 13869, and 13869.7; or other
24 applicable law.

25 (5) "County" shall mean San Bernardino County and, as it is also known,
26 the County of San Bernardino, a political subdivision of the State of California, as enacted
27 by the State Legislature by the Statutes of California passed at the Fourth Session of the
28 Legislature, Chapter LXXVIII, April 26, 1853.

1 (6) "District" shall mean the San Bernardino County Fire Protection
2 District.

3 (7) "Enforcement Officer" shall mean any San Bernardino County Fire
4 Protection District employee, or agent of the County or District with the authority to enforce
5 any provision of this Code.

6 (8) "Person" shall mean, without limitation, any government entity,
7 natural person, firm, association, club, organization, corporation, partnership, business,
8 business trust, company or other entity, which is recognized by law as the subject of rights
9 or duties.

10 (9) "Responsible party," for the purpose of this Code, shall mean:

11 (A) Each person, other than a minor, who commits or causes a
12 violation of any provision of this Code to occur, exist or continue;

13 (B) Each person who is the parent or legal guardian of the minor
14 person who commits or causes a violation of any provision of this Code to occur, exist, or
15 continue;

16 (C) Each person who has a legal or equitable ownership interest
17 in any parcel of real property located within the unincorporated area of the County of San
18 Bernardino, within any political subdivision or district that contracts with the San
19 Bernardino County Fire Protection District for fire protection and prevention services, or
20 within those other cities and towns that ratify this ordinance, and who commits, causes,
21 or otherwise allows the violation of any provision of this Code to occur, exist, or continue
22 on such parcel; and

23 (D) Each person who, although not an owner, nevertheless has a
24 legal right or legal obligation to exercise possession and control over any parcel of real
25 property located within the unincorporated area of the County of San Bernardino, within
26 any political subdivision or district that contracts with the San Bernardino County Fire
27 Protection District for fire protection and prevention services, or within those other cities
28 and towns that ratify this ordinance, and who commits, causes, or otherwise allows the

1 violation of any provision of this Code to occur, exist, or continue on such parcel; and

2 (E) In addition to the business entity itself, each person who is an
3 owner of that business entity in those cases in which the commission, occurrence,
4 existence, or continuation of the violation of any provision of this Code is most reasonably
5 attributable to that business entity and not to an employee of that business entity.

6 (c) **Content of Citation.** The administrative citation shall be issued on a form
7 approved by the San Bernardino County Fire Protection District in consultation with
8 County Counsel. The administrative citation form may be tailored to the specific needs of
9 the San Bernardino County Fire Protection District; however, all administrative citations
10 shall contain the following information:

11 (1) The name and mailing address of the responsible party.

12 (2) The administrative citation shall refer to the date(s) and location of
13 the violation and the approximate time(s), if applicable, that the violation was observed.

14 (3) The administrative citation shall identify each violation by the
15 applicable section number of this Code and by either the section's title or a brief
16 descriptive caption; or by reference to the applicable permit describing the condition
17 violated.

18 (4) The administrative citation shall describe the action(s) required to
19 correct the violations.

20 (5) The administrative citation shall require the responsible party to
21 immediately correct the violation where appropriate or otherwise indicate a compliance
22 deadline date and shall explain the consequences of failure to correct the violation.

23 (6) The administrative citation shall state the amount of the penalty
24 imposed for the violation. Multiple violations may be listed on the same citation form. In
25 the event of multiple violations, the administrative citation shall list the penalty amount for
26 each violation and the total amount of all of the penalties.

27 (7) The administrative citation shall contain a notation box for the
28 enforcement officer to indicate whether or not the citation is issued as a "warning only"

1 and without penalty. The administrative citation shall also include a notation box that may
2 be used by the enforcement officer to indicate that the penalty will be waived if the
3 violation is corrected by the compliance deadline date indicated on the citation form.

4 (8) The administrative citation shall explain how the penalty shall be paid
5 and the time period by which it shall be paid, and the consequences of failure to pay the
6 penalty within this time period.

7 (9) The administrative citation shall identify all appeal rights and include
8 instructions on how to appeal the citation.

9 (10) The administrative citation shall contain the printed name and the
10 signature of the enforcement officer issuing the citation and, where reasonably possible
11 to obtain it, the signature of the responsible party (or managing employee if the
12 responsible party is a business entity), if he or she can be located, as set forth in
13 subsection (d) below.

14 (d) **Service of Citation.**

15 (1) If the responsible party is present at the scene of the violation, the
16 enforcement officer shall attempt to obtain his/her signature on the administrative citation
17 and shall deliver a copy of the administrative citation to him/her.

18 (2) If the responsible party is a business, and the business owner is on
19 the premises, the enforcement officer shall attempt to deliver the administrative citation
20 to the business owner. If the enforcement officer is unable to serve the business owner
21 on the premises and the enforcement officer can only locate the manager or on-site
22 supervisor, the administrative citation may be issued in the name of the business and a
23 copy given to the manager or on-site supervisor. A copy of the administrative citation shall
24 also be mailed to the business owner by certified mail, return receipt requested, and by
25 first class mail. If a copy of the administrative citation that is sent by certified mail is
26 returned by the United States Postal Service unsigned or marked "unclaimed" and/or
27 "refused", then service by first class mail shall be deemed effective provided it is also not
28 returned by the United States Postal Service.

(3) If a responsible party cannot be located at the property, then a copy of the administrative citation shall be posted in a conspicuous place on or near that property, if practicable, and a copy mailed by certified mail, return receipt requested, and by first class mail, to all responsible parties at their last known addresses as they appear on the last County equalized assessment role, or any other available public records related to title or ownership of the property that is the subject of the administrative citation. If the copy of the administrative citation sent by certified mail to a responsible party is returned by the United States Postal Service with the mail receipt unsigned, or marked "unclaimed" and/or "refused", then service by first class mail shall be deemed effective provided it is also not returned by the United States Postal Service.

(4) The failure of any responsible party to receive a copy of the administrative citation shall not affect the validity of the proceedings.

(e) Administrative Penalties

(1) **General.** Pursuant to California Government Code sections 53069.4 and 25132(c) and unless otherwise provided in this Code, the amount of penalty to be imposed for a violation of this Code and assessed by means of an administrative citation shall be one hundred dollars (\$100.00) for the first occurrence of a violation; five hundred dollars (\$500.00) for the second occurrence of the same violation; and one thousand dollars (\$1,000.00) for the third and each subsequent occurrence of the same violation. Notwithstanding this paragraph, the amount of penalty to be assessed by means of an administrative citation may be established by resolution of the Board of Directors of the San Bernardino County Fire Protection District.

(2) **Multiple Violations.** Notwithstanding the tables of administrative penalties for violations relating to Dangerous Fireworks, Safe and Sane Fireworks, False and Negligent Alarms and those violations defined as egregious violations, when multiple violations of this Code or any provision of a code or standards adopted or incorporated by reference by this Code occur concurrently and are addressed through the Administrative Citation process pursuant to this section, the fire code official may, at his

1 or her discretion, assess administrative penalties in the following manner:

2 (A) The administrative penalty for the first and second violation
3 occurring concurrently shall be the full penalty as defined by Section 41(e)(1).

4 (B) The administrative penalties for the third and subsequent
5 violations occurring concurrently may be reduced to twenty-five (\$25.00) dollars per
6 violation.

7 (C) This alternative penalty system shall only apply to the first
8 occurrence within a one-year period.

9 (3) **Additional Citations.** If the violation is not corrected within the time
10 limits established in this section, then additional administrative citations may be issued
11 for the same violation. The amount of the penalty shall increase at the rate specified
12 above.

13 (A) Payment of the penalty shall not excuse the failure to correct
14 the violation nor shall it bar further enforcement action by the San Bernardino County Fire
15 Protection District or any other enforcement agency authorized to issue administrative
16 citations.

17 (B) The penalties assessed shall be payable to the District (or to
18 the District's designated collection/processing agent), or to any enforcement agency
19 authorized to issue administrative citations (or to such agency's designated
20 collection/processing agent) within 30 calendar days from the date the administrative
21 citation is issued.

22 (C) Except as provided below, any person who fails to pay to the
23 District (or the District's designated collection/processing agent), or to any enforcement
24 agency authorized to issue administrative citations (or such agency's designated
25 collection/processing agent) any penalty imposed pursuant to the provisions of this Code
26 on or before the date that the penalty is due shall also be liable for the payment of any
27 applicable late payment charges as established by the Board of Directors.

28 (D) The District may collect any past due administrative citation

1 penalty or late payment charge by use of any available means, including without
2 limitation, the recording of a notice of lien, describing the real property affected and the
3 amount of the costs and administrative citation penalties claimed by the District with the
4 Office of the County Recorder. The District may transmit notice of the award of abatement
5 costs and administrative citation penalties, or notice of the judgment thereon arising from
6 a collection or other legal action, to the Treasurer/Tax Collector who shall place the
7 amount thereof on the assessment role as a special assessment to be paid with County
8 taxes, unless sooner paid. The District may also recover its collection costs. A judgment
9 or award of such costs, penalties or damages may also be enforced in any other manner
10 provided by law.

11 (E) The District may also recover its administrative costs incurred
12 in defending the citation at the appeal hearing.

13 (F) All administrative citation penalties collected pursuant to
14 these provisions shall be deposited into specific funds maintained by or on behalf of the
15 District exclusively for the purpose of funding the enforcement of this Code.

16 **42. Administrative Citations and Penalties – Dangerous Fireworks, and Unlawful**
17 **Use of Safe & Sane Fireworks.**

18 (a) This section governs, and applies only to, the imposition and enforcement
19 of administrative penalties related to the storage, possession, handling, sale, use,
20 transportation, or public display of those fireworks classified as "Dangerous Fireworks,"
21 and the unlawful use of Safe and Sane Fireworks.

22 (b) For the purposes of this Section, the term "Dangerous Fireworks" shall be
23 defined pursuant to California Health and Safety Code section 12500, et seq. and shall
24 also include "Safe and Sane" fireworks as defined in California Health and Safety Code
25 section 12529, which have been modified to act in the same manner as Dangerous
26 Fireworks.

1 (c) The penalties enumerated in this section shall not apply to Law
2 Enforcement or District personnel acting within the scope of their official duties or to a
3 pyrotechnic licensee when operating pursuant to that license.

4 (d) The imposition of administrative penalties related to "Dangerous Fireworks"
5 under this section shall be limited to persons who store, possess, handle, sell, use,
6 transport, or publicly display 25 pounds or less (gross weight including packaging) of such
7 Dangerous Fireworks. Any persons who store, possess, handle, sell, use, transport, or
8 publicly display over 25 pounds (gross weight including packaging) of such Dangerous
9 Fireworks may be subject to criminal action.

10 (e) Administrative penalties collected pursuant to this section related to
11 "Dangerous Fireworks" shall not be subject to California Health and Safety Code section
12 12706, which section provides that certain fines collected by a court of the state be
13 deposited with, and disbursed by, the County Treasurer. However, the District shall
14 provide cost reimbursement to the State Fire Marshal pursuant to regulations to be
15 adopted by the State Fire Marshal addressing the State Fire Marshal's cost for the
16 transportation and disposal of "Dangerous Fireworks" seized by the District, which costs
17 will be part of any administrative penalty imposed. Unless and until said regulations have
18 been adopted by the state of California, the District shall hold in trust two hundred fifty
19 dollars (\$250) of any penalty collected to cover the cost reimbursement to the State Fire
20 Marshal for said cost of transportation and disposal of the "Dangerous Fireworks."

21 (f) Notwithstanding the penalties defined in this Section, administrative
22 citations issued pursuant to this section shall comply with all the requirements of Section
23 41 of this Code.

24 (g) Each person who violates any provision of this Code relating to the storage,
25 possession, handling, sale, use, transportation, or public display of Dangerous Fireworks
26 shall be subject to the imposition and payment of an increased administrative penalty as
27 provided, below:

28 **Administrative Penalties for Dangerous Fireworks**

Number of Occurrences in a 1-Year Period	Amount of Administrative Penalty	Late Charge	Total Amount of Penalty Plus Late Charge
First	\$1,250.00	\$125.00	\$1,375.00
Second	\$2,250.00	\$225.00	\$2,475.00
Three or More	\$3,250.00	\$325.00	\$3,575.00

(h) Each person who violates any provision of this Code relating to the unlawful storage, possession, handling, sale, use, transportation, or public display of unmodified Safe and Sane fireworks shall be subject to the imposition and payment of an increased administrative penalty as provided in the table below:

Administrative Penalties for Safe and Sane Fireworks			
Number of Occurrences in a 1-Year Period	Amount of Administrative Penalty	Late Charge	Total Amount of Penalty Plus Late Charge
First	\$150.00	\$15.00	\$165.00
Second	\$250.00	\$25.00	\$275.00
Three or More	\$350.00	\$35.00	\$385.00

(i) The issuance of an administrative citation pursuant to this section shall not preclude the fire code official or any other person authorized to issue an administrative citation pursuant to this section from seizing any Dangerous Fireworks or unlawfully used Safe and Sane fireworks pursuant to this Code and California Health and Safety Code section 12721.

43. Administrative Penalties – Egregious Violations.

(a) Any person who violates Section 20 relating to Stop Work Orders, Section 23 relating to tampering with notices, Section 24 relating to overcrowding, Section 25 relating to obstructed egress, Section 26 relating to unlawful open fires, and Section 27 relating to explosives and pyrotechnics or any other violation of this Code or of the provisions of any code adopted or incorporated by reference by this Code that is reasonably determined by the fire code official to present an immediate or potentially

immediate threat to public safety, shall be subject to the imposition and payment of an increased administrative penalty as provided in the table below:

Administrative Penalties for Egregious Violations			
Number of Occurrences in a 1-Year Period	Amount of Administrative Penalty	Late Charge	Total Amount of Penalty Plus Late Charge
First	\$250.00	\$25.00	\$275.00
Second	\$750.00	\$75.00	\$825.00
Three or More	\$1,250.00	\$125.00	\$1,375.00

(b) For the purposes of this section, each instance of a violation may be considered a separate violation subject to a separate penalty. However, multiple violations cited during a single occurrence or inspection shall not each be considered a separate occurrence incurring a higher penalty amount. EXAMPLE: During a first inspection, two required exit doors are found to be chained and the dance hall is overcrowded. An administrative citation may be issued for three (3) counts of egregious violations at \$250.00 each, rather than three (3) counts each at \$250.00, \$750.00, and \$1,250.00 respectively.

44. Administrative Remedies and Penalties For Nuisance Fire Alarms.

(a) Any person identified in this section who causes or allows to be caused a nuisance fire alarm shall be subject to the remedies identified in this Section. For purposes of this section, a "nuisance fire alarm" is any fire alarm signal that has resulted in an emergency response where there is no evidence of an actual emergency.

(b) An administrative penalty may be imposed against the owner of a premises on or in which a nuisance fire alarm has originated, on each occurrence after the third occurrence at a single premises.

(c) An administrative penalty may be imposed against the owner of a premises if the owner fails to return proof of service/repair of the equipment within fifteen (15) days after receiving written notice from the fire code official ordering the correction of a nuisance fire alarm.

(d) If the fire code official determines that the nuisance fire alarm was directly caused by an onsite employee or representative of the fire alarm contractor during the course of testing, maintenance or repair, the nuisance fire alarm shall be counted against the owner of the premises.

(e) In lieu of or in addition to the administrative penalties listed above, the fire code official is authorized to order the owner of a premises to:

(A) Silence an activated fire alarm system, have corrective action taken and thereafter reset it.

(B) Disconnect or deactivate the fire alarm system until corrective actions can be taken.

(C) Institute a fire watch pursuant to Section 901.7 of this Code in the event a fire alarm system is disconnected or deactivated, until corrective action is taken. The owner is responsible for paying all costs associated with establishing a fire watch.

(f) Notwithstanding the provisions of Section 41 no administrative citation shall be imposed for the first three (3) nuisance fire alarms at the same premises during each calendar year.

(g) An occurrence of a nuisance fire alarm shall not result in the imposition of an administrative penalty if the nuisance fire alarm was caused by the malicious causes beyond the control of the owner unless the fire code official has given prior written notice to the owner to provide reasonable safeguards against additional nuisance fire alarms and the owner has failed to comply with that notice.

(h) Administrative Penalties. Any person who violates any provision of this section shall be subject to the imposition and payment of an administrative penalty as provided in the table below:

Administrative Penalties for False or Nuisance Fire Alarms			
Number of Occurrences in a 1-Year Period	Amount of Administrative Penalty	Late Charge	Total Amount of Penalty Plus Late Charge
Four to Five ¹	\$100.00	\$10.00	\$110.00

Six to Seven	\$200.00	\$20.00	\$220.00
Eight or More	\$500.00	\$50.00	\$550.00

1. This penalty shall also apply to any occurrence of Sections 38(a)(1)(B), 38(a)(1)(c), and 38(a)(2)(B).

1 **45. Appeal of Administrative Citations.**

2 (a) **Notice of Appeal.** Any person in whose name an administrative citation
3 has been issued may appeal the administrative citation by filing a written notice of appeal
4 with the District. If the District has designated a processing agent, then the responsible
5 party shall file his/her written notice of appeal with the designated processing agent. The
6 written notice of appeal must be filed within 20 calendar days of the date the
7 administrative citation was served in a manner set forth in subsection (d) of this section.
8 The written notice of appeal shall be filed together with an advance deposit, consisting of
9 a cashier's check, for the full amount of the penalty stated on the administrative citation;
10 unless the District has issued an advance deposit hardship waiver. Failure to file a written
11 notice of appeal within this time period shall constitute a waiver of the right to appeal the
12 administrative citation.

13 (b) **Advance Deposit Hardship Waiver.** Any person intending to appeal an
14 administrative citation and who is financially unable to make the advance deposit as
15 required by this section may file a written request for an advance deposit hardship waiver
16 with the District. A District-approved form shall be made for this purpose. The written
17 request shall be filed with the District within 10 calendar days of the date the
18 administrative citation was served.

19 (c) **Advance Deposit Hardship Waiver Evaluation Procedures.** The
20 advance deposit requirement shall be stayed pending a determination by the Fire
21 Chief/Fire Warden, or the Fire Chief/Fire Warden's designee, that a waiver shall not be
22 issued. The Fire Chief/Fire Warden, or the Fire Chief/Fire Warden's designee, may waive
23 the advance deposit requirement and issue a waiver only if the person requesting the
24 waiver submits to the Fire Chief/Fire Warden's attention a sworn affidavit, together with
25 any supporting documents or materials, reasonably demonstrating to the Fire Chief/Fire
26 Warden the person's actual financial ability to submit the deposit in advance of the appeal
27 hearing. The filing of a written request for an advance deposit hardship waiver shall not
28 extend the time limits for appealing an administrative citation. The Fire Chief/Fire

1 Warden, or the Fire Chief/Fire Warden's designee, shall issue a written decision
2 explaining the reason(s) for not issuing the waiver. The written decision of the Fire
3 Chief/Fire Warden, or the Fire Chief/Fire Warden's designee, shall be final. In the event
4 a waiver is not issued, the person intending to appeal must remit the advance deposit
5 with a written notice of appeal as herein provided.

6 (d) **Contents of Notice of Appeal.** The notice of appeal shall be submitted on
7 District-approved forms and shall contain the following information:

8 (1) A brief statement setting forth the appealing person's (hereinafter
9 "appellant") interest in the proceedings;

10 (2) A brief statement of the material facts which the appellant claims
11 supports his/her contention that they did not commit, cause, or otherwise allow a violation
12 of one or more provisions of this Code to occur, exist, or continue as alleged in the
13 administrative citation at issue; or he/she is not a responsible party as defined at Section
14 41(b)(9) of this Code.

15 (3) A mailing address at which the appellant agrees that notice of any
16 additional proceeding or an order relating to the imposition of an administrative citation
17 penalty, shall be received and accepted by the appellant by First Class Mail.

18 (4) The notice of appeal must be signed and dated by the appellant.

19 (e) **Administrative Hearing.** The resolution of an appeal of an administrative
20 citation issued under the authority of this Code shall be by an administrative hearing
21 conducted according to the procedures set forth in this section. Upon the District's
22 designated processing agent's receipt of a timely, written notice of appeal from the
23 appellant, an administrative hearing shall be held as follows:

24 (1) **Hearing Date.** The date of the hearing shall be set for a date that is
25 no later than 60 days from the date the notice of appeal is received by the District's
26 processing agent.

27 (2) **Notice of Hearing.** Notice of the administrative hearing shall be
28 given to the appellant at least 10 calendar days prior to the hearing. The notice may be

1 delivered to the appellant or mailed by first class mail to the address listed in the notice
2 of appeal. Neither personal service nor service by certified mail shall be required.

3 (3) **Hearing Officer.** The administrative hearing shall be held before the
4 Fire Chief/Fire Warden, or the Fire Chief/Fire Warden's designee. The Hearing Officer
5 shall not be the enforcement officer who issued the administrative citation or his/her
6 immediate supervisor. The Fire Chief/Fire Warden, through the District's contracting
7 process, may contract with a qualified provider for administrative processing and
8 collection services to provide hearing officers to conduct administrative hearings and
9 process administrative citations, including the collection of payment of administrative
10 citation penalties.

