

section 8 moderate rehabilitation



administrative plan

section 8 moderate rehabilitation administrative plan

table of contents

I.	Introduction	1
II.	Equal Opportunity Housing Plan	2
III.	VAWA Policies	4
	A. Purpose	4
	B. Protection of Victims	4
	C. Certification	4
	D. Confidentiality	5
	E. Notices	5
	F. Lease Bifurcation	6
	G. Rights of CHFA and Property Owners/Agents to Evict or Terminate Assistance	6
	H. Policy Distribution and Training	6
IV.	Limited English Proficiency	6
V.	Approval of Owner and Management Agents	7
	A. Standards of Owner and Management Agent Approval	7
	B. Owner Requirements	8
	C. Purchaser Requirements	9
VI.	EIV Policy	9
VII.	Record Retention	11
VIII.	Admissions and Continued Occupancy	11
	A. Tenant Selection Plan	11
	1. CHFA's definition of family	12
	2. CHFA-established local preferences	13
	3. Occupancy standards	13
	4. Criminal and drug history screening	14
	5. Debts owed to PHA screening standard	15
	6. Application processing and waiting lists	16
	B. Continued Occupancy Policies	17
	1. Minimum tenant rent	18
	2. Passbook rate	19
	3. Absence from the unit	19
	4. Eligibility in case of family dissolution	19
	5. Interim adjustments of rent and assistance	21
	6. Termination of assistance	22
	7. Marijuana	25
	8. Debts owed and repayment agreements	25
IX.	End of Participation Policy	26
	A. End of Participation	26
	B. Debts Owed Reporting	27
	C. If a Participant Disputes the Debt or Termination Information Reported	27
	D. Repayment Agreements	28
X.	Grievance Procedures and Informal Reviews and Hearings	28
	A. Informal Review for Applicants	29
	B. Informal Hearings for Participants and Applicants	29
XI.	Housing Quality Standards	31
	A. HQS Inspections	31
	B. Review of Management Operations	34
XII.	Glossary	35

CHFA's mission in the administration of the Moderate Rehabilitation Program is to ensure affordable, decent, safe, and sanitary housing to low income families at properties participating in CHFA's Program.

I. Introduction

Colorado Housing and Finance Authority ("CHFA") is a Public Housing Authority ("PHA") as defined by HUD. CHFA entered into an Annual Contributions Contract (ACC) with HUD to administer the Moderate Rehabilitation Program ("Program"). CHFA prepared this Program Administrative Plan ("Admin Plan") in accordance with the requirements of HUD and other directives of the HUD Office of Public and Indian Housing ("OPIH"). CHFA will administer its Program in accordance with this Admin Plan and all applicable HUD directives.

CHFA's Admin Plan describes the policies that CHFA has adopted in each area where HUD allows the PHA discretion. Program-required regulations and CHFA's operating procedures for complying with those regulations are addressed in a separate handbook entitled, "Section 8 Moderate Rehabilitation Compliance Handbook."

CHFA administers the Program under the provisions of certain waivers that CHFA received from HUD on May 1984, April 1987, and August 1987. These waivers permit CHFA to delegate certain responsibilities to the owner of multifamily properties in the Program. CHFA delegated these responsibilities through an Administrative Services Agreement (the "Agreement") between CHFA and the owner of the properties participating in CHFA's Program. CHFA will assure compliance with this Agreement, this Admin Plan, and related procedures through regular monitoring of management practices and by periodic management reviews required by the Agreement. An owner's/agent's noncompliance may lead to suspension or termination of Section 8 rental assistance and/or of the Housing Assistance Contract.

The responsibilities delegated to the owners by CHFA include, but are not limited to,:

- Taking and processing applications;
- Maintaining and administering the waiting list;
- Determining Program eligibility for applicants;
- Verifying preferences;
- Selecting tenants;
- Providing tenant briefings of program requirements;
- Conducting certification and recertification of tenants;
- Enforcing occupancy standards; and
- Conducting move-in HQS and move-out inspections.