11 (4) **Conduct of the Hearing.**

12 (A) The Hearing Officer shall not be limited by the technical or
13 formal rules of evidence. The District shall bear the burden of proof at the administrative
14 hearing to establish the existence of a violation of this Code by a preponderance of the
15 evidence. The Hearing Officer shall have the discretion to exclude evidence if its
16 probative value is substantially outweighed by the probability that its admission will cause
17 an undue consumption of time. The enforcement officer establishing or confirming the
18 occurrence or existence of a violation of this Code shall be deemed the complaining or
19 reporting party. Personal or other identifying information regarding any other reporting
20 party shall be deemed both irrelevant and subject to the federal and state constitutional
21 rights of privacy; and, therefore, shall not be subject to review or disclosure.

22 (B) If the appellant fails to appear at the administrative hearing,
23 the Hearing Officer shall make his/her determination based on the information contained
24 in the enforcement officer's case file and the appellant's notice of appeal.

25 (C) Provided that proper notice of the administrative hearing has
26 been served as required by this or other applicable chapters of this Code, an appellant
27 who fails to appear at the administrative hearing shall be deemed to have waived each of
28 the following: the right to such hearing, the adjudication of issues presented at the

1 hearing, and any and all rights afforded to the appellant under this Code. The appellant
2 shall also be deemed to have failed to exhaust his/her administrative remedies.

3 (D) The only evidence that shall be permitted at the administrative
4 hearing and considered by the administrative Hearing Officer in reaching a decision, is
5 that evidence which is relevant to the proof or disproof of:

6 (i) Ownership of the subject property, when applicable;

7 (ii) Whether a person noticed by the District as a
8 responsible party is, in fact, a responsible party;

9 (iii) Whether a violation of this Code occurred and/or
10 continues to occur on the date or dates specified in the administrative citation;

11 (iv) Whether the responsible party has committed, caused,
12 maintained, or permitted a violation of this Code on the date or dates specified on the
13 administrative citation.

14 (f) **Hearing Officer's Decision.**

15 (1) After considering all the testimony and evidence submitted at the
16 hearing, the Hearing Officer shall promptly issue a written decision ("Administrative
17 Citation Appeal Ruling") to uphold or cancel the administrative citation and shall list in the
18 decision the reasons for that decision.

19 (2) If the Hearing Officer determines that the administrative citation
20 should be upheld, then the amount of the penalties set forth in the citation shall not be
21 reduced or waived for any reason. This subsection shall not apply to "warning only"
22 administrative citations or to any administrative citation that indicates on its face that the
23 penalty will be waived if the violation is corrected by the deadline compliance date and
24 the violation is so corrected.

25 (3) If the administrative citation has been upheld, the Hearing Officer
26 may allow payment of the administrative penalty in installments, if an advance deposit
27 hardship waiver has been issued to the appellant.

28 (4) If the Hearing Officer overturns the administrative citation, then no

1 penalty shall be assessed and any penalty otherwise deposited with the District or its
2 designated processing/collection agent, shall be promptly refunded to the appellant.

3 (5) The appellant shall be served with a copy of the hearing officer's
4 written decision either at the conclusion of the hearing or sent by First Class Mail within
5 a reasonable time. The Hearing Officer's written decision shall become final on the date
6 of the hearing unless mailed; otherwise it shall become final on the date of mailing.

7 (6) The Hearing Officer's written decision shall contain instructions for
8 obtaining judicial review of the decision pursuant to California Government Code section
9 53069.4, as that section may be from time to time amended, or the successor provision
10 thereto.

11 (7) If the administrative citation is upheld, the Hearing Officer shall also
12 award the District its enforcement costs and its costs in defense of the citation (including
13 the actual time spent conducting the hearing). An itemized summary of these costs shall
14 be presented to the Hearing Officer by the District within 10 days following the Hearing
15 and mailed to appellant by First Class Mail to the address listed on the Notice of Appeal.

16 (g) **Judicial Review of Administrative Hearing Officer's Decision.**

17 (1) **Notice of Appeal.** Within 20 calendar days of the date of the delivery
18 or mailing of the Hearing Officer's decision to the appellant, the appellant (hereafter
19 "contestant") may contest that decision by filing an appeal to be heard by the Superior
20 Court, and paying to the court clerk the filing fee set forth at Government Code section
21 53069.4, or the successor provision thereto. The failure to file the written appeal and to
22 pay the filing fee within this period shall constitute a waiver of the right to an appeal and
23 the decision shall be deemed confirmed. The contestant shall serve a copy of the notice
24 of appeal in person or by first class mail upon the District.

25 (2) **Conduct of the Superior Court Appeal Hearing.** The conduct of
26 the appeal before the Superior Court is a subordinate judicial duty and may be performed
27 by traffic trial commissioners and other subordinate judicial officers at the direction of the
28 presiding judge of the superior court. The appeal shall be heard de novo, except that the

1 contents of the District's file in the case shall be received in evidence. A copy of the
2 document or instrument of the District providing notice of the violation and imposition of
3 the administrative penalty (i.e., the administrative citation) shall be admitted into evidence
4 as prima facie evidence of the facts stated therein. The court shall request that the
5 District's file in the case be forwarded to the court, to be received within 15 calendar days
6 of the request.

7 (3) **Judgment.** The court shall retain the filing fee regardless of the
8 outcome of the appeal. If the court finds in favor of the contestant, the amount of the fee
9 shall be reimbursed to the contestant by the District. Any deposit of the administrative
10 penalty shall be refunded by the District in accordance with the judgment of the court. If
11 the administrative penalty has not been deposited and the decision of the court is against
12 the contestant and in favor of the District, the District may proceed to collect the penalty
13 pursuant to the procedures set forth in this Code, or in any other manner provided by law.

14 **46. Recording of a Notice of Pendency.**

15 (a) Whenever the District institutes a judicial action or proceeding to enforce
16 this Code, a Notice of Pendency of the action or proceeding may be filed with the County
17 Recorder's Office. The notice may be filed at the time of the commencement of the action
18 or proceeding, and upon recordation of the notice as provided in this section, shall have
19 the same effect as a notice recorded in compliance with Section 405.7 of the California
20 Code of Civil Procedure.

21 (b) The County Recorder shall record and index the Notice of Pendency of
22 action or proceeding in the Grantor/Grantee Index.

23 (c) Any Notice of Pendency of action or proceeding filed in compliance with this
24 section may, upon motion of a party to the action or proceeding, be vacated upon an
25 appropriate showing of need therefore by an order of a judge of the court in which the
26 action or proceeding is pending.

27 (d) A certified copy of the "Order to Vacate Notice of Pendency" may be
28 recorded with the County Recorder's Office, and upon the recordation, the Notice of

1 Pendency of the action or proceeding shall not constitute constructive notice of any of the
2 matters contained therein nor create any duty of inquiry in any person thereafter dealing
3 with the property described therein.

4 (e) An "Order to Vacate Notice of Pendency" shall not be appealable, but the
5 party aggrieved by the order may, within 20 days after service of written notice of the
6 order, or within additional time not exceeding 20 days as the court may, within the original
7 20 days allow, but in no event later than 60 days after entry of the order, petition the
8 proper reviewing court to review the order by writ of mandate.

9 (f) No "Order to Vacate Notice of Pendency" shall be effective, nor shall it be
10 recorded with the County Recorder's Office, until the time within which a petition for the
11 filing of a writ of mandate has expired in compliance with this section.

12 **47. Filing Notice of Action.**

13 Whenever an enforcement action is initiated and prior to filing a Notice of
14 Pendency, the District may, pursuant to Government Code section 27280, file with the
15 County Recorder's Office a Notice of Action identifying the enforcement action taken for
16 violation of this Code or other applicable law.

17 **48. Public Nuisance Abatement for Fire Hazards.**

18 Any violation of this Code, the California Fire Code, the San Bernardino County
19 Fire Protection District Fire Prevention Standards or of the provisions of any code adopted
20 and incorporated by reference by this Code may be deemed a fire hazard by the fire code
21 official and acted upon pursuant to the public nuisance abatement provisions of Chapter
22 5 of Division 3 of Title 2 of the San Bernardino County Code beginning with Section
23 23.0503.

24 **49. Board of Appeals – Code Application and Interpretations.**

25 (a) In order to hear and decide appeals of orders, decisions or determinations
26 made by the fire code official relative to the application and interpretation of this Code
27 (except for administrative citations issued pursuant to Sections 41, 42, 43 and 44), there
28 shall be two appeals boards, namely the Planning Commission and the Building and

1 Safety Board of Appeal.

2 (b) **Limitations on Authority.** An application for appeal shall be based on a
3 claim that the intent of this Code or the rules, standards and interpretations adopted
4 hereunder have been incorrectly interpreted, the provisions of this Code do not fully apply,
5 or an equivalent method of protection or safety is proposed. The board shall have no
6 authority to waive requirements of this Code.

7 (c) **Qualifications.** The board of appeals shall consist of members who are
8 qualified by experience and training to pass judgment on matters pertaining to hazards of
9 fire, explosion, hazardous conditions or fire protection systems and are not employees of
10 the fire code official.

11 (d) **Appeals Hearings.** Appeals concerning standards of building construction,
12 electrical work, and all fire protection and detection systems shall be heard by the Building
13 and Safety Board of Appeals. All other appeals shall be heard by the Planning
14 Commission. Hearings shall be in accordance with this section.

15 (e) **Request for Hearing.** Any person may appeal the District's interpretation
16 regarding the provisions of the San Bernardino County Fire Protection District Fire Code
17 within 15 days after the date such interpretation is rendered, or after enforcement begins.
18 Unless an imminent hazard to life or property exists, enforcement involving an appealed
19 interpretation may be suspended until a decision regarding the appeal has been reached.

20 (f) **Hearing Procedures.** Within 30 days of the acceptance of an application
21 for an appeal, the County or City having jurisdiction shall set the matter for hearing and
22 shall give notice to the appellant, the applicant and to any other party who has requested
23 in writing to be so notified. During the hearing, witnesses may be sworn in and examined
24 and evidence produced, and parties may be represented by counsel. The appropriate
25 appeals board shall keep a record of the proceedings of each hearing and shall issue
26 written findings and a decision within 15 days of the conclusion of the hearing. A written
27 copy of the decision shall be mailed to the parties by first class mail, at such addresses
28 as they have provided.

1 (g) **Fees and Costs.** The District shall act as staff to the Appeals Board, and
2 for that purpose may determine and set fees to charge an appellant to cover the cost of
3 preparation of the record for appeal. A summary of costs shall be compiled and sent to
4 the appellant after all the appeals proceedings have been completed. Any refund due the
5 appellant shall be returned within 60 days after the summary is sent.

6 **50. Cost Recovery.**

7 Pursuant to California Health and Safety Code sections 11374.5(b)(1), 13009 et
8 seq., 13916(a), 25259.4, 25514, 25515(a), 25540(a), 25541(a), California Government
9 Code sections 53150, 53151, 53152, 53159(a) & (b), California Vehicle Code section
10 23112.7, and all other provisions of law, all costs incurred by the San Bernardino County
11 Fire Protection District for the inspection and enforcement of any provision of this Code,
12 the investigation of any fire, explosion or other hazardous condition, the suppression of
13 fire, the response to a traffic collision or accident, the containment and/or mitigation of a
14 hazardous materials release, and any rescue or rendering of medical or physical aid or
15 assistance, may be charged to any responsible party, any person who violates this Code
16 or any person who, due to a negligent or unlawful act or omission, is responsible for or
17 requires or causes the emergency response of this District pursuant to a schedule of fees
18 adopted by the District. Any expense incurred by this District for such an emergency
19 response shall constitute a debt of such person and shall be collectible by the District in
20 the same manner as in the case of an obligation under contract, express or implied.

21 **51. Treble Damages.**

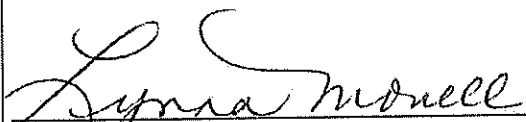
22 Upon a second or subsequent civil or criminal judgment for a violation of this Code
23 within a two-year period, the violator shall be liable to the District for treble the abatement
24 costs.
25
26
27
28

1 SECTION 3. This ordinance shall take effect 30 days from the date of adoption.

2 

3
4 DAWN ROWE, Chair
Board of Directors

5
6 SIGNED AND CERTIFIED THAT A COPY
7 OF THIS DOCUMENT HAS BEEN DELIVERED
8 TO THE CHAIR OF THE BOARD OF DIRECTORS

9 

10 LYNNA MONELL, Secretary
11 to the Board of Directors

1 STATE OF CALIFORNIA)
 2) ss.
 3 COUNTY OF SAN BERNARDINO)

4 I, LYNNA MONELL, Secretary of the Board of Directors of the San Bernardino
 5 County Fire Protection District, State of California, hereby certify that at a regular meeting
 6 of the Board of Directors of the San Bernardino County Fire Protection District, held on
 7 the 28th day of February, 2023, at which meeting were present Directors: Col. Paul Cook
 8 (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr., and the Secretary,
 9 the foregoing ordinance was passed and adopted by the following vote, to wit:

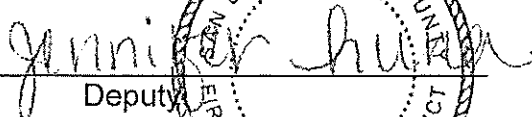
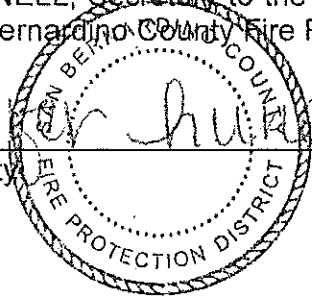
10 AYES: DIRECTORS: Col. Paul Cook (Ret.), Jesse Armendarez,
 11 Dawn Rowe, Curt Hagman, Joe Baca, Jr.,

12 NOES: DIRECTORS: None

13 ABSENT: DIRECTORS: None


14 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal
 15 of the Board of Directors this 28th day of February, 2023.

16 LYNNA MONELL, Secretary to the Board of Directors
 17 of the San Bernardino County Fire Protection District

18 
 19 Deputy
 20 

21 Approved as to Form:

22 TOM BUNTON
 23 County Counsel

24 By: 
 25 JOLENA E. GRIDER
 26 Deputy County Counsel

27 Date: 3/1/23
 28



City of Needles, California Request for City Council Action

Item 24.

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

Meeting Date: August 8, 2023

Title: City Council Ordinance No. 662-AC
An Ordinance of the City Council of the City of Needles, California,
(1) Amending Chapter 9 Article I, Section 9-1 of the Needles
Municipal Code to Adopt San Bernardino County Ordinance FPD
23-01 Referencing its Version of the 2022 Edition of the California
Fire Code Subject to Modifications Referenced Herein and
Resending Prior Ordinance No. 630-AC

Background: On February 28, 2023 the Board of Directors of the San Bernardino
County Fire Protection District has adopted the 2022 Edition of the
California Fire Code along with certain changes, modifications,
amendments, additions, deletions, and exceptions, relating to fire
regulations as shown in Exhibit A.

The City of Needles has been annexed as part of the San Bernardino
County Fire Protection District which provides fire protection services.
California Health and Safety Code Section 13869.7 requires the fire
protection district to transmit the adopted ordinance to the city where
the ordinance will apply. The City must ratify ordinance FPD 23-01
for it to be effective within the City.

9-1 Adoption of San Bernardino County Ordinance FPD 23-01
referencing the 2022 Edition of the California Fire Code Subject to
Modifications

Except as otherwise provided herein, the City Council hereby adopts
San Bernardino County Ordinance FPD 23-01 ("FPD 23-01") a copy
of which is attached hereto and incorporated herein by this reference
as Exhibit "A" as amended by the County Board of Supervisors from
time to time, subject to the modifications provided below in
subsections (a)-(c).

(a) Section 903.2 of FPD 23-01 concerning automatic fire sprinkler
systems, including any and all amendments or successors thereto
that may hereafter be made and adopted, shall not apply within the
boundaries of the City and it is deemed stricken in its entirety.

3



City of Needles, California Request for City Council Action

Item 24.

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

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time to time, subject to the modifications provided below in
subsections (a)-(c).

(a) Section 903.2 of FPD 23-01 concerning automatic fire sprinkler
systems, including any and all amendments or successors thereto
that may hereafter be made and adopted, shall not apply within the
boundaries of the City and it is deemed stricken in its entirety.

3

(b) Exception number 2 of Section 503.2.3, "Surface" of FPD 23-01 including any and all amendments and successors thereto that may hereafter be made and adopted, shall not apply within the boundaries of the City and is deemed stricken and in place thereof Fire Apparatus Access Roads Surface Alternative Amendment dated June 12, 2020 attached hereto as Exhibit "B" is hereby re-adopted and shall continue in full force and affect.

(c) Section 505.1, "Address Identification" of the San Bernardino County Fire Protection District Ordinance FPD 23-01 including any and all amendments thereto that may hereafter be made and adopted, shall not apply to existing buildings within the boundaries of the City and to evidence the same the word "existing" is deemed stricken.

Fiscal Impact: The recommended actions will result in no financial impact to the City's General Fund.

Environmental Impact: California Environmental Quality Act (CEQA) Guidelines section 15060(c)(2) states that a project is not subject to CEQA review where the activity will not result in a direct or reasonably foreseeable indirect physical change to the environment. CEQA Guidelines Section 15061(b)(3) states that a project is exempt from CEQA "where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." The approval of the code amendments set forth in the proposed ordinance does not approve any physical development project, and it would not result in a direct or indirect physical change in the environment.

Recommended Action: Approve City Council Ordinance No. 662-AC (1) Amending Chapter 9 Article I, Section 9-1 of the Needles Municipal Code to Adopt San Bernardino County Ordinance FPD 23-01 Referencing its Version of the 2022 Edition of the California Fire Code Subject to Modifications Referenced Herein and Resending Prior Ordinance No. 630-AC

Submitted By: Patrick Martinez, Assistant City Manager/Development Services

City Management Review: _____ **Date:** _____

Approved: <input checked="" type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
5-0-1 (Belt absent)			Agenda Item: 3



City of Needles, California Request for City Council Action

Item 25.

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Board of Public Utilities

Meeting Date: September 12, 2023

Title: Parking alternatives for El Garces Building

Background: Mayor Jernigan requested staff to conduct an evaluation of available on-street parking on "G" Street and Front Street adjacent to the frontage of the City El Garces Building.

A field investigation was conducted, and an exhibit prepared to identify available parking spaces for ADA access and the public.

The findings are as follows:

One (1) ADA Van Accessible Parking Space
Four (4) On-Street Parking Spaces

Fiscal Impact: The installation cost for the proposed striping will not exceed \$5000 and the work will be completed by the Department of Public Works.

Finance Dept.

Recommendation: Provide staff direction.

Submitted By: Kathy Raasch, Projects Manager

City Management Review: Rick

Date: 9/6/23

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

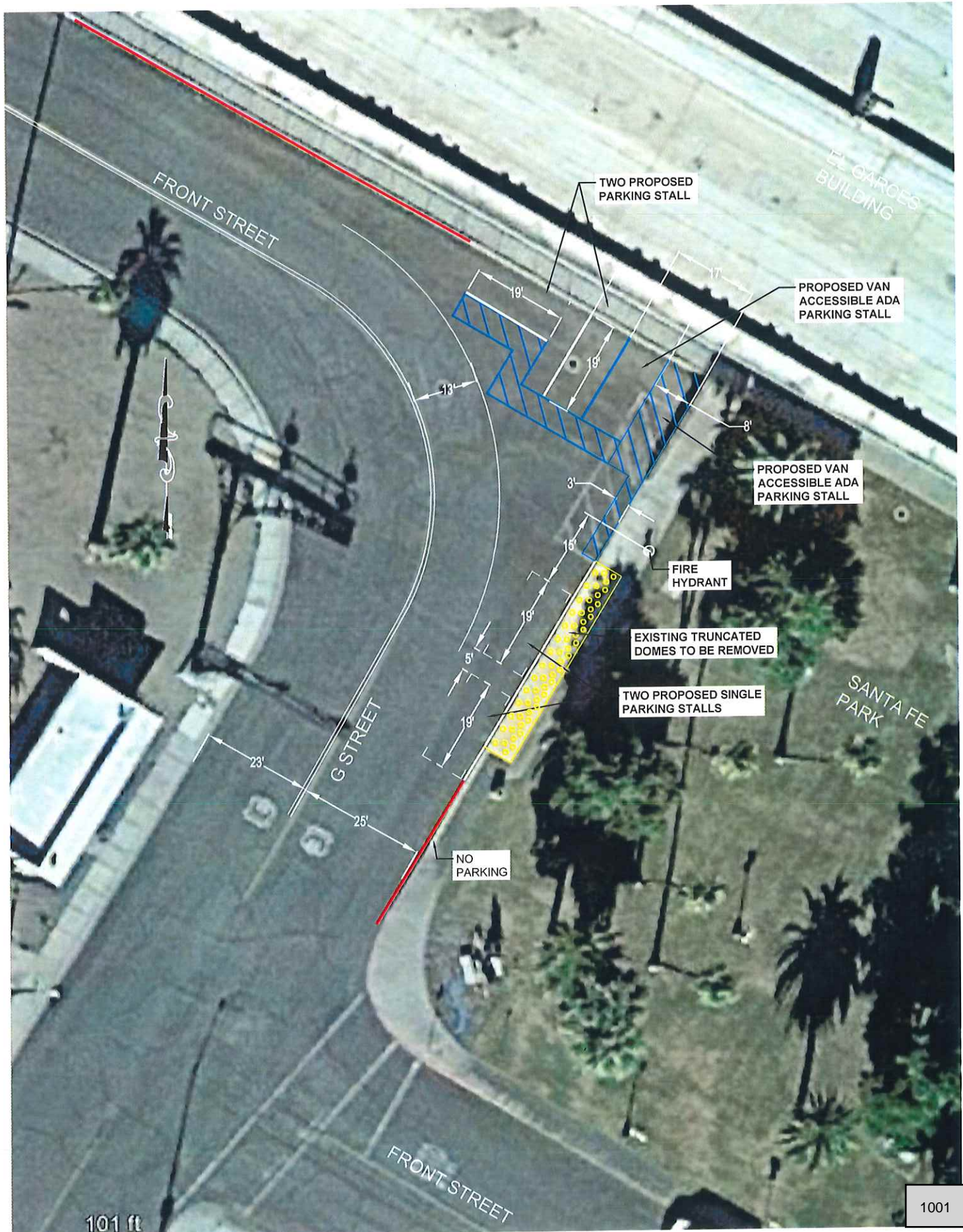
AGENDA ITEM: 25

1000

PARKING EXHIBIT

G & FRONT STREETS @ EL GARCES

Item 25.





City of Needles, California Request for City Council Action

Item 26.

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Board of Public Utilities

Meeting Date: September 12, 2023

Title: Parking alternatives/restrictions for on-street parking on Lily Hill Drive west of Clary Drive

Background: Mayor Jernigan requested staff to evaluate the existing parking on Lily Hill Drive west of Clary Drive and analyze the feasibility of installing diagonal parking in this area. A field investigation was conducted, and an exhibit prepared to identify available space for diagonal parking.

City code was researched for parking restrictions in this area which reads as follows:

Sec. 13-44.1. Prohibited Parking of boat, bus, camper, motor home, travel trailer, fifth wheel trailer, house car, construction equipment trailer or any other recreational vehicle or construction equipment. (a) No person shall park any boat, bus, camper, motor home, travel trailer, fifth wheel trailer, house car, construction equipment trailer or any other recreational vehicle or construction equipment on any residential street within the city on Tuesday, Wednesday, or Thursday of any week unless a temporary parking permit has been issued in accordance with such terms and conditions as established by resolution of the City Council. Therefore, adequate controls are available to control boat and truck parking.

Lily Hill Drive has been identified as a Multimodal Loop in the current Land Use & Transportation Element of the General Plan with a cross section of 60' to 72' with curb adjacent bike Lanes and parallel parking. The existing roadway is signed with 30 mph speed limits. The north side of the roadway has one (1) driveway and an existing transit stop. The south side of the roadway has four (4) existing driveways. A vertical curve exists in Lily Hill Drive creating sight distance issues for eastbound vehicles backing into the City right-of-way and travel lanes. Driveway sight distance prohibits striping of any spaces within the sight triangle for vehicle exiting those driveways.

Fiscal Impact: Restriping of Lily Hill Drive to accommodate diagonal parking would cost approximately \$7,500.


Finance Dept.

Recommendation: Provide staff direction.

Submitted By: Kathy Raasch, Projects Manager

City Management Review: 

Date: 9/6/23

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

AGENDA ITEM: 

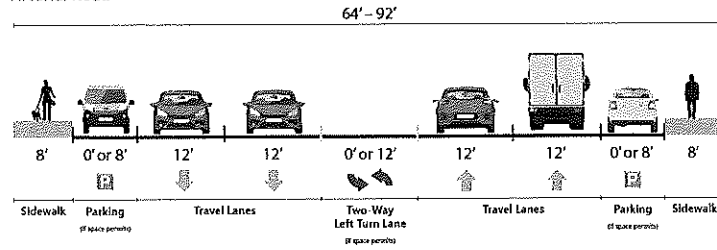
1002



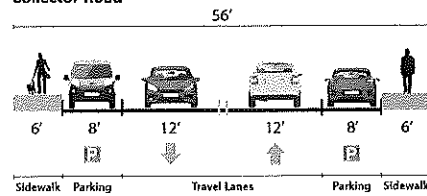
Exhibit 9: Street Sections

Note: street sections are typical right-of-way designs; design may be adjusted by the City based on constraints that are unique to specific locations.

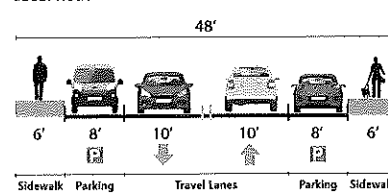
Arterial Road



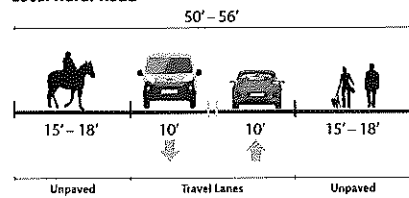
Collector Road



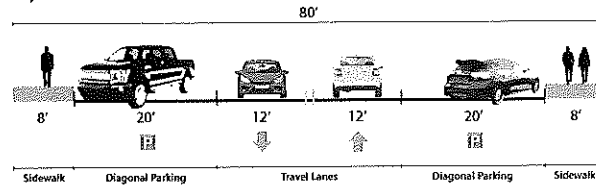
Local Road



Local Rural Road

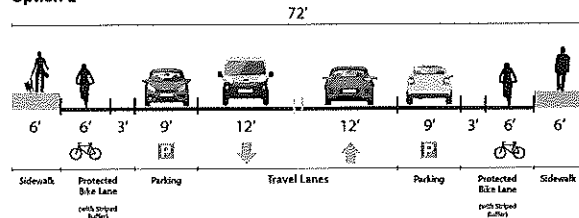


Broadway

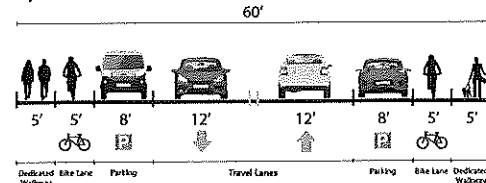


Multimodal Loop - design may vary by location

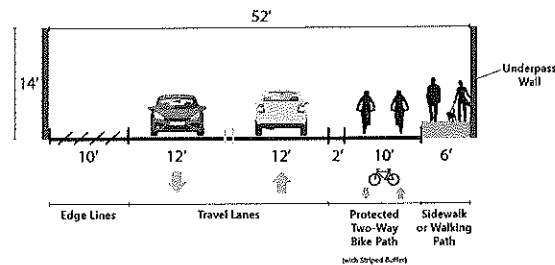
Option 1



Option 2

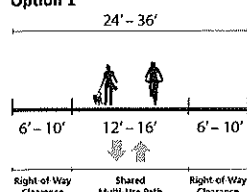


K Street Underpass

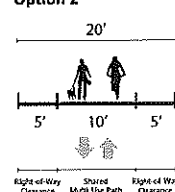


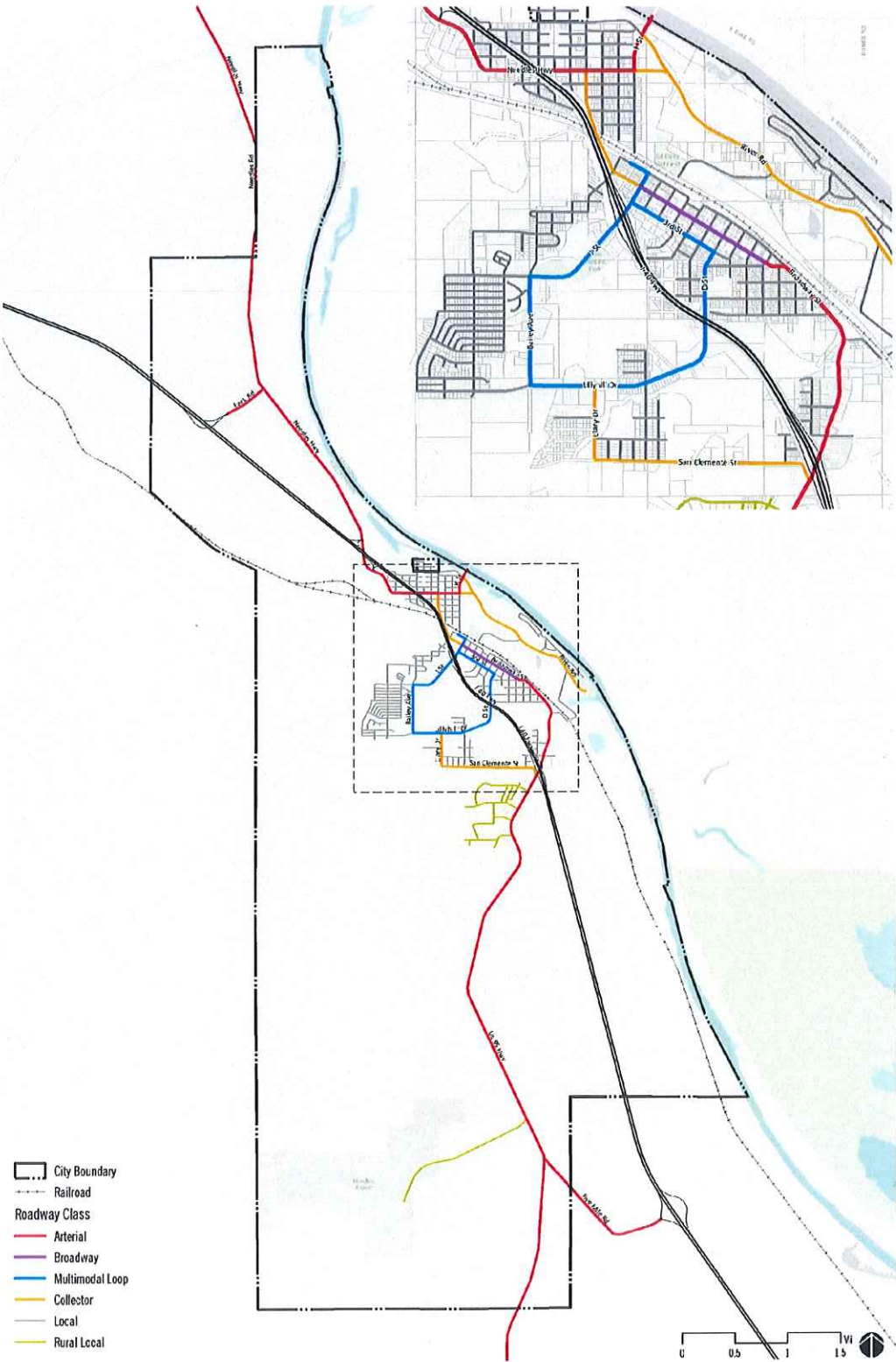
Multimodal Trail

Option 1



Option 2



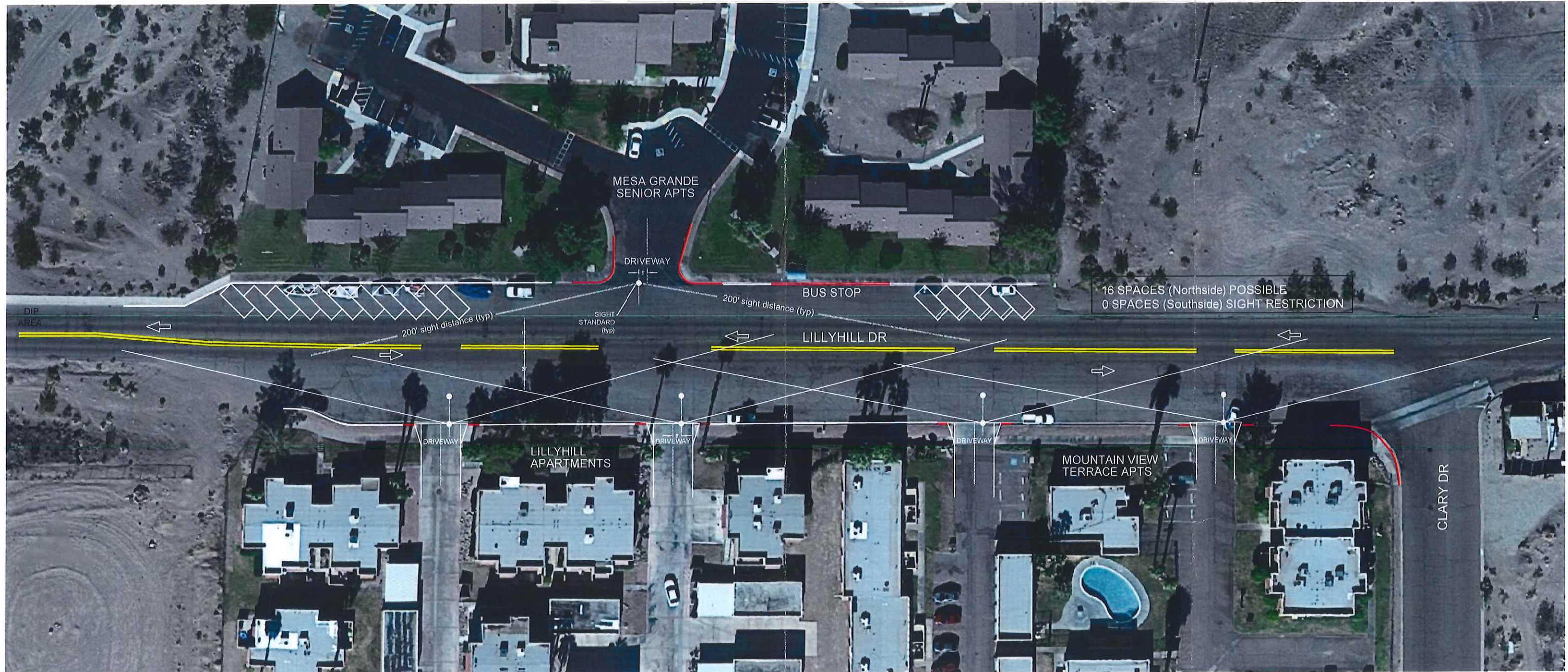


Date: 2/28/2023 Source: City of Needles 2023



Exhibit 4
Roadway Network

LILLYHILL DRIVE PARKING SIGHT DISTANCE EXHIBIT





City of Needles, California

Request for City Council Action

Item 27.

☒ CITY COUNCIL ☐ NPUA ☐ SARDA ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Tentative Parcel Map 20388, Subdividing 6.5 Acres+/- into 2 Parcels Located in the R2 (Two-Family Residential) Zone, Also Known as Assessor Parcel No. 0185-233-55 and consider sale

Background: The parcel is currently owned by the City of Needles. The parcel was donated to the City to preserve the flood plain/drainageway. Tim Terral is requesting 0.79 acres be split off for him to purchase. The remaining parcel, 5.79 acres, will continue to be owned by the City. The Parcel is located near the intersection of Lillyhill Dr. and Casa Linda Street, directly behind Mr. Terral's residence located at 1335 Lillyhill Drive.

On September 28, 2021, Resolution 2021-41 Approving Tentative Parcel Map 20388, Subdividing 6.5 Acres+/- into 2 Parcels Located in the R2 (Two-Family Residential) Zone, also Known As Assessor's Parcel No. 0185-233-55 was brought before Council and failed to pass after opposition from the surrounding property owners.

Mr. Terral is requesting to move forward with a new application.

Environmental: Tentative Parcel Map 20388 is categorically exempt under State Guidelines Section 15315, Minor Land Divisions, and no additional analysis is required at this time.

Findings:

Recommendation: Provide Staff Direction

Submitted By:

City Management Review: [Signature]

Date: 9/7/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 27



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ HACN ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: El Garces Rentals

Background: At the August 8, 2023, City Council meeting Councilor Longbrake requested information regarding the rental of the El Garces.

In Spring of 2014, the City of Needles completed the renovation/restoration efforts for the El Garces Transportation Depot.

Concurrently, the city circulated a Request for Qualifications (RFQ) to identify commercial real estate professionals to assist with leasing of the El Garces for users. The City received one (1) formal proposal from the Ivy Group. They were awarded the listing agreement to secure short- and long-term users for the El Garces Transportation Depot. The Agreement the City entered with The IVY GROUP was to provide services for a six-month period (April 10, 2014-October 10, 2014). On November 12, 2014, the agreement was extended for a one-year period beginning October 14, 2014, through October 15, 2015 (See Attached Exhibit A). During this time, the city entered into two lease agreements with the operators of the Needles Area Transit and the National Railroad Passenger Corporation (AMTRAK). The city did not renew the agreement with the IVY Group.

At that point in time, the City Manager considered assigning rentals to the Parks and Recreation Department as the Department currently rent parks for special events. Jan Jernigan proposed to assume the function previously assumed by the IVY Group at no cost to the city and the City Manager agreed. Revenues for the rentals of the El Garces are deposited into the City's General Fund. In 2019, the NDBA disbanded, and the Needles Tourism was founded. Needles Tourism has been responsible for scheduling events and providing tours ever since. Rental revenue has increased from \$5,470 in FY 20 to \$18,076 in FY 23.

The El Garces Meeting Room Policy sets standards and requirements for events in the El Garces and is attached as Exhibit "B". The El Garces Policy outlines rental fees, rules of use, and insurance requirements. The past two years the El Garces has operated at a net loss of \$16,120 and \$16,087 for FY 22 and 23 respectively. Prior to FY 2022, the El Garces operated at a net positive of \$8,316. The El Garces was reappraised which increased the property insurance from \$640 in FY 21 to \$31,193 in FY23. Exhibit "C" outlines the P&L for the El Garces dating back to FY20.

Currently there is not a contract with Needles Tourism to conduct the tours or schedule events. The El Garces Facilities and Rooms Application for Use is Attached as Exhibit "D". The Needles Downtown Business Alliance (NDBA) offered to conduct tours of the El Garces to promote tourism and celebrate the history of the El Garces. The NDBA did not require a tour fee, but a donation could be given and is retained by the organization. The organization has used the donations to help in the maintenance of the El Garces such as painting the back unfinished wall of the Visitor Center, paying for marketing brochures of the El Garces, and the new history of El Garces sign on F Street.

The city has control over websites that it maintains, and any member of the public can access City websites. For websites and social media pages that are owned and operated by third parties, the City has no control. There is no trademark over using the word Needles as part of a website or social media page due to it being a geographical location.

The El Garces and Sante Fe Park are located on the same Accessor Parcel Number assigned by the San Bernardino County Accessors Office (APN 0186-101-04-0000). As a result, the city has given the same address to both the El Garces and Santa Fe Park, 950 Front Street (See Exhibit "E"). There is no restriction requiring that both Santa Fe Park and the El Garces be identified as the same address.

Exhibits:

- Exhibit "A" November 12, 2014, Staff Report Agreement with Ivy Group
- Exhibit "B" El Garces Meeting Room Policy
- Exhibit "C" El Garces Revenue and Expenses FY 20-23
- Exhibit "D" El Garces Facilities and Rooms Application
- Exhibit "E" El Garces Aerial Map

Submitted By: Patrick Martinez, Assistant City Manager

Recommended Action: Provide Staff Direction

City Management Review: 

Date: 8/6/23

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Agenda Item: 28

Exhibit "A"



City of Needles, California Staff Report

=====

☒ CITY COUNCIL ☐ NPUA ☐ SARDA ☒ Regular ☐ Special

Meeting Date: November 12, 2014

Title: Extending the listing agreement with The Ivy Group/River Rail Realty to assist in securing both short term and long term users for the El Garces Depot located at 950 Front Street Needles, CA 92363 and authorizing the City Manager to execute said agreement on behalf of the City of Needles.

Background:

In the Spring of 2014, The City of Needles completed the current phase of renovation/restoration efforts for the El Garces Transportation Depot. Concurrent with the completion of the work, City staff circulated a Request for Qualifications (RFQ) to identify commercial real estate professionals to assist with the leasing of the El Garces for users. The City received one (1) formal proposal (from The Ivy Group) and one informal proposal (from Heidi Smith).

After reviewing the proposals and considering market/geographic conditions, it was determined the most efficient course of action was to enter into a six (6) month listing agreement with The Ivy Group with a co-listing with Heidi Smith. This arrangement was designed to provide national/regional marketing in combination with local expertise to show the property.

Since April (the beginning of the six-month period), The Ivy Group has completed the following:

1. Secured three (3) one-day users
2. Currently working with four (4) additional one-day users
3. Shown space to two (2) long-term users
4. Responded to six (6) long-term users
5. Marketed property through Loop-Net, Co-Star, Craigslist and direct email campaign
6. Installed a 4x8 display banner at property
7. Direct mail to 200 potential users
8. Between The Ivy Group and City staff/consultant, there are four (4) permanent long-term users in active negotiations.

Agreement to be Considered:

At the time of the original agreement, it was not contemplated that The Ivy Group and Heidi Smith would be handling the one-day users. That said, they took on the responsibility to insure that the community had opportunity to utilize the facility. For the first six-months, they did this without compensation.