II. Equal Opportunity Housing Plan

CHFA will administer the Program in a manner that ensures consistent and fair treatment of all persons interested in or participating in the Program. CHFA does not discriminate at any stage of the application or participation process based on race, color, national origin, religion, sex, age, handicap, familial status, political affiliation, sexual orientation, gender identity, or because the family receives income from public assistance. No preference will be shown to any applicant because of political affiliation or acquaintance with any public official at the federal, state, or local level.

CHFA will comply with the following laws as well as with other Program regulations:

- a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, or national origin in programs receiving Federal financial assistance
- b. The Fair Housing Amendment Act of 1988, which prohibits discrimination based on race, color, religion, national origin, familial status, handicap, or sex in the sale, rental or advertising of housing
- c. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination based on handicap in programs receiving federal financial assistance
- d. The Age Discrimination Act of 1975, which prohibits discrimination based on age in programs receiving federal financial assistance
- e. Executive Order 11063, which requires HUD to take whatever action is necessary to prohibit discrimination based on race, color, national origin, or religious creed, in housing and related facilities receiving federal financial assistance
- f. The Americans with Disabilities Act of July 1995

No preference will be shown to any applicant because of political affiliation or acquaintance with any public official at the federal, state or local level. CHFA has established the following Objectives and Action Plans in order to carry out its commitment to providing equal housing opportunity. CHFA will work toward these objectives through its direct actions and through its Administrative Services Contracts with the owners of developments participating in the Moderate Rehabilitation Program. CHFA does not intend to contract with a fair housing organization.

CHFA has established the following Objectives and Action Plans in order to carry out its commitment to providing equal housing opportunity. CHFA will work towards these objectives by direct actions and through the Agreement with the owners of developments participating in the Program.

Objective 1: Outreach to eligible families

Action Plan

- Ensure owners and agents use local print media of general circulation and of targeted minority circulation to advertise the availability of Program units in a given area.

- Ensure owners and agents contact PHAs, organizations, and providers of housing for low income individuals for possible referrals.
- Persons least likely to apply have been identified for each development and CHFA will ensure outreach is done by the sites through newspapers of general and particular circulations and through personal contact with agencies serving these populations. CHFA will also include the availability on CHFA's website.

Objective 2: Promote greater housing opportunities for families outside areas of low income and minority concentration

Action Plan

- CHFA will provide guidance to owners and managers for outreach by referring them to various organizations which work with low income and minority families.
- CHFA staff members are available to PHAs, nonprofits, community-based organizations, owners, agents, and tenants to explain program requirements.

Objective 3: Ensure equal opportunity to applicants for participation in CHFA's program

Action Plan

CHFA's method for ensuring that all applicants are treated fairly when applying for participation in the Program is as follows:

- Applicants will be determined eligible for participation in the Program and placed on the waiting list if eligible by the owner or manager of each development. Placement on the waiting list will be in chronological order by time and date.
- Applicants will be notified, in writing, if their application is denied and will be informed as to their right to request a review of their denial.
- CHFA will evaluate the owner's/agent's compliance with these procedures during its management review of the development.

Objective 4: Assist families that allege discrimination during their housing search at the developments in its program

Action Plan

- CHFA will provide applicants, owners, and managers with copies of state, local, and, federal Fair Housing requirements.
- CHFA will maintain copies of HUD form 903, Housing Discrimination Complaint, and 903a, Queja de Discriminacion en la Vivienda, and will assist individuals in completing these forms and will instruct owners and managers to do the same.

- CHFA, in accordance with 24 CFR 982.304, will assist families by giving them information on how to fill out and file a housing discrimination complaint when families claim that illegal discrimination has prevented them from leasing a suitable unit.
- CHFA staff will refer all alleged discrimination complaints to the HUD Office of Fair Housing and Equal Opportunity.

III. VAWA Policies

A. Purpose

CHFA adopted this policy in compliance with the “Violence Against Women and Justice Department Reauthorization Act of 2005” (“VAWA” or “the Act”, P.L. 109-162), a federal law that provides protections for victims of domestic violence, dating violence, sexual assault, and stalking. CHFA complies with all applicable provisions of VAWA. This summary of VAWA protections is not intended to limit the rights of victims protected by the Act.