The action staff is asking the City Council to take is to approve a new listing agreement to cover a one-year period from October 10, 2014 through October 10, 2015 (a one-year period). Compensation to the broker is performance based as follows:

+ 12

1. Short Term Users: 15% of the fee received from one day users
2. Long Term Users: Commission is as follows:
 - a. 3% to the listing broker (The Ivy Group)
 - b. 3% to the tenants broker
 - c. 2% to the showing broker (Heidi Smith)

It is noted that the commission structure for long-term users is 2% higher than the industry norm, but this arrangement (as previously stated) provides the opportunity for the City to have a super-regional/national broker that specializes in marketing and a local broker available for both showings and handling short-term users.

Attachments:

Resolution No. 2014-74 - Listing Agreement between The Ivy Group / Heidi Smith and the City of Needles

Fiscal Impact:

There is no cost to the City of Needles to approve this Agreement. At such time as short-term or long-term users (through use agreement or leases) are secured, there is a commission due to the brokers as described in the staff report.

Critical Timeline:

Staff requests action on this item so that there is no additional lapse in the representation of the El Garces for short and long term users.

Environmental: Not Applicable

Recommendation: Adopt Resolution No. 2014-74 approving a listing agreement between the City of Needles and The Ivy Group / Heidi Smith in connection with securing short and long term users for the El Garces Transportation Depot and authorize the City Manager to execute said agreement

Submitted By: Rick Daniels, City Manager

City Management Review: Rick Date: 11/5/14

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
			Agenda Item: <u>12</u>

RESOLUTION NO. 2014-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES APPROVING A LISTING AGREEMENT BETWEEN THE CITY OF NEEDLES AND THE IVY GROUP / HEIDI SMITH IN CONNECTION WITH SECURING SHORT AND LONG TERM USERS FOR THE EL GARCES TRANSPORTATION DEPOT

WHEREAS, the City of Needles completed the most recent phase of renovation/restoration of the El Garces Transportation Depot in the spring of 2014, and

WHEREAS, concurrent with the completion of the most recent phase of renovation/restoration the City of Needles issued a Request for Qualifications (RFQ) for commercial real estate representation services, and

WHEREAS, The Ivy Group and Heidi Smith responded to the RFQ and were selected in combination to provide said services for a six month period (April 10, 2014 – October 10, 2014), and

WHEREAS, during the six-month period they have worked to secure three (3) one-day users, are working with four (4) additional one-day users, responded to six (6) long-term users inquiries, shown the building to two (2) long-term users, and have aggressively marketed the building contributing to the four (4) users that are currently in active negotiations for long-term leases.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Needles, California, hereby approves the Listing Agreement by and between the City of Needles and The Ivy Group / Heidi Smith (dated October 23, 2014) for a one-year period beginning October 10, 2014 through October 15, 2015 and authorizes the City Manager for the City of Needles (Richard A. Daniels) to execute said listing agreement on behalf of the City of Needles.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of November, 2014 by the following vote:

**AYES
NOES
ABSENT
ABSTAIN**

Mayor

Attest:

City Clerk

(Seal)

Approved as to form:

City Attorney



EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY

(Non-Residential)

AIR COMMERCIAL REAL ESTATE ASSOCIATION

1. BASIC PROVISIONS ("BASIC PROVISIONS").

1.1 Parties: This agency Agreement ("Agreement"), dated for reference purposes only October 23, 2014, is made by and between City of Needles whose address is 817 Third Street, Needles, CA 92363 telephone number (760) 326-2113, Fax No. (760) 326-6765 ("Owner"), and The Ivy Group whose address is 39488 Stevenson Place, Suite 100 telephone number (408) 799-5290, Fax No. (408) 912-2688 ("Agent").

1.2 Property/Premises: The real property, or a portion thereof, which is the subject of this Agreement is commonly known by the street address of 250 Front Street located in the City of Needles, County of San Bernardino, State of California, and generally described as (describe briefly the nature of the property): Approximately 60,000 square feet two-story commercial building known as the El Garces Hotel/Building ("Property"). (See also Paragraph 3).

1.3 Term of Agreement: The term of this Agreement shall commence on October 10, 2014 and expire at 5:00 p.m. on October 10, 2015, except as it may be extended ("Term"). (See also paragraph 4). After six months of term commencement, Owner has the option to cancel this Agreement with 30 days written notice.

1.4 Transaction: The nature of the transaction concerning the Property for which Agent is employed ("Transaction") is (check the appropriate box(es)):

(a) ☐ A sale for the following sale price and terms:

and other additional standard terms reasonably similar to those contained in the "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE" published by the AIR Commercial Real Estate Association ("AIR"), or for such other price and terms agreeable to Owner;

(b) ☒ A lease or other tenancy for the following rent and terms: List for \$0.65/sf/mo. Secure market rate offers for the consideration of the Needles City Council. Terms to be negotiated w/tenants & to comply with federal & state laws & regulations. Form Lease Agreement attached. and other additional standard terms reasonably similar to those contained in the appropriate AIR lease form or for such other rent and terms agreeable to Owner.

2. EXCLUSIVE EMPLOYMENT AND RIGHTS.

2.1 Owner hereby employs Agent as Owner's sole and exclusive agent to represent Owner in the Transaction and to find buyers or leasees/tenants ("leasees"), as the case may be, for the Property. Agent shall use reasonably diligent efforts to find such buyers or leasees. All negotiations and discussions for a Transaction shall be conducted by Agent on behalf of Owner. Owner shall promptly disclose and refer to Agent all written or oral inquiries or contacts received by Owner from any source regarding a possible Transaction.

2.2 Owner authorizes Agent to:

- (a) Place advertising signs on the Property;
- (b) Place a lock box on the Property if vacant;
- (c) Accept deposits from potential buyers or leasees; and
- (d) Distribute information regarding the Property to participants in THE MULTIPLE ("MULTIPLE") of the AIR and/or any other appropriate

local commercial multiple listing service, to other brokers, and to potential buyers or leasees of the Property. Owner shall identify as "confidential" any information provided to Agent that Owner considers confidential and does not want disclosed. All other information provided by Owner may be disclosed as Agent may deem appropriate or necessary. After consummation of a Transaction, Agent may publicize the terms of such Transaction.

2.3 Agent shall comply with the Rules of Professional Conduct of the AIR, if a member or if not, the Rules of Professional Conduct of the Society of Industrial and Office Realtors, and shall submit the Property to the MULTIPLE. Agent shall cooperate with participants in the MULTIPLE and may, at Agent's election, cooperate with other real estate brokers (collectively "Cooperating Broker"). A Cooperating Broker may, as a third-party beneficiary hereof, enforce the terms of this Agreement against Owner or Agent.

2.4 If the Transaction is a sale and Agent finds a prospective buyer for the Property, or if the Transaction is a lease and Agent finds a prospective leasee for the Property, Owner hereby authorizes Agent also to represent and act as the agent for such buyer or leasee, and Owner consents to such dual agency. If a Cooperating Broker finds such a buyer or leasee, then Agent shall act as agent for Owner only, the Cooperating Broker shall act as agent for the buyer or leasee only, and the Cooperating Broker shall not be Owner's agent, even though the Cooperating Broker may share in the commission paid by Owner to Agent. A Cooperating Broker shall not be an agent or subagent of Owner or Agent.

2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property by showing and providing information on the Property, as well as on other competing properties, to prospective buyers and leasees and that such activities may result in the payment of a commission to Agent by a third party.

3. PROPERTY.

3.1 The term "Property" shall include all of the following which are currently located on the Property and owned by Owner: permanent improvements, electrical distribution systems (power panels, buss ducting, conduits, disconnects, lighting fixtures, etc.), telephone distribution systems (lines, jacks and connections), space heaters, air conditioning equipment, air lines, carpets, window coverings, wall coverings, partitions, doors, suspended ceilings, built-ins such as cabinets, and

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INITIALS

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(if there are no additional items write "NONE"). If the Transaction is a sale, the term "Property" shall additionally include, to the extent owned by Owner, oil and mineral rights, leases and other agreements which will continue in effect after Owner's transfer of title to the Property.

3.2 Within five business days after the commencement of the Term hereof, Owner shall provide Agent with the following:

- (a) A duly completed and fully executed Property Information Sheet on the most current form published by the AIR;
- (b) Copies of all leases, subleases, rental agreements, option rights, rights of first refusal, rights of first offer, or other documents containing any other limitations on Owner's right, ability and capacity to consummate a Transaction, and
- (c) If available to Owner, copies of building plans, and if the Transaction is a sale, title reports, boundary surveys, and existing notes and trust deeds which will continue to affect the Property after consummation of a sale.

3.3 Agent shall have no responsibility for maintenance, repair, replacement, operation, or security of the Property, all of which shall be Owner's sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of Owner, any lessees of the Property, any buyer, prospective buyer, lessee, or prospective lessee, including, but not limited to, those which may occur as a result of Agent's use of a lock box.

4. **EXTENSION OF TERM.** If the Transaction is a sale, and a sale is not consummated for any reason after Owner accepts an offer to purchase the Property ("Sale Agreement"), then the expiration date of the Term of this Agreement shall be extended by the number of days that elapsed between the date Owner entered into the Sale Agreement and the later of the date on which the Sale Agreement is terminated or the date Owner is able to convey title to a new buyer free and clear of any claims by the prior buyer of the Property; provided, however, in no event shall the Term be so extended beyond one year from the date the Term would have otherwise expired.

5. COMMISSION.

5.1 Owner shall pay Agent a commission ☐ in the amount of _____

☒ In accordance with the commission schedule attached hereto ("Agreed Commission"), for a Transaction, whether such Transaction is consummated as a result of the efforts of Agent, Owner, or some other person or entity. Agent shall also be entitled to the Agreed Commission if any of the Owner's representations and warranties described in paragraph 8 are shown to be false. Such Agreed Commission is payable:

(a) If the Transaction is a sale, (i) a buyer is procured who is ready, willing and able to buy the Property at the price and on the terms stated herein, or on any other price and terms agreeable to Owner; (ii) Owner breaches or repudiates any Sale Agreement, escrow instructions or other documents executed by Owner regarding the sale of the Property; (iii) the Property or any interest therein is voluntarily or involuntarily sold, conveyed, contributed or transferred; (iv) the Property or any interest therein is taken under the power of Eminent Domain or sold under threat of condemnation, or (v) if Owner is a partnership, joint venture, limited liability company, corporation, trust or other entity, and any interest in Owner is voluntarily or involuntarily sold, contributed, conveyed or transferred to another person or entity that, as of the date hereof, does not have any ownership interest in Owner;

(b) If the Transaction is a lease, (i) a lease of the Property, or a portion thereof is executed; approved by City of Needles City Council and tenant pays the agreed upon deposit, or (ii) a lessee is procured who is ready, willing and able to lease the Property on the terms stated herein, or on any other rent and/or terms agreeable to Owner; or

(c) If Owner (i) removes or withdraws the Property from a Transaction or the market (ii) acts as if the Property is not available for a Transaction; (iii) treats the Property as not available for a Transaction; (iv) breaches, terminates, cancels or repudiates this Agreement; (v) renders the Property unmarketable; or (vi) changes the status of the Property's title, leases, agreements, physical condition or other aspects thereof, which such change adversely impacts the value, use, desirability or marketability of the Property.

5.2 If the Transaction is a sale, the purchase agreement and/or escrow instructions to be entered into by and between Owner and a buyer of the Property shall provide that:

(a) Owner irrevocably instructs the escrow holder to pay from Owner's proceeds accruing to the account of Owner at the close of escrow the Agreed Commission to Agent;

(b) A contingency to the consummation of the sale shall be the payment of the Agreed Commission to Agent at or prior to close of the escrow; and

(c) No change shall be made by Owner or buyer with respect to the time of, amount of, or the conditions to payment of the Agreed Commission, without Agent's written consent.

6. **ALTERNATIVE TRANSACTION.** If the Transaction changes to any other transaction, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground lease, lease, sublease or assignment of lease (collectively "Alternative Transaction"), then Agent shall automatically be Owner's sole and exclusive Agent for such Alternative Transaction and represent Owner in such Alternative Transaction, under the terms and conditions of this Agreement. If, during the Term hereof, an Alternative Transaction is entered into, then Owner shall pay Agent the Agreed Commission.

7. EXCLUDED AND REGISTERED PERSONS.

7.1 Owner shall, within 5 business days after the date hereof, provide Agent, in writing, with the names of those persons or entities registered with Owner by any other broker under any prior agreement concerning the Property ("Excluded Persons", see paragraph 7.6). Owner shall also specify for each Excluded Person the type of transaction the consummation of which during the Term of this Agreement entitles such other broker to any compensation ("Excluded Transaction"). Agent may within 10 days of receiving such written list, either (a) accept the Excluded Persons and Excluded Transactions, (b) cancel this Agreement, or (c) attempt to renegotiate this portion of the Agreement with Owner. Once accepted by Agent, the written list shall automatically become an exhibit to this Agreement. If Owner timely provides Agent with the names of the Excluded Persons and specifies the Excluded Transaction for each Excluded Person, then the Agreed Commission paid to Agent with respect to consummation of such an Excluded Transaction with an Excluded Person shall be limited as follows: If such Excluded Transaction is concluded within the first 30 days of the commencement of the Term hereof, then Agent shall be paid a commission equal to the reasonable out-of-pocket expenses incurred by Agent in the marketing of the Property during said 30 days; or if such Excluded Transaction is concluded during the remainder of the Term hereof, then Agent shall be entitled to a commission equal to one-half of the Agreed Commission. If the specified information concerning Excluded Persons and Transactions is not provided as set forth herein, then it shall be conclusively deemed that there are no Excluded Persons.

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the name of those persons or entities with whom Agent either directly or through another broker had negotiated during the Term hereof ("Registered Persons", see paragraph 7.6), and specify the type of transaction of the Property for which such negotiations were conducted ("Registered Transaction"). Those persons or entities who submitted written offers or letters of intent shall, however, automatically be deemed to be Registered Persons for the type of transaction which was the subject of such offer or letter of intent. If Agent fails to timely notify Owner of the existence of any other Registered Persons, then it shall be conclusively deemed that there are no other Registered Persons. A person or entity shall not be a Registered Person if Agent fails to timely specify a Registered Transaction for such person or entity. If Agent wishes to register the client of a Cooperating Broker, Agent must obtain and submit to Owner written approval of such registration signed by such Cooperating Broker. The parties are aware that the registration of certain individuals and/or entities might create a Dual Agency, and Owner hereby consents to any such Dual Agency.

7.3 If, within 180 days after the expiration of the Term hereof, Owner enters into a contract with a Registered Person for consummation of a Registered Transaction, then Owner shall, upon consummation of such Registered Transaction, pay Agent the Agreed Commission for the Registered Transaction.

7.4 If, within 180 days after the expiration of the Term hereof, Owner enters into another owner-agency or listing agreement with a broker other than Agent for any transaction concerning the Property, then Owner shall provide to Owner's new broker the names of the Registered Persons and the Registered Transaction for each Registered Person, and provide in such new agreement that the new broker shall not be entitled to receive any of the compensation payable to Agent hereunder for consummation of a Registered Transaction with a Registered Person.

7.5 In order to qualify to be an Excluded Person or a Registered Person the individual or entity must have: toured the Property, submitted a letter of interest or intent, and/or made an offer to buy or lease the Property. In addition, Excluded Persons may only be registered by a broker who previously had a valid listing agreement covering the Property, and such broker may only register individuals and entities actually procured by such listing broker.

8. OWNER'S REPRESENTATIONS.

Owner represents and warrants that:

(a) Each person executing this Agreement on behalf of Owner has the full right, power and authority to execute this Agreement as or on behalf of Owner;

(b) Owner owns the Property and/or has the full right, power and authority to execute this Agreement and to consummate a Transaction as provided herein, and to perform Owner's obligations hereunder;

- (c) Neither Owner nor the Property is the subject of a bankruptcy, insolvency, probate or conservatorship proceeding;
 (d) Owner has no notice or knowledge that any lessee or sublessee of the Property, if any, is the subject of a bankruptcy or insolvency proceeding;
 (e) There are no effective, valid or enforceable option rights, rights of first refusal, rights of first offer or any other restrictions, impediments or limitations on Owner's right, ability and capacity to consummate a Transaction, except as disclosed in writing pursuant to Paragraph 3.2(b).

9. OWNER'S ACKNOWLEDGMENTS. Owner acknowledges that it has been advised by Agent to consult and retain experts to advise and represent it concerning the legal and tax effects of this Agreement and consummation of a Transaction or Alternative Transaction, as well as the condition and/or legality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Agent shall have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Agent. Owner further acknowledges that in determining the financial soundness of any prospective buyer, lessee or security offered, Owner will rely solely upon Owner's own investigation, notwithstanding Agent's assistance in gathering such information.

10. MISCELLANEOUS.

10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance with the mutual intent of the parties ascertainable from the language of this Agreement.

10.2 All payments by Owner to Agent shall be made in lawful United States currency. If Owner fails to pay to Agent any amount when due under this Agreement, then such amount shall bear interest at the rate of 18% per annum or the maximum rate allowed by law, whichever is less.

10.3 In the event of litigation or arbitration between Owner and Agent arising under or relating to this Agreement or the Property, the prevailing party shall be paid its attorney's fees and costs by the losing party. The term "Prevailing Party" shall include, without limitation, one who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be in an amount to fully reimburse all attorney's fees reasonably incurred in good faith.

10.4 Notwithstanding anything in this Agreement to the contrary, Owner shall not pay any commission to Agent in connection with any lease to Burlington Northern Santa Fe (BNSF), Amtrak, Needles Area Transit (NAT), San Bernardino Associated Governments (SANBAG) or Southern California Association of Governments. Owner agrees to indemnify, defend (with counsel reasonably acceptable to Agent), and hold Agent harmless from and against any claim or liability asserted against Agent as a result of the failure of Owner to make a full and complete disclosure pursuant to law and paragraph 3.2(a) or as a result of the fact that any of the representations made by Owner (see paragraph 3) were not true at the time that this Agreement was signed.

10.5 Owner hereby releases and relieves Agent, and waives Owner's entire right of recovery against Agent, for direct or consequential loss or damage arising out of or incident to the parties covered by insurance carried by Agent, whether or not due to the negligence of Agent.

10.6 In the event that the Transaction is not an outright sale, Owner agrees that if Agent is not paid the Agreed Commission provided for herein within thirty days of the date due, that Agent shall have a lien in the amount of such commission, and may record a notice of such lien, against the Property.

10.7 Owner agrees that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to the services to be performed by Agent pursuant to this Agreement may be brought against Agent more than one year after the expiration of the Term of this Agreement (see paragraph 1.6) and that the liability (including court costs and attorney's fees) of Agent with respect to any such lawsuit and/or legal proceeding shall not exceed any fee received by Agent pursuant to this Agreement; provided, however, that the foregoing limitation on liability shall not be applicable to any gross negligence or willful misconduct of Agent.

11. ARBITRATION OF DISPUTES.

11.1 ANY CONTROVERSY ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE DETERMINED BY BINDING ARBITRATION TO BE CONDUCTED BY: ☐ THE AMERICAN ARBITRATION ASSOCIATION OR ☐

USING THE COMMERCIAL RULES ESTABLISHED BY SUCH ORGANIZATION OR IF NONE THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL RULES. ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

11.2 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

11.3 WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

 Owner's Initials

 Agent's Initials

11.4 THE PROVISIONS OF THE ABOVE ARBITRATION CLAUSE SHALL NOT BE BINDING ON EITHER PARTY UNLESS BOTH PARTIES HAVE PLACED THEIR INITIALS UNDER PARAGRAPH 11.3.

12. Additional Provisions: Additional provisions of this Agreement are set forth in the following blank lines or in an addendum attached hereto and made a part hereof consisting of paragraphs _____ through _____ (if there are no additional provisions write "NONE");

A review of the Exclusive Right to Represent Owner for Sale or Lease of Real Property dated June 10, 2014 ("Original Agreement"), showed that it was not executed by the City of Needles. Although the Original Agreement was not fully executed, the parties hereby ratify said Original Agreement by their signatures hereto and said Original Agreement shall be treated as if it was fully executed on June 10, 2014.

13. Disclosures Regarding The Nature of a Real Estate Agency Relationship. When entering into an agreement with a real estate agent an Owner should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction.

(i) **Owner's Agent.** An Owner's agent may act as an agent for the Owner only. An Owner's agent or subagent has the following affirmative obligations: To the Owner: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings. To a potential buyer/lessee and the Owner: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) **Agent Representing Both Parties.** A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both Parties in a transaction, but only with the knowledge and consent of the Parties. In a dual agency situation, the agent has the following affirmative obligations to both Parties: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Party. b. Other duties to the Owner as stated above in subparagraph (i). When representing both Parties, an agent may not without the express permission of the respective Party, disclose to the other Party that the Owner will accept rent/purchase price in an amount less than that indicated in the listing or that the buyer/lessee is willing to pay a higher rent/purchase price than that offered.

The above duties of the Agent do not relieve Owner from the responsibility to protect its own interests. Owner should carefully read all agreements to assure that they adequately express its understanding of the transaction.

"OWNER"**"AGENT"**City of NeedlesThe Ivy GroupCA BRE License #01526603

By: _____

By: _____

Name Printed: _____

Name Printed: Tim vi Tran

Title: _____

Title: President

Date: _____

Date: _____

Agent BRE License #: 01784630

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 600 W 6th Street, Suite 600, Los Angeles, CA 90017.

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Agreed Commission

The following terms and conditions are hereby incorporated and made part of the Exclusive Right to Represent Owner For Sale or Lease of Real Property dated October 23, 2014, by and between the City of Needles ("Owner") and The Ivy Group ("Agent"), related to the Property located at 950 Front Street, Needles, CA 92363.

Upon execution of a lease agreement, Owner shall pay a commission in the amount of 8% of the cumulative term of the transaction, to be disbursed as follows:

Agent 3%

Cooperating agent 3%

Heidi Smith 2%

*** Heidi Smith shall be responsible for showing/touring the Property to all potential tenants.

For daily/weekly event bookings, Agent and Heidi Smith shall receive 15% of the gross rental fee of the Property.

Agent

The Ivy Group
CA BRE #01526603

By: _____

Tim Vi Tran

Title: President

Date: _____

Heidi Smith
CA BRE #01316674

By: _____

Heidi Smith

Title: _____

Date: _____

Owner

City of Needles

By: _____

Title: _____

Date: _____

June 4, 2014 Template

LEASE AGREEMENT
(El Garces Unit Lease)

This Lease Agreement ("Lease") is made and entered into as of this _____ day of _____, 2014, by and between the CITY OF NEEDLES, a charter city ("LESSOR"), and _____, a _____, with offices at _____ ("LESSEE").

BACKGROUND

LESSOR owns certain real property in the City of Needles, located at _____, which property is commonly known as the El Garces Station ("Station"), being more particularly shown on Exhibit "A", attached hereto and made a part hereof; and LESSEE desires to lease a portion of the Station as defined in Section 1 below.

LESSEE and LESSOR acknowledge and agree that LESSOR has entered into intergovernmental agreements for the redevelopment of the of the Station as an intermodal transit station ("Project"), including but not limited to, the intergovernmental agreement with Omnitrans to administer Federal Transit Authority ("FTA") grants. Furthermore, LESSEE and LESSOR acknowledge and agree that because the Project is financed in part with FTA funds, there are FTA mandated clauses applicable to this Lease.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, LESSOR and LESSEE do hereby agree as follows:

1. PREMISES

a. LESSOR hereby leases to LESSEE and LESSEE leases from LESSOR, for the "Term" (as defined below), and pursuant to the terms and conditions set forth herein _____ square feet of space in the Station as delineated on the plan attached and incorporated herein as Exhibit "B", attached hereto and made a part hereof ("Premises").

b. LESSEE and LESSOR acknowledge and agree that:

- i. LESSEE shall use the Premises for _____ purpose;
- ii. LESSEE's use of the Premises shall not compromise the safe conduct of the intended purpose of El Garces Station as an intermodal transit facility as determined by LESSOR and FTA;
- iii. LESSEE's use of the Premises shall not in any way interfere with LESSOR's continuing control over Station or ability to carry out the Project.

c. LESSOR also hereby grants to LESSEE, its employees, agents, licensees, contractors, passengers and invitees, the nonexclusive right in common with LESSOR and all others designated by LESSOR for the use of the common areas and common facilities in the Station and on the land on

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which the Station is located. The Station and the land on which it is located and the "Common Areas" (as defined below) are collectively referred to herein as the "Property". Common areas include public sidewalks, public plazas, public parking areas, public driveways, public and common area, public and common hallways, public and common stairways, public and common elevators, public bathrooms and common area, common loading docks, common entrances, common area lobbies and platforms, other public portions of the Property and the jointly shared pipes, ducts, conduits and wires, as well as, appurtenant meters and equipment serving the Premises ("Common Areas").

2. TERM

a. The initial term of this Lease shall be for a single 5 year ("Term") commencing seven (7) days after issuance of a Certificate of Occupancy for the Premises ("Commencement Date"). If such Certificate of Occupancy has not been issued by August 1, 2014, LESSEE may cancel this Lease. The Term of the Lease will end five (5) years thereafter, unless (a) sooner terminated (i) by LESSEE giving thirty (30) days' prior written notice to LESSOR that LESSEE's rail passenger service to the city of Needles will relocate or cease or (ii) extended by LESSEE as provided below.

b. On or about the Commencement Date, LESSOR shall execute and deliver to LESSEE a Declaration of Commencement ("Declaration") in the form attached hereto as Exhibit D. LESSEE shall promptly execute such Declaration confirming the Commencement Date and return such to LESSOR.

c. LESSEE shall have the option to extend the Term of this Lease for one additional five (5) year term by giving notice of its intent to exercise this option at least sixty (60) days before the end of the then current term. Any extended term shall be upon all the same terms and conditions as set forth in this Lease and such extension shall be included as part of the Term.

3. RENT

a. Rent. LESSEE shall pay rent in the amount of _____ per Term ("Rent"), receipt of the Rent is hereby acknowledged by LESSOR

b. Common Area Expenses.

In addition to Rent, LESSEE shall pay to LESSOR its share of Operating Expenses expended by LESSOR to maintain the Common Areas. LESSEE's share of Operating Expenses shall be equal to the proportion which the leased Premises bear to the total area of the Station. For purposes of this Agreement, "Operating Expenses" shall include all costs of every kind and nature which LESSOR shall pay or become obligated to pay because of or in connection with the ownership, management, maintenance, repair and operation of the Station including, but not limited to, all the following (including appropriate reserves):

(i) Cost of all utilities (including surcharges) including, but not limited

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to, gas, water, sewer, electricity, heating, lighting, air conditioning and ventilating for the Station and the Premises, but excluding electricity or other utility separately paid for by individual tenants;

- (ii) Cost of all supplies and materials used in the operation, maintenance and repair of the Common Areas;
- (iii) Cost of landscaping, gardening, paving, resurfacing, line painting, striping, lighting, snow removal, sanitary control; and maintaining, repairing, replacing or relocating any site utilities;
- (iv) Cost of all maintenance and service agreements for the Property and the equipment used thereon including, but not limited to, Heating, ventilation and air conditioning ("HVAC"), access control and energy management services, security, window cleaning, elevator, trash and rubbish removal, and janitorial and cleaning service;
- (v) Cost of insurance relating to the Property, including, but not limited to, the cost of casualty and liability insurance applicable to the Station and LESSOR's personal property used in connection therewith;
- (vi) Cost of real estate taxes, assessments or fees assessed against or related to the Property;
- (vii) Costs related to any pest control services necessary to maintain the Station;
- (viii) Costs of any wages and salaries paid to any building manager or engineer hired by LESSOR to assist LESSEE in the operation of the Premises.

b. Audit Rights

LESSEE or the Federal Railroad Administration, their respective agents, designees and accountants shall have the right at any time or from time to time for up to five (5) years after this Lease is terminated, and after advance notice to LESSOR, to make any examination or audit of LESSOR's books and records which relate in any way to the Station. If it is determined that the Operating Expenses, or any other charges to LESSEE are in error, then LESSOR shall pay any overpayment to LESSEE and LESSEE shall pay any underpayment to LESSOR.

4. USE

LESSEE may occupy and use the Premises for any lawful purpose reasonably related to the operation of a rail passenger station and LESSEE's business operations, including ticketing, waiting area for passengers, related mail, package, baggage, and express services and

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office, mechanical and/or engineering facilities, connecting bus service and operations incidental to LESSEE's business.

5. HOURS OF OPERATION

LESSEE shall have the right to keep the Premises open from ____ to ____ and/or at such times as may be approved by LESSOR.

6. UTILITIES

LESSOR shall make all arrangements for the provision of all utilities necessary for LESSEE's occupancy and use of the Premises.

7. SIGNS

LESSEE's business signs, including all signs designed, erected, placed or maintained by LESSEE, or allowed to be erected, placed, or maintained by it, on the Property prior to the Commencement Date ("Existing Signs") are deemed approved by LESSOR. LESSEE may (a) keep and maintain Existing Signs on the Property throughout the Term of this Lease, and (b) replace any or all Existing Signs with new signs of similar content when such replacement is warranted in LESSEE's sole discretion (any such replacement signs shall be deemed Existing Signs). Prior to replacing any Existing Signs with signs of substantially different content or erecting or installing any signs in addition to Existing Signs, LESSEE must notify LESSOR of its intention to do so. LESSEE shall not erect or install any sign in the Station in violation of any applicable law, ordinance, rule or regulation of any governmental agency.

LESSEE's business signs and signs needed for security or ADA compliance or other signs required for LESSEE to be in compliance with any laws, statutes, regulations or government requirements are deemed approved by LESSOR ("Business Signs"). LESSEE may (a) keep and maintain Business Signs on the Property throughout the Term of this Lease. All other signs shall not be erected without the prior approval of LESSOR, which approval shall not be unreasonably denied, delayed or conditioned. LESSEE shall not erect or install any sign in the Station that violates any applicable law, ordinance, rule or regulation of any Federal agency.

8. MAINTENANCE, REPAIR AND SERVICES

a. Except as otherwise specifically provided herein, LESSEE, at its sole cost and expense, shall be responsible for the maintenance, repair and upkeep of the Premises, including the maintenance, repair, replacement and alteration of the Premises and all fixtures, equipment, components and systems that are a part of the Premises or necessary to LESSEE's use and occupancy of its Premises.

b. LESSEE shall pay all costs, expenses, fees, taxes and sums related to its operation and maintenance of the Premises before delinquency.

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c. LESSOR shall be responsible to provide:

(i) HVAC for the Station, including the Premises, during all hours of operation as approved by LESSOR, to maintain temperatures in the interior portions of the Station at commercially reasonable levels, as appropriate depending on the outside weather conditions. LESSOR may stop the heating and cooling systems when necessary by reason of accident or emergency or for repairs, alterations, replacements or improvements, which, in the reasonable judgment of LESSOR, are desirable or necessary. LESSOR agrees to make any necessary repairs, alterations, replacements or improvements to the heating and cooling systems as quickly as possible, with due diligence, and with the minimum interference with LESSEE's use of the Premises.

(ii) Janitorial services to the Station as specified in Exhibit C;

(iii) Hot and cold water sufficient for drinking, lavatory, toilet and ordinary cleaning purposes to be drawn from approved fixtures in the Station Common Areas;

(iv) Electricity to the Premises in quantities reasonably necessary for LESSEE's purposes and use permitted hereunder;

(v) Replacement of lighting tubes, lamp ballasts, starters and bulbs within the Station;

(vi) Extermination and pest control as often as may be deemed reasonably necessary in the exercise of prudent management practices. When possible, such work shall be performed at times other than when passenger train and bus operations are scheduled;

(vii) Maintenance, cleaning and upkeep of the Common Areas;

(viii) A building manager or engineer capable of responding to LESSEE's requests for service within a reasonable time period.

d. LESSOR shall cause utilities (electricity, water, sewer, etc.) to be supplied to the Station, including provision of such utilities to the Premises at levels and in amounts reasonably sufficient for LESSEE's use and occupancy of the Premises as provided in Section 4 of this Lease.

e. Notwithstanding anything to the contrary in this Lease, if LESSOR fails in any of its obligations under this Section 8, and such failure continues for more than thirty (30) consecutive days after written notice from LESSEE, LESSEE may provide any REASONABLY NECESSARY maintenance, repairs and services or arrange for the provision of such. In the event LESSEE provides any such maintenance, repairs or service, LESSOR shall reimburse LESSEE for the reasonable cost and expense of such maintenance, repairs and services that are LESSOR's responsibility under this Lease within forty-five (45) days of written notice from LESSEE for such payment. Upon request of LESSOR, LESSEE shall supply LESSOR with written verification of all costs.

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9. **ALTERATIONS AND IMPROVEMENTS**

LESSEE shall have the right to make alterations and improvements to the Premises before or after the Commencement Date, subject to the following terms and conditions:

- a. No alterations or improvements made by LESSEE shall in any way impair the structural stability of the Premises.
- b. LESSEE shall request LESSOR's approval prior to making any alterations or improvements that are consistent with the design and architecture of the Station. All alterations or improvements must be approved in advance in writing by LESSOR. LESSOR's approval shall not be unreasonably withheld, conditioned or delayed.
- c. LESSEE shall cause the Premises to be kept free and clear of any mechanic's lien or materialmen's liens which may arise out of the construction of any such alterations or improvements by LESSEE.
- d. Except for LESSEE's personal property and trade fixtures (including machinery, equipment and furnishings), all alterations and improvements that are permanently affixed to the Station shall become the property of the LESSOR and shall remain on and be surrendered with the Premises at the expiration or sooner termination of this Lease or any extension of the Term of this Lease.
- e. LESSEE's personal property and its trade fixtures, including machinery, equipment, and furnishings, shall remain the property of LESSEE and may be removed by LESSEE at any time during the Term or upon the expiration or sooner termination of this Lease (including any extension term). LESSEE shall repair any damage to the Premises or Station caused by LESSEE's removal of its personal property, trade fixtures, or equipment (returning the Premises to the condition existing upon entering into this Lease, reasonable wear and tear excepted), but LESSEE shall have no obligation to remove such items from the Station at any time.
- f. LESSEE, in its sole discretion and without limiting the obligations of LESSOR herein, may (after 5 days written notice to LESSOR) make improvements to the Premises or adjacent areas for ADA purposes. If LESSEE chooses to make such improvements, LESSEE may enter in, on, over, through and upon any property of LESSOR to obtain reasonable access to make such improvements. LESSOR's approval shall not be required for improvements required by the ADA.
- g. LESSEE, in its sole discretion and without limiting the obligations of LESSOR herein, may make improvements to the Premises or adjacent areas for security purposes, to include the right to install security cameras and intrusion detection systems. If LESSEE chooses to make such improvements, LESSEE may enter in, on, over, through and upon any property of LESSOR to obtain reasonable access to make such improvements. LESSOR's approval shall not be required for improvements required for security and LESSOR shall not be entitled to further compensation. To the extent that LESSOR has or will have security cameras or

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intrusion detection systems installed, LESSOR agrees, without further compensation, that LESSEE, LESSOR and law enforcement officials shall have the right to access information, recordings, feeds and video from such security systems and LESSEE may share such information with federal, state or local law enforcement agencies for security purposes.

10. INSURANCE AND INDEMNIFICATION

a. LESSEE shall indemnify, defend, and hold harmless LESSOR from and against any and all liability, loss, damage, expense, costs (including without limitation costs and attorneys' fees related to litigation) due to bodily injury, including death, to any person, or loss or damage (including loss of use) to any property, caused by the actual or alleged negligent or willful misconduct of LESSEE, its employees, agents or passengers, in connection with use of the Premises, Station or adjacent areas.

b. LESSEE shall cover its indemnity obligations hereto under its corporate-wide self-insurance program.

c. LESSEE shall cause all its subcontractors who perform work at the Station to add LESSOR and LESSEE as additional insureds on subcontractors' general and auto liability insurance policies and to carry legally required workers compensation insurance.

d. To the extent permitted by law, LESSOR shall indemnify, defend and hold harmless LESSEE, its officers, officials, employees and agents from and against any and all liability, loss, damage, expense, costs (including without limitation, costs and fees of litigation) due to bodily injury, including death, to any person, or loss or damage (including loss of use) to any property, caused by the negligence, or willful misconduct of LESSOR, its officers, officials, directors, its employees or agents in operating the station or adjacent areas; and

e. LESSOR shall procure and maintain or cause to be procured and maintained, throughout the Term of this Lease general liability insurance coverage for the Station and property insurance on the Station, with LESSEE designated as an additional insured.

11. DAMAGE OR DESTRUCTION

In the event of destruction, or substantial damage, to the Premises during the Term of this Lease which LESSEE determines renders the Premises unusable to LESSEE, in LESSEE's sole discretion, LESSOR shall have the option of:

a. Within one hundred eighty (180) days after such damage or destruction, replacing or rebuilding the Station, including the Premises, and in such manner and according to such plans and specifications which would restore the Station, including the Premises, to substantially the same condition as immediately before its destruction or substantial damage, in which event LESSOR shall provide suitable temporary facilities while such replacement or rebuilding is ongoing; or

b. Declining to replace or rebuild, in which event LESSEE shall have the option of terminating this Lease Agreement by written notice.

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c. LESSOR shall notify LESSEE within thirty (30) days after such damages or destruction of LESSOR's decision to rebuild the Station including the Premises or declining to rebuild. During the 180 day repair or replacement period identified in Subsection (a) above, LESSEE shall have no obligation to: (1) Pay any costs or expenses associated with the Station, including the Premises, required under this Lease; or (2) Provide any services including janitorial services to the Premises required under this Lease.

12. EMINENT DOMAIN

Eminent domain proceedings resulting in the condemnation of part of the Premises herein that leave the remaining portion usable by LESSEE for purposes of the business for which the Premises are leased in LESSEE's sole opinion, will not terminate this Lease Agreement. If LESSEE, in its sole opinion, determines that the remaining portion is not usable by LESSEE, LESSEE may terminate this Lease by giving written notice of termination to LESSOR no more than ninety (90) days after the notice of condemnation or taking. The effect of such condemnation, should LESSEE not terminate this Lease, will be to terminate this Lease Agreement as to the portion of the Premises condemned and leave it in effect as to the remainder of the Premises, and the Rent and all other expenses provided for herein shall be adjusted accordingly. Compensation awarded as a result of such condemnation shall be that of LESSOR, except to the extent that part of the award is allocated as damages to fixtures on the Station which were furnished by LESSEE.

13. ACCEPTANCE

LESSEE hereby acknowledges that when it occupies the Premises it shall be deemed to have received the Premises in good order and condition unless LESSEE notifies LESSOR of defects or problems with the Premises within ninety (90) days after LESSEE takes occupancy. If LESSEE notifies LESSOR in writing as aforesaid, LESSOR shall make reasonably necessary repairs to defects or problems identified by LESSEE within thirty (30) days after the date of the notice.

14. SUBLEASE AND ASSIGNMENT

a. LESSEE shall not assign or sublet the whole or any part of the Premises without prior written consent of LESSOR and the FTA, if applicable, which consent shall not be unreasonably withheld. Any rent or other payments received from such sublease or assignment shall belong to LESSOR. This provision requiring LESSOR's consent shall not apply, and LESSEE shall be permitted to assign or sublet to any entity whose management and operation is indirectly or directly controlling, controlled by or under common control with LESSEE or if such assignment or subletting is due to or arises out of any judicial or legislative action or mandate, and any such transfers shall not be deemed an assignment or subletting.

15. DEFAULT BY LESSEE

The failure of LESSEE to substantially perform or keep or observe any of the terms, covenants and conditions which it is obligated to perform, keep or observe under this

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Lease within thirty (30) calendar days after written notice from LESSOR identifying the specific term, covenant, or condition and requesting LESSEE to correct or to commence correction for any such deficiency or default or such longer time period if the correction cannot be completed within said 30 days, provided that LESSEE has commenced such correction, shall constitute an "Event of Default" by LESSEE.

16. RIGHTS OF LESSOR AFTER DEFAULT BY LESSEE

In the event that LESSEE commits an Event of Default, LESSOR, in addition to any other remedy given by law or equity, may:

a. Continue this Lease in effect by not terminating LESSEE's rights to possession of the Premises, in which case LESSOR shall be entitled to enforce all of LESSOR's rights and remedies under this Lease, including the right to recover the rent specified in this Lease as it becomes due under this Lease;

b. Terminate this Lease and recover from LESSEE:

(i) The worth, at the time of the award, of the unpaid rent that had been earned at the time of the termination of the Lease;

(ii) The worth, at the time of award, of the amount by which the unpaid rent that would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that LESSEE proves could have been reasonably avoided;

(iii) The worth, at the time of award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that LESSEE proves could be reasonably avoided; and

(iv) Any other amount necessary to compensate LESSOR for all detriment proximately caused by LESSEE's failure to perform the obligations under this Lease; or

Terminate the Lease and, in addition to any recoveries LESSOR may seek under subsection (b) of this section, bring an action to reenter and regain possession of the Premises in the manner provided by the laws of unlawful detainer then in effect in California.

17. TERMINATION FOR CONVENIENCE

LESSOR may terminate this Lease, in whole or in part, by written notice to LESSEE at any time after the LESSOR has been notified that the Federal government has determined that it is in the Federal government's best interest to do so. LESSEE shall be paid its costs and shall promptly submit its "Termination Claim" to LESSOR to be paid.

18. TERMINATION BY LESSOR

No act of LESSOR, including but not limited to LESSOR's entry on the

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Premises or efforts to relet the Premises, or the giving by LESSOR to LESSEE of a notice of default, shall be construed as an election to terminate this Lease unless a written notice of LESSOR's election to terminate is given to LESSEE or unless termination of this Lease is decreed by a court of competent jurisdiction.

19. LESSOR'S DEFAULT

In the event LESSOR fails to perform any covenant or obligation required to be performed under this Lease, and such failure continues for more than thirty (30) calendar days after written notice from LESSEE identifying such failure, such failure shall constitute an "Event of Default" by LESSOR. If an Event of Default by LESSOR occurs, LESSEE, at its sole option and discretion, may: (1) perform such covenant or obligation on behalf of LESSOR in which event the LESSOR shall reimburse LESSEE all reasonable expenses associated with LESSEE's performance within twenty (20) days after LESSEE presents an invoice to LESSOR for such performance; (2) terminate this Lease; or (3) pursue any and all rights and remedies available at law or in equity. Notwithstanding anything in this Lease to the contrary, in no event will LESSOR be liable to LESSEE for special, punitive, incidental or lost use/profit/revenue damages.