B. Protection of Victims

1. For the purpose of this policy, the term “domestic violence” encompasses acts or threats of domestic violence, dating violence, sexual assault, and stalking, as those terms are defined in VAWA.
2. VAWA protects qualified applicants or tenants and family members of applicants or tenants who are victims of domestic violence from denial, eviction, or termination of housing assistance based solely on criminal acts of domestic violence against them. Criminal acts of domestic violence shall not be considered “serious or repeated lease violations” by the victim or “criminal activity” by the victim that is grounds for termination of the lease of housing assistance.
3. VAWA protections are available to both applicants for and recipients of housing assistance through the Program.
4. VAWA protects both women and men who are victims of domestic violence.
5. The protections provided by VAWA and this policy are to be observed and enforced by all CHFA staff, individuals, and agencies contracting with CHFA, and property owners and agents participating in the Program.
6. VAWA does not limit the authority of CHFA or a property owner or manager, when notified, to honor court orders addressing rights of access to or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household members in cases where a family breaks up.

C. Certification

1. CHFA or the owner/agent may request certification if an applicant or resident participant of the Program claims protection under VAWA for denial of an application, termination of tenancy or assistance, or other adverse action. CHFA may require the person who claims the VAWA protections to deliver a signed certification or other documentation concerning the incident or incidents. If the person does not deliver this certification within the time allowed, he or she will lose the legal protections under VAWA.
2. Acceptable forms of certification
There are three ways for an applicant or resident to comply with a certification request by CHFA or the owner/agent:
 - i. Complete a certification form approved by HUD (Form HUD-50066 or other approved form);
 - ii. Provide a police report or court record;
 - iii. Provide a document signed by an employee, agent, or volunteer of a victim service provider; an attorney; or a medical professional from whom the victim has sought assistance in addressing the domestic violence.
3. Self-certification; request for additional information
CHFA may accept self-certification by the person claiming to be a victim within the protection of VAWA. If CHFA has reason to believe the information provided in the certification is inaccurate or incomplete in material respects, CHFA may request additional information, also certified or attested.
4. Perjury
The certification must state that the victim and any other person signing it or providing documentation are doing so under penalty of perjury (28 U.S.C. 1746).
5. Time limit
The applicant or resident participant of the Program must deliver the certification to management within 14 business days after receiving the request for certification.

D. Confidentiality

Information provided by an applicant or resident about an incident or incidents of domestic violence involving that person or a member of the household will be held by CHFA in confidence and not shared without the consent of the person who provided the information, except that this information may be disclosed in an eviction proceeding or otherwise as necessary to meet the requirements of law.

E. Notices

CHFA will provide information to property owners and agents in the Program explaining the VAWA protections to applicants and residents. CHFA will also require all Mod Rehab owners and managers to provide notices explaining the VAWA protections to applicants and residents participating in the Program.

F. Lease Bifurcation

Notwithstanding any federal, state, or local law to the contrary, an owner or management agent may bifurcate a lease, or remove a household member from a lease without regard to whether the household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by federal, state, or local law for termination of assistance or leases under the Program.

G. Rights of CHFA and Property Owners/Agents to Evict or Terminate Assistance

1. Eviction for reasons other than domestic violence
VAWA specifically preserves the rights of CHFA and property owners/agents to deny or terminate housing assistance to a victim of domestic violence for reasons other than the criminal activity related to the domestic violence
2. Failure to submit certification after request by CHFA
If the person claiming to be a victim within the protection of VAWA fails to deliver the certification or other documentation within 14 business days after receiving the owner's/agent's or CHFA's request, that person loses the legal protections under VAWA.
3. Imminent and actual threat
VAWA specifically preserves the rights of CHFA and the property owner/agents to evict or terminate from assistance any tenant or household member if CHFA or the owner or manager can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance.

H. Policy Distribution and Training

This policy will be included in the Admission and Occupancy Policies for the Program. It will also be:

- distributed to all Mod Rehab sites whenever any policies change, and
- posted on CHFA's website.

IV. Limited English Proficiency

Prompted by Executive Order 13166, entitled "Improving Access to Services by Persons with Limited English Proficiency," CHFA as a PHA will require that owners and agents notify all applicants they will be provided with information to allow them to fully and equally participate in all of CHFA's Section 8 Moderate Rehabilitation Programs. The applicant must make their need for such information known to the property, which will work with CHFA to provide the necessary information in the appropriate language.