20. QUIET ENJOYMENT

If and so long as LESSEE shall keep all the covenants and agreements required by it to be kept under this Lease, LESSOR covenants and agrees that it and anyone claiming by through or under LESSOR shall not interfere with the peaceful and quiet occupation and enjoyment of the Premises by LESSEE.

21. RIGHT OF ENTRY UPON PREMISES

LESSOR and its agents and employees shall have the right to enter upon the Premises, after seven (7) days written notice (or immediately in the event LESSOR determines any emergency exists), to inspect the Premises to determine if LESSEE is performing the covenants of this Lease, on its part to be performed, to post such reasonable notices as LESSOR may desire to protect its rights, and to perform service and maintenance pursuant to its obligations under this Lease.

22. DEBARMENT AND SUSPENSION.

LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. Department of Transportation ("U.S. DOT") regulations, "Governmentwide Debarment and Suspension (Nonprocurement)," 49 C.F.R. Part 29. LESSOR agrees to, and assures that its subcontractors will, review the Excluded Parties Listing System at <http://epls.arnet.gov/> before entering into any contracts.

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23. COMPLIANCE WITH LAWS, ORDINANCES, AND RULES

LESSEE agrees to conform to and not violate any applicable Federal, State and local laws, city and county ordinances, rules, regulations, and requirements now existing or hereinafter created affecting LESSEE's use and occupancy of the Premises. LESSOR agrees to conform and comply with all applicable laws, ordinances, rules, regulations and requirements of federal, state, county or other governmental authorities and various departments there of now existing or hereinafter created regarding LESSOR's ownership and maintenance of the Station, including compliance with the Americans with Disabilities Act.

24. CIVIL RIGHTS LAWS

LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with all applicable civil rights laws and implementing regulations including, but not limited to, the following:

a. Nondiscrimination in Federal Public Transportation Programs. LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with the provisions of 49 U.S.C. § 5332, which prohibit discrimination on the basis of race, color, creed, national origin, sex, or age, and prohibits discrimination in employment or business opportunity.

b. Nondiscrimination – Title VI of the Civil Rights Act. LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with all provisions prohibiting discrimination on the basis of race, color, or national origin of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000d *et seq.*, and with U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act," 49 C.F.R. Part 21.

c. Equal Employment Opportunity. LESSEE agrees to, and assures that its subcontractors at any tier agree to, comply with all equal employment opportunity ("EEO") provisions of 49 U.S.C. § 5332, with Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, and implementing Federal regulations and any subsequent amendments thereto

d. Access for Individuals with Disabilities. LESSEE agrees to comply with 49 U.S.C. § 5301(d), which states the Federal policy that elderly individuals and individuals with disabilities have the same right as other individuals to use public transportation services and facilities, and that special efforts shall be made in planning and designing those services and facilities to implement transportation accessibility rights for elderly individuals and individuals with disabilities. LESSEE also agrees to comply with all applicable provisions of section 504 of the Rehabilitation Act of 1973, as amended, with 29 U.S.C. § 794, which prohibits discrimination on the basis of disability; with the Americans with Disabilities Act of 1990 ("ADA"), as amended, 42 U.S.C. §§ 12101 *et seq.*, which requires that accessible facilities and services be made available to individuals with disabilities; and with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §§ 4151 *et seq.*, which requires that buildings and public accommodations be accessible to individuals with disabilities.

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25. DISADVANTAGED BUSINESS ENTERPRISE

LESSEE agrees to, and assures that its subcontractors at any tier agree to, facilitate participation by Disadvantaged Business Enterprises ("DBEs") in the Project. Therefore:

a. LESSEE agrees and assures that it will comply with section 1101(b) of SAFETEA-LU, 23 U.S.C. § 101 note, and U.S. DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 C.F.R. Part 26.

b. LESSEE agrees and assures that it shall not discriminate on the basis of race, color, sex, or national origin in the award and performance of any third party contract, or subagreement supported with Federal assistance derived from U.S. DOT in the administration of its DBE program and will comply with the requirements of 49 C.F.R. Part 26. LESSEE agrees to take all necessary and reasonable steps set forth in 49 C.F.R. Part 26 to ensure nondiscrimination in the award and administration of all third party contracts and subagreements supported with Federal assistance derived from U.S. DOT.

c. Activities Not Involving Construction. LESSEE agrees to comply, and assures the compliance of each third party contractor and each subrecipient at any tier of the Project, with the employee protection requirements for nonconstruction employees of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. §§ 3701 *et seq.*, in particular the wage and hour requirements of section 102 of that Act at 40 U.S.C. § 3702, and with U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. Part 5.

d. Activities Involving Commerce. LESSEE agrees that the provisions of the Fair Labor Standards Act, 29 U.S.C. §§ 201 *et seq.*, apply to employees performing Project work involving commerce.

26. NO OBLIGATION BY THE FEDERAL GOVERNMENT.

a. LESSOR and LESSEE acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Lease and shall not be subject to any obligations or liabilities to the LESSOR, LESSEE, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

27. CONDITION OF PREMISES UPON SURRENDER

When LESSEE vacates the Premises at the expiration of the Term or earlier termination of this Lease, whichever occurs first, LESSEE shall leave the Premises in the same condition as when LESSEE received possession, ordinary wear and tear excepted, and as may be altered, modified or improved in accordance with the terms of this Lease.

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28. NON-WAIVER

Any waiver of any breach of covenants or conditions herein contained to be kept and performed by either party shall be effective only if in writing and shall not be deemed or considered as a continuing waiver. Any waiver shall not operate to bar or prevent the waiving party from declaring a forfeiture or exercising its rights for any succeeding breach of either the same or other condition or covenant.

29. PARTNERSHIP DISCLAIMER

It is mutually understood and agreed that nothing in this Lease is intended or shall be construed in any way as creating or establishing the relationship of partners or joint venturers between the parties hereto, or as constituting LESSEE as an agent or representative of LESSOR for any purpose or in any manner whatsoever.

30. PARTIES BOUND

Except as otherwise specifically provided in this Lease, this Lease shall bind and inure to the benefit of the parties hereto and their respective administrators, legal representatives, successors and assigns.

31. NOTICES

Notices given under the terms of this Lease must be in writing and shall be deemed properly served if such notice is hand delivered or mailed by certified mail, return receipt requested, or sent by an established overnight commercial courier for delivery on the next business day with delivery charges prepaid, addressed to the other party at the following address, or such other address as either party may, from time to time, designate in writing:

LESSOR:

City of Needles
Attn: City Manager
817 3rd Street
Needles, CA 92363

LESSEE:

LESSEE

Attn: _____

With a copy to:

Attn: _____

Notice mailed in accordance with the provisions hereof shall be deemed to have been given as to the date of hand delivery or the third business day following the date of such mailing, whichever is earlier.

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32. LEGAL CONSTRUCTION

In the event any one or more of the provisions contained in this Lease Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease Agreement shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein.

This Agreement is entered into and to be performed in Needles, California. All adjudication relating to this Lease shall be in Federal Courts located in Riverside California and California laws shall apply to its interpretation and enforcement of this Lease.

33. TIME OF ESSENCE, BINDING UPON HEIRS, ETC.

Time is of the essence of each and all the terms and provisions of this Lease and the terms and provisions of this Lease Agreement shall extend to and be binding upon and inure to the benefit of the, administrators, successors and assigns of the respective parties hereto.

34. NUMBER AND GENDER

All words used herein in the singular number shall include plural and the present tense shall include the future, and the masculine gender shall include the feminine and neuter.

35. ENTIRE AGREEMENT

This Lease contains the sole and only agreement of the parties. Any prior agreements, promises, negotiations or representations, relating to the subject matter herein, not expressly set forth in this Lease are of no force or effect.

36. LANGUAGE CONSTRUCTION

The language of each and all paragraphs, terms, and/or provisions of this Lease shall, in all cases and for any and all purposes, and any and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any party hereto and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Lease.

37. HOLDING OVER

If LESSEE shall hold over the Premises, after expiration of the Term or any extension thereof, such holding over shall be construed to be only a tenancy from month to month subject to all of the covenants, conditions and obligations contained in this Lease provided, however, that nothing in this paragraph shall be construed to give LESSEE any rights to so hold over and to continue in possession of the Premises without the consent of LESSOR.

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38. AMENDMENT

This Lease, including any exhibits hereto, shall not be amended, except in writing signed by the parties. Any amendment or addendum to this Lease shall expressly refer to this Lease.

39. RECORDING OF LEASE

This Lease may be recorded by LESSOR or LESSEE with the San Bernardino County Recorder's Office. This Lease shall not be subordinate to any other liens, mortgages or encumbrances unless such owner or holder of the lien, mortgage or other encumbrance signs a nondisturbance agreement approved by LESSEE, in its sole discretion, prior to any disposition of the Station.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures the day and year first above written.

"LESSOR"

"LESSEE"

CITY OF NEEDLES

By: _____
Mayor Edward Paget

By: _____

Exhibit "B"

EL GARCES MEETING ROOM POLICY**FEES:**

Flat Rate of \$300 (3% surcharge will be added when processing payment with a credit card)

CATEGORY OF USERS

GOVERNMENT: All official City of Needles activities or sponsored events are without fees. Examples include Commission meetings, City training seminars, etc. All other government units shall be assessed a user fee set by City Council

NON-PROFIT ORGANIZATIONS: A residential non-profit organization is one with a Needles street address, and is registered as a non-profit corporation with the State of California with a 501(c) (3) identification, or if unincorporated, is clearly a Needles-based organization without profit motive. Resident non-profit groups are required to show proof of their 501(c) 3 status. If not provided, the resident non-profit status may be obtained by providing a roster of club members, of which 50% are required to be Needles residents.

PROFIT/COMMERCIAL ORGANIZATIONS: Any organization not meeting the definitions above.

SECURITY DEPOSIT AND ROOM RENTAL FEES

- 1) All rentals are on a first come, first served basis.
- 2) You must be 21 years of age to rent the room.
- 3) The meeting room shall be available, in hourly blocks of time, from 6:00 a.m. to 10:00 p.m. Time reserved/paid must include setup and cleanup time.
- 4) The meeting room will not be available on legal holidays.
- 5) Meeting room may be reserved six months in advance.
- 6) Application for use of the meeting room shall be made at City Hall offices on weekdays, except holidays, between the hours of 8:30 a.m. and 4:00 p.m.
- 7) A completed application form, and security deposit, are required at least two weeks before the date requested. The City Manager shall approve or disapprove the application in a timely manner.
- 8) A security/cleaning deposit will be required for each rental of the meeting room and is necessary to hold a reservation. The security/cleaning deposit amount for rental is \$200. This security/cleaning deposit is separate from the rental fee and will be returned within a month after the event, provided the room is left in the same condition as when it was rented. If damages or losses occur, the amount will be deducted from the security/cleaning deposit with any excess damages charged to the Rental Applicant demanding payment within thirty (30) days
- 9) Any cancellation request must be made in writing to the City Manager, and must be received no later than one week prior to the date of rental.
- 10) Fees shall be refunded only if cancellation is received at least one week prior to the scheduled use.

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El Garces Room Rental Policy

- 11) Applications must be submitted in person or through the mail. A faxed application will not be accepted. An application form must be completed and approved, and the fee must be paid upon submission of the application to guarantee usage of the room.
- 12) If the meeting attendance will include minors, there must be at least one adult for every ten minors.
- 13) Floor plans must be submitted at least (10) days in advance of the rental.

RULES FOR USE

- 1) The Rental Applicant shall remain on the premises the entire time the rental is being used. If any damages occur, Rental Applicant shall be held responsible and will be billed for any repairs that are required. The Rental Applicant shall remove any decorations or signs inside and out.
- 2) Groups shall not arrive before the authorized rental time and shall leave the premises at the expiration time. Set up and clean up is to be done during the time of the rental.
- 3) Rental of the El Garces meeting room includes use of the meeting room and bathrooms; it does not include access to any other area of the facility.
 - a) Use of the fountain area is \$ N/A
 - b) Use of the intermodal space is \$ N/A
- 4) Parking for events will be located in the empty lot across from the El Garces and not the west-end parking lot area.
- 5) The City's City Manager has jurisdiction over the facility at all times.
- 6) The meeting room must be completely unoccupied by 10:00 P.M.
- 7) The meeting room shall not be used for purposes prohibited by City Ordinance, or by State or Federal Law.
- 8) Food service in the meeting room is limited to drinks and snacks, unless prior approval is given by the City Manager.
- 9) The setup and cleanup of the meeting room is the responsibility of the Rental Applicant. City staff will inspect the room before and after the event, and failure to return the room to the condition in which it was found may result in denial of any future usage of the meeting room facilities.
- 10) Any signage must be free standing and approved through the City Manager before posting.
- 11) No cooking is to be done within the facility, and the City recommends a caterer be utilized.

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El Garces Room Rental Policy

- 12) No storage space is available. All attempts should be made to have deliveries made no more than 2 hours before the event is to take place.
 - 13) The room is expected to be returned to the condition that existed at the time of rental.
 - 14) NO scotch tape, masking tape, nails, tacks or any other material(s) that creates holes on walls, ceilings, etc. are to be used.
 - 15) Open flame is prohibited
 - 16) Profanity and unruly or abusive language or behavior will not be tolerated and may result in ejection from the facility and/or termination of the event.
 - 17) Failure to comply with any rule or regulation governing use of the meeting room is cause for denial of any future use of the facility.
 - 18). Any misrepresentation of the description of the nature, type or size of use to be undertaken at the rental premises shall cause the applicant's rental agreement to become null and void at the opinion of the City of Needles, and may preclude any future rental of City facilities.
 - 19) Permission to use the meeting room shall not be constructed as an endorsement of the policies, beliefs, or programs of the user.
 - 20) Consumption, sale, or use of alcoholic beverages, or tobacco products, is prohibited anywhere on the grounds and/or within the El Garces facility
 - 21) Refuse to Rent. The City reserves the right to refuse rental of the hall to any person or group who has previously left the hall dirty or in disrepair, who is utilizing it for a function deemed not in the best interests of the citizens of Needles, who is utilizing it for a function promoting illegal violence or other illegal or immoral acts or promotions, or for other good cause shown.
- 22) Tables and chairs are the responsibility of the tenant.

ALCOHOLIC BEVERAGES

Rental Applicants desiring to serve alcoholic beverages at functions held in the El Garces meeting room shall make application to the City Manager and comply with the following requirements:

- a) applicant shall obtain an () permit from the Dept. of ABC and be in compliance with such permit.
- b) One off-duty Sheriff's police officer shall be hired for the duration of the function as security guard.
- c) Applicant shall obtain a \$1,000,000 liquor liability policy. The City shall be named as an additional insured and a Certificate of Insurance shall be submitted with the application prior to the event date.
- d) The City Manager or his designee has the authority to deny an application to serve alcoholic beverages in order to protect the health and safety of the users of the Recreation Center.

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El Garces Room Rental Policy

- d) Alcohol Beverages must be served by persons 21 years of age or older during time of use.

PLEASE NOTE: The City of Needles, nor the employees of the City shall be held accountable for any items that are lost or stolen at the facility from the rental group or member/companies providing services and equipment for the rental party. The Rental Applicant shall indemnify and hold harmless the City of Needles, and any and all employees and agents at all times from any claims or damages on account of injury to anyone using the facility and/or grounds in connection with the function sponsored or operated by the Rental Applicant, and/or growing out of their use and occupancy of the said facility/grounds, or through any defect in said premises, including sidewalks adjoining the same and use or operation thereof.

Rental Applicant must sign the Rental Contract. By signing the contract, the Rental Applicant acknowledges that he/she is responsible for ensuring that all guests adhere to the above rules and all rules and regulations of the City.

Applicant has read and understands the Rules and Regulations governing the use of the El Garces Facilities and agrees to follow them

Print Name: _____ Signature: _____ (verify I.D.)

Date: _____

Exhibit "C"

EL GARCES
Revenue & Expense

	FY 20	FY 21	FY 22	FY 23
Revenues:				
Misc Rentals	5,470	10,750	14,970	18,076
Amtrak	2,500	2,500	2,500	-
Parking Concepts	8,740	8,740	8,740	8,740
News West	960	3,960	3,960	3,960
Chamber				2,489 *
	17,670	25,950	30,170	33,265
Expenses:				
Property Insurance	577	640	28,343	31,193 **
Public Works Set-Up/Cleaning	10,252	10,252	10,252	10,252
Utilities	6,749	6,742	7,662	7,940
	17,578	17,634	46,257	49,385
Net Income <Loss>	92	8,316	(16,087)	(16,120)

* Chamber revenue for FY24 for a full year will be \$4,268

** Large increase in appraised value of El Garces caused increase in property insurance

Exhibit "D"

City of Needles
 Rules and Regulations Governing City-Owned El Garces Facilities and Rooms
 Application for Use

Contact: Jan Jernigan 950 Front St
 Phone: (760)326-4007 email: janet@jerniganinsurance.com

3% surcharge will be added when processing payment with a credit card

Facility or Room Requested: _____ Today's Date/Time: _____

Date Requested: _____ Time Reserved: Begin: _____ End: _____
 (set-up and take down time must be included)

Event Contact Person: _____ Group/Organization: _____

Address: _____ Email: _____

Home Telephone: _____ Cell Phone: _____

City/State: _____

Name(s) and Telephone Number(s) of Chaperone(s) if applicable (adult must be present at all times): _____

Type of Activity: _____ Number of People Expected: _____

Name of Band or DJ: _____ Name of Caterer: _____

Beer: _____ Wine: _____ Champagne: _____ Spirituous Liquor: _____ Permit# _____
 (include copy of permit with application)

Set up Configuration: _____

List of Equipment being used for event: _____

Security Deposit: _____ Room Rental Fee: _____ Rent Total: _____

Rent Paid: _____ Balance Due: _____ (14 days before use): _____

Smoking anywhere inside the building is prohibited.

I hereby certify that I am the authorized and responsible representative of the petitioning group. The above statements are true to the best of my knowledge. I have read a copy of the policies governing the use of the facility, and agree that our group will comply with the rules and regulations, policies and fee schedule governing the use of the facility. I also agree that all rent and fees shall be paid by the above due date (14 days before scheduled event) or confirmed reservation shall become void.

Date: _____ Name (Print): _____

Signed _____ (Identification Required)

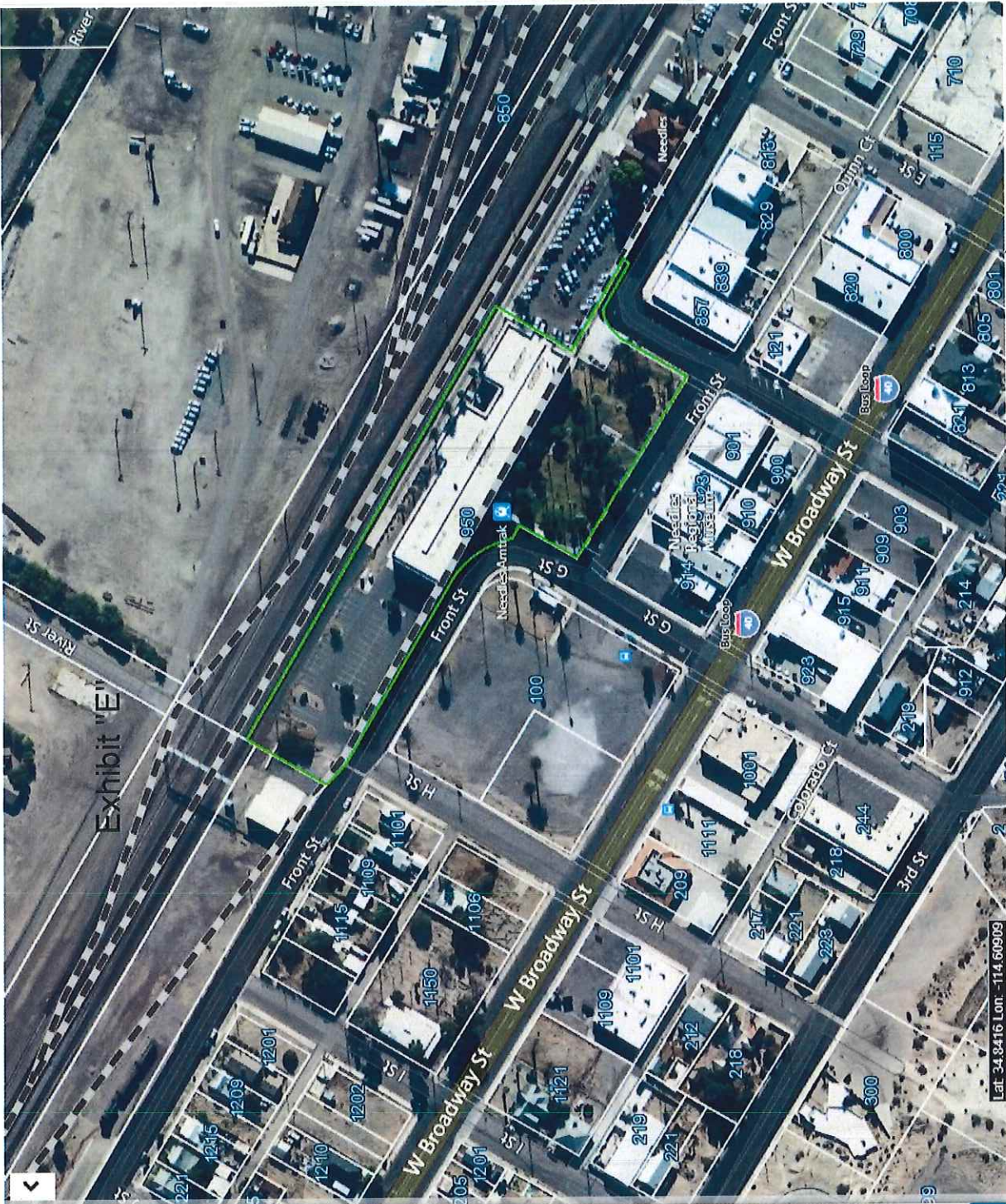
Address: _____ City/State: _____ Phone: _____

Approval of City Staff/Management: _____

Date: Security Deposit Received: _____ Amount Received: _____ Payment Type: _____

Date: Room Rental Received: _____ Amount Received: _____ Payment Type: _____

Date: Security Deposit Refunded: _____ Amount Received: _____ Payment Type: _____



950 FRONT ST, NEEDLES, CA 92363

Site Address 950 FRONT ST NEEDLES, CA 92363

Parcel Number 0186-101-04-0000

Owner 1 NEEDLES CITY

Owner 2

Owner Address 817 3RD ST NEEDLES, CA 92363

Legal Desc. PTN SW 1/4 SEC 29 TP 9N R 23 E COM INTERSECTION C/L BRIDGE RD WITH C/L FAIRWAY DR (BOTH 60 FT WIDE) AS SHOWN ON TRACT 8986 MB

No. of Units

Year Built

Building Area

Building/Lot Ratio

Lot Area (Assr.) 143,885 SF (3.3 ACRES)

Lot Area (Calc.) 144,680 SF (3.32 ACRES)

Zoning C-2 DC, C-2 DC

Opportunity Zone Yes (Low-Income Community)

Flood Zone X

FIRM Panel ID 04015C5375J

Full Prop Detail View

BANK OWNED

Add to List Buffer / Notification More

Shared Notes

Manage Notes

Shared Documents

Manage Documents

Address Management

Single Address Add a single custom address

Repeating Address Add a repeating custom address

Address Group Add a custom address group

Results at this Location 1



City of Needles, California Council Action

Item 29.

☒ CITY COUNCIL/NPUA ☐ Board of Public Utilities ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Re-creation of the Utility Manager position, setting salary, and appointment of Rainie Torrance as Utility Manager

Background: The NPUA has historically had a Utility Manager position. Upon Rick Daniels' arrival, the Utility Manager position was consolidated with the City Manager responsibilities. Mr. Daniels is retiring in October 2023. It is appropriate to now re-create the position and appoint a Utility Manager.

Rainie's technical, financial, and analytical skills have been proven over the last eight (8) years of her tenure with the City and NPUA. Amongst her accomplishments are

- Oversees the Electric, Water, Wastewater crews in addition to balancing the annual \$18M departmental budgets, assists with the procurement of materials, fleet, equipment, and work order management.
- Manages the Lower Colorado Water Supply Project (LCWSP). The annual projects budget is \$1.1 million. Manages subcontracts for annual diversion, reporting to Bureau of Reclamation (BOR), and monthly/annual billing to Metropolitan Water District (MWD)
- Manages the Sanitation department including the franchise agreement with Republic Services and annual department budget of \$1.5M, ensures compliance with CalRecycle including annual reporting (eAR). Ensures compliance with Mandatory Commercial/Residential Recycling, Waste Diversion Requirements and Organics Recycling (AB1386/SB1383)
- Ensures compliance with State regulations for Electric, Water and Wastewater including (Renewable Portfolio Standards, Greenhouse Gas Emissions, Department of Energy, California Air Resources Board, State Water Resources Control Board, Bureau of Reclamation monthly Present Perfected Rights report)
- Manage all contracts for the utilities including (Western Area Power Administration (WAPA), Aqua Caliente, Bureau of Reclamation) including term purchasing for power contracts
- Secured \$14M in NPUA water infrastructure grants and \$7.5M in general fund grants for the City of Needles

Amongst Rainie's duties and responsibilities will include:

- Water
- Wastewater
- Electricity,
- Sanitation,
- Public Works, and
- Emergency Services

Approval of this agenda item will re-create the Utility Manager position. Upon approval, the City Manager intends to appoint Rainie to that position effective October 6, 2023.

29



City of Needles, California Council Action

Item 29.

The Utility Manager position will be an exempt position serving under an Employment Agreement with the City/NPUA.

Fiscal Impact: The California Municipal Utilities Association conducted a salary survey of comparable small City utilities. Those utilities chosen for comparison include the following: See attached salary survey.

It is important to note that the proposed compensation will be funded 40% by the Lower Colorado River Project with the NPUA covering the other 60% or \$108,000 spread over the multiple utilities, sanitation, emergency management, and Public Works.

The Board of Public Utilities approved the recommended action on September 5, 2023.

Recommendation: Concur with the creation of a Utility Manager position, setting employment terms and conditions, and endorse the City Manager's intent to appoint Rainie Torrance as Utility Manager effective October 6, 2023 – salary \$185,000 ad adjusted by the city manager on an annual basis.

Submitted By: Rick Daniels, City Manager

City Management Review: Rick

Date: 9/8/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 29

Number of electric customers	Total annual electric utility revenues	Services provided, for which the most senior person is responsible (e.g., general manager,	Water	Wastewater	Refuse	Is this person responsible for all utilities, or just electric?	Other	Title of person	The person's annual salary	Organization
8100	\$17,900,000	Electric				Just electric		Electric Utility Director	\$207,877	City of Ukiah
7350	\$13,500,000	Electric				All utilities checked in the previous question		General Manager	\$263,015	Trinity PUD
13200	\$27,500,000	Electric				Other (please describe)	City Information Technology Department	Electric Utility Director	\$192,000	City of Banning
20405	\$91,441,129	Electric	Water	Wastewater	Refuse	All utilities checked in the previous question		Director of Public Works and Utility Services	\$188,411	City of Colton
86	\$12,500,000	Electric				All utilities checked in the previous question		Director	\$185,000	City of Victorville
789	\$4,921,021	Electric	Water	Wastewater	Refuse	Other (please describe)	All utilities above as well as: Snow Removal, Parks & Recreation, Fire Department	General Manager	\$194,000	Kirkwood Meadows PUD
3000	\$20,000,000	Electric	Water	Wastewater	Sanitation	All	PWX, Emergency Mgmt, Project Mgmt	Utility Manager	\$185,000	NPUA

Rainie Torrance

rtorrance@cityofneedles.com • (337)532-7721

Experience

MARCH 2020 – PRESENT

ASSISTANT UTILITY MANAGER, CITY OF NEEDLES



- Oversees the Electric, Water, Wastewater, Public Works crews in addition to balancing the annual NPUA \$18M budget, assists with the procurement of materials, fleet, equipment, and work order management.
- Manages the Lower Colorado Water Supply Project (LCWSP). The Project consists of well-field facilities in the Sand Hills area along the All-American Canal in Imperial County. The purpose of the Project is to “supply water for domestic, municipal, industrial, and recreational purposes only.” The annual projects budget is \$1.1 million. Manages subcontracts for annual diversion, reporting to Bureau of Reclamation (BOR), and monthly/annual billing to Metropolitan Water District (MWD)
- Manages the Sanitation department including the franchise agreement with Republic Services and annual department budget of \$1.5M, ensures compliance with CalRecycle including annual reporting (eAR). Ensures compliance with Mandatory Commercial/Residential Recycling, Waste Diversion Requirements and Organics Recycling (AB1386/SB1383)
- Ensures compliance with State regulations for Electric, Water and Wastewater including (Renewable Portfolio Standards, Greenhouse Gas Emissions, Department of Energy, California Air Resources Board, State Water Resources Control Board, Bureau of Reclamation monthly Present Perfected Rights report)
- Emergency Operations Coordinator; coordinates natural disasters with CalOES and FEMA and local storm emergencies.
- Manage all contracts for the utilities including (Western Area Power Administration (WAPA), Aqua Caliente, Bureau of Reclamation) including term purchasing for power contracts.
- Notable accomplishments:
 - Conducted two rate studies in accordance with Prop 26 and Prop 218
 - Secured \$14M in NPUA grants and \$7.5M in general fund grants for the City of Needles
 - Assisted the project manager with \$16M in water and \$7M in general fund capital improvement projects.
 - Submitted and received multiple grants including pending submissions (Details on final page)

NOVEMBER 2017 – MARCH 2020

FINANCE ASSISTANT, CITY OF NEEDLES

- Assisted with the annual and mid-year budgets.
- Reviewed documents for accuracy, consistency, and adherence to established departmental procedures, account classifications, and budget control.
- Verified financial data, reconciles, posts balances, and adjusts accounts in a central accounting system.
- Maintained, opened, closed, and prepared schedules, reports and other financial data from general and supportive registers and ledgers of all separate funds of the accounting system.
- Prepared and supervised preparation of regular and special reports.
- Assisted with annual audits(s)
- Completed the duties of the Assistant Utility Manager in addition to Finance Assistant job duties.

JANUARY 2013 – NOVEMBER 2017

FINANCE DIRECTOR, FORT MOJAVE TRIBAL UTILITIES



- Managed all functions of Accounting operations and processing payroll.

- Human Resource functions including personnel policies and procedures, benefits, deductions, DOT drug screening.
- Prepared and presented monthly financial statements-balance sheet, income statement, bank reconciliations to Board of Directors, prepare weekly financial statements for FMIT Council
- Prepared and administered budgets (monthly and annually)
- Prepared all audit documentation and was responsible for annual audit(s)
- Prepared compliance documents (ADEQ, ACC State Reports, annual water consumer confidence reports, Mohave County documents)
- Prepared and processed company water and wastewater utility billing, compiled monthly billing journals.
- Prepared work order management for crews and assisted with new development/construction.
- Prepared the tribes monthly water consumption report to the Bureau of Reclamation.
- Assisted with inventory management and reconciliation.
- Assisted with Indian Health Services grants for treatment plant.

2009 – 2013



Fiscal Specialist, Northern Arizona Council of Governments (NACOG)

- Managed fiscal functions for a budget of \$5.2M for the Department of Economic Security- AAA, Region 3, \$1.5M for the Department of Economic Security-Community Services, \$400K for Senior Community Service Program.
- Managed all aspects of State/Federal grants including, budgeting, expenses, regulation, and compliance.
- Prepared all reporting for grants, analyzed budget expenditures to actual to maximize ceiling reimbursement.
- Responsible for reviewing and approving A/P invoices, accounts receivable managements
- Prepared agency audit documentation. (fixed assets, prepaid expenses schedules etc.)
- Reported monthly program statistics to managers and directors.
- Forecasted potential carryover and program/grant expectations. (monthly and year-end)

Skills and Knowledge

Electric distribution knowledge · Water supply, distribution and entitlements knowledge · Wastewater collection and reclamation systems operations · Maintain regulation compliance for the utilities · Conflict management · Public speaking · Data analytics · Motivate and lead employees · Interacts with state officials and other agencies.

Education

MAY 2010

Bachelor of Science in Accountancy, Northern Arizona University

Needles Unified School District, Needles, CA

Grants Received

	Project	Grant Amount	Totals
Needles Public Utility Authority (NPUA)			
Bureau of Reclamation (BOR)	AMI	\$212,826.00	
Colorado River Funding Area RWMGs - URC			
Set aside funds (DWR)	Well Siting Investigation Study	\$38,909.00	
State Water Resources Control Board (SWRCB)			
	Lillyhill Booster Station	\$2,326,775.00	
	L Street Booster Station	\$929,695.00	
	Well 15 Backup Generator	\$367,645.00	
	Manifold	\$1,862,485.00	
	Treatment Plant	\$6,476,604.00	
	Waterline Replacement	\$930,000.00	
	Allowances (for all projects above)	\$812,251.00	
	Emergency Funding	\$350,235.00	
	Total		\$14,055,690
City of Needles			
CA Dept. of Parks & Recreation (Prop. 68)	Duke Watkins Park	\$3,965,400.00	
CA Dept. of Parks & Recreation (Prop. 68)	Jack Smith Park	\$181,000.00	
CalRecycle	Illegal Dumping	\$75,500.00	
CalRecycle	SB 1383 Organics	\$20,526.00	
	Jack Smith Park Tire Derived Material	\$18,500.00	
CalRecycle			
Caltrans (Clean CA)	Marina Beach	\$2,179,702.00	
Caltrans	Local Roadway Safety Plan	\$40,000.00	
CalOES	Hazard Mitigation Plan	\$119,683.50	
Colorado River Funding Area RWMGs - URC			
Set aside funds (DWR)	Golf Course Irrigation	\$715,000.00	
CDBG	Food Distribution	\$127,174.00	
Department of Food & Agriculture	Animal Control Spay & Neuter	\$7,500.00	
Legacy Foundation	Duke Watkins Park Playground	\$110,000.00	
	Total		\$7,559,986

Grants Pending**Needles Public Utility Authority (NPUA)**

	Lower Colorado River Basin Conservation and Efficiency Program		
Bureau of Reclamation (BOR)	Golf Course Irrigation Project	\$5,245,311.84	
	2.04 MW, 480V 5,112 Ground-Mounted Solar Panels Solar Farm	\$5,112,000.00	
Department of Energy (DOE)			
	Total		\$10,357,312

Number of electric customers	Total annual electric utility revenues	Services provided, for which the most senior person is responsible (e.g., general manager, utility manager, etc.)	Water	Wastewater	Refuse	Is this person responsible for all utilities, or just electric?	Other	Title of person	The person's annual salary	Organization
7350	\$13,500,000	Electric				All utilities checked in the previous question		General Manager	\$263,015	Trinity PUD
8100	\$17,900,000	Electric				Just electric	as well as: Snow Removal, Parks & Recreation, Fire Department	Electric Utility Director	\$207,877	City of Ukiah
789	\$4,921,021	Electric	Water	Wastewater	Refuse	Other (please describe)		General Manager	\$194,000	Kirkwood Meadows PUD
13200	\$27,500,000	Electric				Other (please describe)	City Information Technology Department	Electric Utility Director	\$192,000	City of Banning
20405	\$91,441,129	Electric	Water	Wastewater	Refuse	All utilities checked in the previous question		Director of Public Works and Utility Services	\$188,411	City of Colton
86	\$12,500,000	Electric				All utilities checked in the previous question		Director	\$185,000	City of Victorville
3000	\$20,000,000	Electric	Water	Wastewater	Sanitation	All	PWX, Emergency Mgmt, Project Mgmt	Utility Manager	\$185,000	NPUA

Note: Salaries are based on the California Municipal Salary Survey

**UTILITY MANAGER
EMPLOYMENT AGREEMENT**

This Utility Manager Employment Agreement (hereinafter referred to as the "AGREEMENT") is entered into and made effective the 12th day of September, 2023, by and between the CITY OF NEEDLES, (hereinafter referred to as the "CITY"), and Rainie Torrance, an individual (hereinafter referred to as "EMPLOYEE"). For purposes of this AGREEMENT, CITY and EMPLOYEE may be collectively referred to as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, based on EMPLOYEE's qualifications, ability, and performance as the assistant utility manager, the City Manager desires to appoint EMPLOYEE to serve as Utility Manager for CITY; and

WHEREAS, EMPLOYEE desires to perform and assume responsibility for the provision of services to CITY in the position of Utility Manager; and

WHEREAS, EMPLOYEE and CITY acknowledge and agree that this Agreement is not covered by and shall supersede any Memorandum of Understanding between City of Needles and the Teamsters Local 1932.; and

WHEREAS, the Parties wish to establish the terms and conditions of EMPLOYEE's provision of professional services to CITY through this AGREEMENT.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, CITY and EMPLOYEE hereby agree as follows:

1. POSITION, DUTIES AND TERM.

1.1 Incorporation of Recitals. The above recitals are incorporated herein and made a part of this Agreement.

1.2 Position. EMPLOYEE accepts employment with CITY as its Utility Manager and shall perform all functions, duties and services set forth in Section 1.5 (Duties) of this Agreement.

1.3 Effective Date of Agreement/Term. The effective date of this Agreement shall be October 7, 2023 (hereinafter, the "Effective Date"). This Agreement is for an unspecified term and is subject to the "At-Will" provision in Section 1.4 and termination provision in Section 4.

1.4 Employment At-Will.

(a) EMPLOYEE's employment status with CITY shall be at-will and terminable with or without cause, at either Party's discretion, subject to the termination provisions provided herein. EMPLOYEE shall serve at the pleasure of the City Manager. EMPLOYEE

acknowledges, understands and agrees that EMPLOYEE may not avail himself/herself of any procedures, provisions or protections set forth under CITY's Employment Policies, as defined herein, in so far as such procedures, provisions or protections limit, restrict, modify, prohibit or regulate EMPLOYEE's status as an "at-will" employee of CITY or the ability of the City Manager to terminate EMPLOYEE's employment at any time for cause or for convenience and without cause. For purposes of this Agreement, the capitalized term "Employment Policies" means and refers to any ordinance, resolution, regulation, rule, memorandum of understanding, or other written policy of CITY as the same may be amended, modified or supplemented from time-to-time, and any written employment manual of the CITY which governs, regulates or otherwise relates to employment with CITY. CITY's Employment Policies shall not apply to EMPLOYEE in so far as such Employment Policies limit, restrict, modify or regulate (or may be interpreted to limit, restrict, modify or regulate) EMPLOYEE's status as an "at will" employee of the CITY.

(b) EMPLOYEE shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Manager to terminate EMPLOYEE's employment whether for cause or for convenience and without cause. EMPLOYEE shall also not be entitled to any post-termination appeal proceedings.

(c) Nothing in this Agreement shall confer upon EMPLOYEE any right to any property interest in continued employment with CITY.

1.5 Duties. EMPLOYEE shall serve as the Utility Manager and shall have the duties and responsibilities of the Utility Manager, attached hereto as Exhibit "A" and as the same may be amended or modified from time-to-time by the City Manager, City Council, the California Codes, Needles City Code, Needles City Charter or CITY's policies and procedures approved by the City Council. EMPLOYEE's performance of EMPLOYEE's duties shall be subject to the direction of the City Manager. EMPLOYEE shall keep the City Manager fully informed of all significant operations or major undertakings by EMPLOYEE and the City Utilities Department ("Department"). EMPLOYEE shall also provide the City Manager with regular status reports on the operations and activities of EMPLOYEE'S Department. EMPLOYEE shall perform such duties as are customary and appropriate to the position Utilities Manager as well as such special duties as may be assigned to EMPLOYEE from time to time by the City Manager. Notwithstanding EMPLOYEE's duties as Utilities Manager, nothing in this Agreement shall be construed to prohibit direct communications between the City Manager and employees within EMPLOYEE'S Department. EMPLOYEE shall attend all City Council, Needles Public Utilities Authority board, and Board of Public Utilities meetings, unless excused or directed otherwise by the City Manager.

1.6 Work Hours. The position of Utilities Manager is an exempt position under all applicable wage and hour laws. EMPLOYEE's compensation (whether salary or benefits or other allowances) is not based on hours worked. EMPLOYEE shall not be entitled to any compensation for overtime, missed meal or rest periods, reporting time, or any other wage and hour benefits conferred upon non-exempt employees under state or federal wage and hour laws, including regulations propounded in applicable Industrial Welfare Orders. EMPLOYEE is expected to engage in those hours of work that are necessary to fulfill the obligations of the Utilities Manager

position. EMPLOYEE does not have set hours of work as the Utilities Manager is expected to be available at all reasonable and relevant times.

1.7 Regional and Professional Activities. CITY desires that EMPLOYEE be reasonably active in professional organizations that will promote the standing of CITY and advance CITY's goals, interests and policy objectives while also providing EMPLOYEE with opportunities for the type of professional development that will enhance EMPLOYEE'S ability to serve CITY and perform EMPLOYEE'S duties as Utilities Manager. Toward this end, EMPLOYEE may, upon reasonable notice and approval by the City Manager, join professional organizations and participate in the activities of such organizations in so far as such participation promotes the interests of CITY and does not unduly interfere with the performance of EMPLOYEE'S duties as Utilities Manager. CITY agrees to budget and, consistent with that budget, pay for the dues, conference and travel fees, and subscriptions of the Utilities Manager necessary for EMPLOYEE'S participation in national, statewide, regional or professional organizations.

1.8 Non-CITY Activities. In accordance with Government Code Section 1126, during the period of EMPLOYEE'S employment, EMPLOYEE shall not accept any other employment or engage, directly or indirectly, in any other business, commercial, or professional activity whether or not for pecuniary advantage without City Manager approval.

2. COMPENSATION AND BENEFITS AND REIMBURSEMENTS.

2.1 Base Salary. Commencing on the date EMPLOYEE commences full time work with the CITY, EMPLOYEE shall receive a base annual salary of \$185,000 per year, (hereinafter, the "Base Salary"). The Parties understand and agree that the amount of the Base Salary, as established for the year 2023, may be adjusted from time-to-time by the City Manager following a performance evaluation, as provided for in Section 2.2 (below). In no event shall EMPLOYEE's base salary adjust automatically pursuant to any mechanism, and in no event shall EMPLOYEE's base salary exceed the maximum amount approved by the City Council, including in the City's Council approved position and salary resolution, the annual operating budget, or other document that may be adopted by the City Council in the future. The Base Salary shall be payable in bi-weekly installments at the same time and in the same manner as other management employees of CITY. EMPLOYEE's salary shall be subject to customary withholding for taxes and other required deductions.