V. Approval of Owner and Management Agents

The sale of real property under a CHFA Moderate Rehabilitation Housing Assistance Payment (“HAP”) contract and CHFA Administrative Services Agreement requires CHFA’s approval, according to section 1.18B of the HAP contract. The Purchaser must be willing to assume all responsibilities and maintain the requirements of the HAP contract and Administrative Services Agreement.

CHFA staff will assist the owner, purchaser, or management agent through the transfer of ownership process. CHFA may request additional information or documentation to complete the review.

1. “Owner” is the entity approved by CHFA as identified in the program documents. The owner must have the same structure as was previously approved. If there is a discrepancy in the ownership entity due to an unapproved transfer, additional administrative requirements may be required by CHFA.
2. “Purchaser” is the proposed entity to control the project after a sale, lease, or merger, or due to an ownership entity change. The Purchaser must meet specific qualifications for approval.
3. “Transfer” means: A transfer of ownership includes, but is not limited to, a sale, lease, or any conveyance of:
 - Any interest of a general partner, managing member, or equity investor;
 - Any change in the owner’s entity name;
 - Any interest by merger;
 - Any interest by lease; or
 - Any individual interest when the ownership is not a limited partnership, general partnership, joint venture, limited liability company, or corporation.

A. Standards of Owner and Management Agent Approval

CHFA is responsible for administering the housing assistance payments to the properties of the Mod Rehab Program; therefore, CHFA must be assured that the project will be managed in a prudent, efficient, and cost-effective manner. The property must be managed in accordance with applicable laws, HUD rules, contracts, and procedures.

CHFA requires that the owner and management agents:

1. Be eligible and in good standing with HUD;
2. Demonstrate effective management experience and acceptable operating procedures; and
3. Be in compliance with civil rights laws, regulations, and requirements, and demonstrate knowledge of civil rights laws and fair housing regulations.

CHFA will consider both the owner's and agent's past performance and the probability of future compliance.

CHFA will not issue disapprovals based on past performance without considering corrective actions taken by the owner or agent to address previous poor performance, unless the owner or agent are on HUD's debarment list.

If there are management problems, or open audit findings at projects the agent currently manages or owner currently owns, CHFA will consider the following when deciding whether to approve or disapprove an agent:

- Whether the owner or agent caused or exacerbated the problem(s); and
- Whether the owner or agent have taken all reasonable steps to correct the problem(s) and address CHFA's concerns.

Although CHFA may disapprove the owner or agent if the proposed owner or agent clearly lacks the skills or experience to manage the project, they may not refuse an owner or agent merely because they have not previously managed the type of project being proposed (e.g., has managed only elderly or only family units). Instead, CHFA must assess the owner or agent's strengths in management systems and procedures that will be essential to management of the new type of project.

B. Owner Requirements

Owner authorization

The owner must submit to CHFA an Owner Authorization form. This form documents authority to complete a transfer of ownership request on behalf of the owner. If an entity resolution does not yet exist, one will be required prior to closing.

Document copies

The owner will provide copies of the HAP contract, Administrative Services Agreement, Administrative Plan, and CHFA's Mod Rehab handbook to the purchaser as they will need to be fully informed of the program requirements, restrictions, and project use. If the owner needs assistance with obtaining copies of these documents, CHFA staff will help.

Site control

Prior to CHFA's review of any transfer of ownership request, the owner must have a current written agreement with the purchaser regarding control of the project site, and submit to CHFA a copy of the sales contract, option agreement, lease agreement, or proposed merger documentation, as appropriate. This agreement must provide adequate time for CHFA (and HUD or any other governmental entity) to review and approve a transfer of ownership request. If the time frames are inadequate, CHFA may require that an extension be completed.

Audit and inspection

Prior to completing a review, CHFA will review the status of the project's compliance with physical condition requirements and management reviews. Any findings, deferred maintenance, and/or identified repairs must be corrected by the owner/agent prior to completion of the transfer of ownership. If the findings cannot be

addressed prior to completion of the transfer, the purchaser must submit a plan of action to correct the deficiencies to meet all compliance requirements. The plan of action must clearly address the repairs and deferred maintenance, costs, sources of funding, as well as time frames for resolution and compliance.