2.2 Performance Review. On or before the anniversary date of execution of this Agreement, the City Manager will undertake a job performance review of EMPLOYEE. In connection with such performance review, the City Manager may consider any adjustments in EMPLOYEE's compensation consistent with CITY's Council approved salary table. The failure of CITY to undertake a performance evaluation shall not limit CITY's ability to terminate this Agreement pursuant to Section 4 (Termination).

2.3 Benefits. In addition to Base Salary, CITY shall also provide EMPLOYEE with the following benefits:

(a) Health Insurance, Life Insurance, and Reimbursements. EMPLOYEE shall be provided with these benefits to the same extent as those benefits are provided to other City unrepresented management employees.

(b) Business Related Equipment. City shall also provide EMPLOYEE a personal computer (at work) for use in connection with CITY business. CITY shall be responsible for maintenance of said item. EMPLOYEE acknowledges and agrees that EMPLOYEE has no right to privacy with regard to business related equipment, and CITY shall be apprised of any and all passwords at all times.

(c) Participation in Additional CITY Programs. EMPLOYEE shall be eligible to participate in any other CITY program/employment benefits to the extent they are offered to non-represented CITY management employees.

(d) Cell Phone Stipend. EMPLOYEE shall receive a cell phone stipend to reimburse EMPLOYEE for business-related costs incurred when using their personally owned cell phone. As of the Effective Date, the monthly cell phone stipend is Fifty Dollars (\$50.00). CITY may review and adjust the monthly cell phone stipend from time to time.

(e) Holidays and Leave. EMPLOYEE shall accrue vacation leave, sick leave, and other leave as required by state or federal law as provided in the City of Needles Employee Handbook. EMPLOYEE will accrue vacation leave at the level of an employee with ten years of service to the CITY.

(f) Administrative Leave. In recognition of the number of public meetings Employee is required to attend outside of normal business hours, EMPLOYEE shall be provided with 40 hours per calendar year of administrative leave, pro-rated for portions of a calendar year, on a non-accrual and non-cumulative basis. Said administrative leave may not be converted to cash.

(g) PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) ELIGIBILITY. The City has contracted with the California Public Employees Retirement System ("CalPERS") for its employees. As used in this Agreement, the terms "Classic Members" and "New Members" shall be the same as those terms are used in the Public Employees' Pension Plan Reform Act of 2013.

As of the Effective Date of this Agreement, EMPLOYEE is a:

Classic Member XXNew Member

EMPLOYEE shall receive the same CalPERS benefits as other unrepresented management employees of City, as may be amended from time to time by the City in its sole and absolute discretion. The CalPERS benefits are currently as follows:

As to Classic Members, the benefits are the 2% at 55 Modified Formula, and Section 20835.1 (Limit Prior Service to Members Employed on the contract date). To the extent allowed by law, prior service credit will be granted for all years of service with the City of Needles. As to New Members, the Benefits are the 2% at 62 Formula.

3. ILLNESS OR INJURY; DISABILITY AND DEATH.

3.1 Cessation of Work Due to Injury or Disability. In addition to any right of termination set forth under Section 1.4 (Employment With CITY "At-Will"), above, CITY also reserves the right to terminate EMPLOYEE's employment along with this Agreement if EMPLOYEE ceases to work as a result of injury or disability which results in EMPLOYEE being

unable to perform the essential duties of the Utilities Manager position, with or without accommodation, for a period of six (6) consecutive months or more, as documented by a healthcare provider. The foregoing notwithstanding, CITY may terminate EMPLOYEE if, in the CITY'S unilateral discretion if the disability poses a direct threat to the safety of CITY, EMPLOYEE or any other employees working for CITY, and any reasonable accommodation attempted by CITY would not mitigate or eliminate such a threat. CITY will not provide a severance payment if EMPLOYEE is terminated under this Section of this Agreement.

3.2 Compensation for Work-Related Illness or Injury. In the event EMPLOYEE suffers a physical or mental illness or disability arising out of the course of employment, EMPLOYEE'S exclusive remedy or remedies against CITY for such illness, injury or disability shall be those legally allowed under the workers' compensation laws of the State of California. The Parties further agree that the California Workers Compensation Appeals Board shall be the exclusive venue for any claim of physical or mental illness or disability arising out of the course of EMPLOYEE'S employment with the CITY.

3.3 Medical Examination. EMPLOYEE agrees to submit to a medical and/or psychological examination by a qualified physician or psychiatrist selected by CITY, in the event the CITY determines a medical and/or psychological examination is needed to make a decision under Sections 3.1 through 3.2. CITY and EMPLOYEE shall receive a copy of all medical reports related to the examination.

3.4 Death of Employee. This Agreement along with EMPLOYEE's employment shall terminate automatically upon EMPLOYEE's death.

3.5 Compensation Upon Termination. Except as otherwise provided under this Agreement, if EMPLOYEE's employment is terminated pursuant to this Section 3 (Illness or Injury; Disability and Death), CITY shall pay EMPLOYEE all Base Salary, benefits, and compensation due and owing EMPLOYEE through the last day actually worked. If termination is caused by EMPLOYEE's death, CITY shall provide the compensation and benefits otherwise due EMPLOYEE to EMPLOYEE's executor, administrator, heirs, personal representatives, successors, and assigns. CITY will not provide for any "severance payment," as defined in Section 4, if EMPLOYEE is terminated under the provisions of Section 3.1 through 3.5.

4. TERMINATION.

4.1 Termination by CITY for Convenience and Without Cause. CITY may terminate EMPLOYEE at any time for convenience and without cause by providing EMPLOYEE with the applicable "severance payment" provided for below. The "severance payment" shall be an amount equal to six (6) months Base Salary, less any and all applicable or legally required deductions. EMPLOYEE shall also receive all accrued but unused vacation. The foregoing notwithstanding, in no event shall the "severance payment" include the payment of any sums prohibited pursuant to Government Code Section 53260-53264, and any such sums shall be deducted from the "severance payment." EMPLOYEE will not receive the severance payment until she executes a full and final release of any and all actual and potential claims (including a Civil Code Section 1542 release/waiver) that EMPLOYEE has or could have

against the CITY, its officials, employees and agents, in a form prepared by and acceptable to CITY. In exchange for receiving the severance payment, EMPLOYEE expressly waives any right or claims she may have related in any way to her employment and/or termination under any applicable law, CITY policy, or otherwise to contest, challenge, litigate, appeal or grieve her termination and/or the terms of this Agreement.

4.2 Termination by Employee. EMPLOYEE may terminate EMPLOYEE'S employment for any reason, and at any time, with or without cause. EMPLOYEE shall not receive a "severance payment" in the event EMPLOYEE terminates his/her employment with CITY pursuant to this Section.

4.3 Termination for Cause by CITY. CITY may immediately terminate EMPLOYEE'S employment with CITY and this Agreement at any time by providing EMPLOYEE written notice of EMPLOYEE'S termination for cause and the reason(s) for the termination, and an opportunity for a discussion with the City Manager or the City Manager's designee. In the event the City Manager and EMPLOYEE are unable to resolve any disagreement regarding the cause for EMPLOYEE'S termination, the Parties agree to binding arbitration as provided in Section 6. No "severance payment" shall be paid in the event EMPLOYEE's employment is terminated for cause, except that CITY shall pay EMPLOYEE for all earned but unpaid monthly salary and all accrued and unused vacation, as provided for in this Agreement. The term "cause" shall be defined to include any misconduct materially related to performance of official duties, including but not be limited to any of the following: 1) breach of this AGREEMENT, 2) willful or persistent breach of duties, 3) resume fraud or other acts of material dishonesty, 4) unauthorized absence or leave not otherwise supported by valid documentation from a healthcare provider, 5) conviction of a misdemeanor involving moral turpitude (i.e., offenses contrary to justice, honesty, or morality), conviction of a misdemeanor DUI, or conviction of a felony under California law (the CITY may, in its discretion, place EMPLOYEE on paid or unpaid administrative leave until resolution of charges brought against EMPLOYEE), 6) violation of the CITY's anti-harassment policies and/or a finding that EMPLOYEE engaged in legally prohibited personal acts of harassment, discrimination, and/or retaliation against a CITY official, CITY employee, or any individual protected by state or federal laws prohibiting harassment, discrimination, and/or retaliation, 7) violation of the Needles City Code, ordinances, rules or regulations, including but not limited to the CITY's Employee Handbook, 8) use or possession of illegal drugs, 9) engaging in conduct tending to bring embarrassment or disrepute to the CITY, 10) any illegal or unethical act involving personal gain, 11) pattern of repeated failure to carry out materially significant and legally constituted directions or policy decisions of the City Council or City Manager, or 12) gross misfeasance, insubordination or gross malfeasance.

4.4 Termination Obligation. EMPLOYEE agrees that all property, including without limitation, all equipment, tangible, Proprietary Information (as defined below), credit cards, keys, passwords, cell phones, tablets, pagers, documents, records, notes, contracts, and computer-generated materials furnished to or prepared by EMPLOYEE incident to EMPLOYEE'S employment are the property of CITY and shall be returned promptly to CITY upon termination of EMPLOYEE's employment. EMPLOYEE's obligations under this subsection shall survive the termination of EMPLOYEE'S employment and the expiration or early termination of this Agreement.

4.5 Benefits Upon Termination. All benefits to which EMPLOYEE is entitled under this Agreement shall cease upon EMPLOYEE's termination, unless expressly continued under this Agreement, under any specific written policy or benefit plan applicable to EMPLOYEE, or unless otherwise required by law.

5. CONFLICT OF INTEREST.

5.1 EMPLOYEE shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of CITY, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Manager and City Council. EMPLOYEE shall also be subject to the conflict of interest provisions of the Government Code of the State of California, the Needles City Code, and any other conflict of interest regulations applicable to EMPLOYEE's employment with CITY. For and during the Term of this Agreement and any extension term, EMPLOYEE further agrees that except for a personal residence or residential property acquired or held for future use as EMPLOYEE'S personal residence, EMPLOYEE will not invest in any other real estate or property improvements within the corporate limits of CITY without the prior consent of the City Manager and City Council.

6. ARBITRATION OF DISPUTES.

Any claim, dispute, or controversy which would otherwise require or allow resort to any court or other governmental dispute resolution forum between EMPLOYEE and CITY arising from, related to, or having any relationship or connection whatsoever with EMPLOYEE'S employment or the terms of this Agreement, whether based on tort, contract, statutory, or equitable law, or otherwise, shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq.), including section 1283.05 and all of the Acts other mandatory and permissive rights to discovery); provided, however, that: in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. If for any reason the Parties cannot agree to an arbitrator, either Party may apply to a court of competent jurisdiction with authority over the location where the arbitration will be conducted for appointment of a neutral arbitrator. The court shall then appoint an arbitrator, who shall act under this Agreement with the same force and effect as if the Parties had selected the arbitrator by mutual agreement. The arbitrator shall then prescribe the rules and procedures for the arbitration process in accordance with laws that are applicable to the claim being raised. EMPLOYEE understands that by agreeing to this binding arbitration provision, both CITY and EMPLOYEE give up their right to a trial by jury.

7. GENERAL PROVISIONS.

7.1 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed

to CITY at the address below or at the last known address maintained in EMPLOYEE personnel file. EMPLOYEE agrees to notify CITY in writing of any change in EMPLOYEE'S address during EMPLOYEE'S employment with CITY. Notice of change of address shall be effective only when accomplished in accordance with this Section.

CITY's Notice Address:
CITY MANAGER
City of Needles
817 Third Street
Needles, CA 92363

Utilities Manager Address:

(Last listed address in employee's personnel file)

7.2 Indemnification. Subject to, in accordance with, and to the extent provided by the California Government Claims Act (Government Code section 810 et seq.) CITY will indemnify, defend, and hold EMPLOYEE harmless from and against any action, demand, suit, monetary judgment or other legal or administrative proceeding, and any liability, injury, loss or other damages, arising out of any negligent act or omission occurring during the Term of this Agreement or any extension term. CITY shall have the discretion to compromise or settle any such claim, demand or action and pay the amount of any settlement or judgment rendered thereon. Notwithstanding the foregoing, CITY shall have no duty to indemnify, defend, or hold EMPLOYEE harmless from any criminal proceeding, or with regard to any civil, criminal or administrative proceeding initiated by EMPLOYEE.

7.3 Entire Agreement. This Agreement is intended to be the final, complete, and exclusive statement of the terms of EMPLOYEE's employment by CITY. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of EMPLOYEE, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of CITY, now or in the future, apply to EMPLOYEE and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control. However, as noted in Section 2.3 above, EMPLOYEE shall be eligible to participate in any other CITY programs/employment benefits to the extent they are offered to CITY's unrepresented management employees.

7.4 Amendments. This Agreement may not be amended except in a written document signed by EMPLOYEE, approved by the City Manager, City Council and signed by the City Attorney.

7.5 Waiver. Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

7.6 Assignment. EMPLOYEE shall not assign any rights or obligations under this Agreement. CITY may, upon prior written notice to EMPLOYEE, assign its rights and obligations hereunder.

7.7 Severability. If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

7.8 Governing Law. This Agreement is entered into and is to be performed in San Bernardino County, California and shall be governed by and construed in accordance with the controlling laws of the State of California or federal law, whichever is applicable, and the Parties agree that venue in any court proceeding shall be in San Bernardino County, California.

7.9 Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit or against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. This Agreement shall not be construed in favor of or against a party on the grounds that they drafted the Agreement or language in dispute.

7.9 Statutory Obligations

a. Abuse of Office or Position. Pursuant to California Government Code Sections 53243, 53243.1 and 53243.2, which became effective on January 1, 2012, if EMPLOYEE is convicted of a crime involving an abuse of EMPLOYEE'S office or position, all of the following shall apply: (1) if EMPLOYEE is provided with an administrative leave pay pending an investigation, EMPLOYEE shall be required to fully reimburse such amounts paid by CITY; (2) if CITY pays for the criminal legal defense of EMPLOYEE (which would be in its sole discretion, as CITY is generally not obligated to pay for a criminal defense), EMPLOYEE shall be required to fully reimburse such amounts paid by CITY; and (3) if this Agreement is terminated, any cash settlement related to the termination of EMPLOYEE by CITY, said amount shall be fully reimbursed to CITY or shall be void if not yet paid to EMPLOYEE. For this Section, abuse of office or position means either: (1) an abuse of public authority, including waste, fraud, and violation of the law under the color of authority; or (2) a crime against public justice, including a crime described in Title 7 commencing with section 92 of the California Penal Code.

b. Maximum Cash Settlement Upon Termination of Agreement. Pursuant to California Government Code Sections 53260 and 53261, regardless of the term of this Agreement,

if the Agreement is terminated and a dispute arises regarding the termination, the parties agree that the maximum cash settlement that EMPLOYEE may receive shall be equal to the monthly salary of EMPLOYEE multiplied by eighteen and shall not include any other noncash items except health benefits, which may be continued for the same duration of time (18 months) or until employee finds other employment, whichever occurs first.

7.10 Incorporation of Recitals. The Parties repeat and incorporate the recitals set forth above as if fully set forth herein.

7.11 Acknowledgment. EMPLOYEE acknowledges that EMPLOYEE has had the opportunity to consult legal counsel in regard to this Agreement, that EMPLOYEE has read and understands this Agreement, that EMPLOYEE is fully aware of its legal effect, and that EMPLOYEE has entered into it freely and voluntarily and based on EMPLOYEE'S own judgment and not on any representations or promises other than those contained in this Agreement.

IN WITNESS WHEREOF, the Parties executed this AGREEMENT on the date first written above.

"EMPLOYEE"
Rainie Torrance

Dated: _____

By: _____

"CITY"
CITY OF NEEDLES

Dated: _____

By: _____
Rick Daniels, City Manager

ATTEST:

Dated: _____

By: _____
Dale Jones, City Clerk

**UTILITIES MANAGER
EMPLOYMENT AGREEMENT**

Commented [JOP1]: PLEASE ATTACH JOB
DESCRIPTION/DUTIES FOR THIS POSITION.

Exhibit "A"

Job Description

Exhibit "A"

CITY OF NEEDLES, CA.

JOB DESCRIPTION**UTILITIES MANAGER**

Position Control No. 08-B011
Organizational Chart Position No. _____

EMPLOYMENT CLASSIFICATION: Contracted

DEPARTMENT: Utilities Department

REPORTS TO: City Manager

PURPOSE/OBJECTIVE OF JOB: Under administrative direction, plans, organizes, directs, and review the overall operation of the Utilities Department, including electrical distribution, water and wastewater systems; to communicate with various individuals, groups and organizations on City utility services, and to perform related work as required.

LEVEL OF SUPERVISION REQUIRED: Work is performed in accordance with established procedures under the direction of the City Manager.

SUPERVISORY RESPONSIBILITIES: Exercises supervision over division managers in the three utility departments: electric, water and wastewater

ESSENTIAL DUTIES AND RESPONSIBILITIES:

Depending upon assignment, duties may include, but are not limited to, the following as essential components of the job:

Plans, organizes, and directs through division managers the municipal utilities which includes electrical distribution, water production, storage and distribution systems, wastewater collection, and treatment operations; establishes department priorities and formulates long-range plans.

Direct the coordination and maintenance of contracts for utility related projects and assigns, delegates, and reviews completion of special projects.

Develops, interprets, and enforces electric, water and wastewater policies and procedures.

Emergency Response Coordinator, responsible for planning and leading the responses to natural disasters and other utilities related emergencies.
Representative to the San Bernardino Operational Area Coordinating Council

Project Manager for the Integrated Water Management Plan

Develop both short- and long-range electric, water and wastewater capital improvement planning for the City and directs operation and maintenance of utility services.

Manages the buying and selling of thermal and hydroelectric power (current and future load), power resources and delivery, power system planning, transmission, local distribution, electrical load management, electrical metering and City streetlights.

Manage the Public Utilities Energy Efficiency program and reporting.

Manage all regulation and reporting requirements for the electric department to The California Energy Commission reporting including SB1 Solar reporting and Power Disclosure

Manage all regulation and reporting requirements for the electric department to The California Air Resources Board (CARB) of the City's Power Portfolio including Greenhouse Gas Emissions (GHG) and Renewable Energy Portfolio Standard (RPS). Manage the Lower Colorado Water Supply Project (LCWSP) funding, prepares calculations with Metropolitan Water District (MWD) and Subcontracts for water supply delivery.

Prepares water order(s) to the Bureau of Reclamation on behalf of the City, LCWSP, MWD and LCWSP Subcontracts and complete monthly/annual reporting.

Manage the City's franchised hauler agreement for solid waste/recycling, complete regulation and reporting to CalRecycle.

Reviews and prepares rate structure analysis and studies for water, wastewater and electric.

Approves invoices for payment and administers requests for proposals and sealed bids for projects.

Propose and prepare annual budgets and operational plans, monitor expenditures and budget variances to assure compliance with approved levels and financial and operational goals.

Ensure work is completed according to City, state and federal safety, quality and health requirements and that all employees are observing safety rules, using proper personal protection devices, trench shoring and traffic barricading is set up as needed, and that employees are courteous and professional toward each other, customers and the public.

MINIMUM QUALIFICATIONS:

Knowledge of:

- Electrical distribution system operations and maintenance
- Water supply and distribution systems operations and maintenance.
- Wastewater collection and reclamation systems operations and maintenance.

- Pertinent federal, state, and local laws, rules, and regulations applicable to municipal utility operations
- Organizational and management practices as applied to analysis and evaluation of program, policies, and operational needs.

Ability to:

- Plan, organize and administer major utility functions.
- Analyze complex issues and problems and recommend effective resolutions.
- Monitor contractual performance and oversee agreements.
- Develop and monitor complex capital and operating budgets.
- Motivate and lead employees.
- Communicate clearly and concisely, orally and in writing.
- Interact effectively with staff, the public, officials, and representatives of business and other agencies.

ESSENTIAL POSITION REQUIREMENTS:

A bachelor's degree in electrical engineering, Civil Engineering, Public Administration, Accounting, or related field and five (5) year of electrical, water and wastewater system operation experience that includes three (3) years of management and/or supervision, or an equivalent combination of education and experience as determined by the City. Experience in the design and construction of electrical substations, transmission and distribution is desirable.

MARGINAL POSITION REQUIREMENTS:

1. Must possess a valid state driver's license with a satisfactory driving record
2. Ability to pass pre-employment physical and drug test.
3. Must possess a valid state driver's license with a satisfactory driving record
4. Ability to: Reach, turn, bend or stoop, move from one location to another. Must be able to meet physical requirements of position including lifting and handling weights more than 50 pounds, standing, sitting, walking, bending, stooping and climbing
5. Frequent: speak clearly and correctly, sit for long periods, hear, handle, climb. Visual acuity near, less than 20 inches.
6. Perform one or more of the following functions simultaneously: Reach, turn, move, bend or stoop, from one position to another, handle materials, read, write, speak, sit and hear.

ENVIRONMENTAL EXPOSURES:

Those typically encountered in a construction environment.

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Job Description Modification History