C. Purchaser Requirements

Purchaser authorization

The purchaser must submit to CHFA a Purchaser Authorization form. This form documents authority to complete a transfer of ownership request on behalf of the purchaser. If an entity resolution does not yet exist, one will be required prior to closing.

Transfer documents

The purchaser will submit drafts of the transfer documents to CHFA for review.

Management documents

The purchaser must submit the management plan for the project, the project budget, the draft Management Agent Agreement, and the management agent's credentials. The Management Agent Agreement must be terminable, with or without cause, on 30 days' notice and without penalty. If there are outstanding review and inspection items that cannot be addressed prior to completion of the transfer, the purchaser must submit a plan of action to address the deficiencies to meet CHFA's compliance requirements. The document should clearly address repairs and deferred maintenance and how they will be corrected and paid for.

VI. EIV Policy

CHFA will conduct verifications of tenant data using Enterprise Income Verification (EIV). Specifically, CHFA will do the following:

1. CHFA will use the EIV system and its data only for official PHA purposes.
2. Maintain and enforce the technical, administrative, and physical safeguards for the EIV system and its data.
3. Monitor and keep records of property security practices as outlined in the Section 8 Moderate Rehabilitation Compliance Handbook.
4. Communicate security information and requirements to appropriate CHFA and owner/agent personnel, including coordinating and/or conducting annual security awareness training.
5. Review all user IDs issued and user authorizations to determine if the users continue to have a valid need to access EIV data and modify or revoke access rights as appropriate.
6. Ensure that all CHFA employees and site management personnel that need to view EIV reports take annual security training prescribed by HUD.
7. Report any evidence of unauthorized access or known security breaches to appropriate CHFA staff and HUD Office of Public and Indian Housing (OPIH).

CHFA is required to access the EIV system and obtain an Income Report for each household. CHFA staff will pull reports for the owner/agent as required by 24 CFR §5.236(b) (2) (3) and in accordance with HUD Notice PIH 2010-19 (HA). Due to the confidential nature of the information in EIV and the strict HUD requirements for securing the data, prior to requesting any income report through the EIV system, CHFA staff must have a HUD Form 9886 signed by all adult household members within the last 15 months.

In addition, the information obtained through EIV will only be sent to the owner/agent through the encrypted CHFA File Transfer Protocol (FTP) site, faxed only if the authorized recipient is available to receive it immediately, or sent via registered mail per the 2012-14 Section 8 Moderate Rehabilitation Secured Systems Policy.

In accordance with 24 CFR §5.236(b)(2)(3), if the EIV report reveals an income source that was not reported by the tenant or a substantial difference of an annual amount equal to or greater than \$2,400 in the reported income information, CHFA staff is required to inform the owner/agent to take the following actions:

1. Discuss the income discrepancy with the tenant;
2. Request the tenant provide documentation to confirm or dispute the unreported or underreported income and/or income sources;
3. In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the owner/agent is required to request from the third-party source any information necessary to resolve the income discrepancy;
4. If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively;
5. Inform the owner/agent that the tenant may contest the findings in accordance with established grievance procedures, as required by HUD. The owner/agent may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period; and
6. Take any other appropriate action as directed by HUD or the CHFA's administrative policies.

The owner/agent is then required to determine the retroactive rent as far back as the existence of complete file documentation (form HUD-50058 and supporting documentation) to support such retroactive rent determinations, and enter into a repayment agreement with the tenant if needed. (Please see section seven of this plan for record retention policy and section B.8 for debts owed.)

In addition to the income reports for 50058 reporting, and to ensure proper subsidy payments, CHFA will monitor the following EIV reports monthly:

- Deceased Tenants Report
- Identity Verification Report
- Immigration Report

CHFA will monitor the following EIV reports quarterly:

- Income Discrepancy Report
- Multiple Subsidy Report
- New Hires Report

CHFA will enter and maintain any adverse end of participation information in EIV monthly.

VII. Record Retention

CHFA will require all properties in the program to maintain move-in tenant records including the HUD Form 50058 and supporting documents for the duration of tenancy plus three years. Any 50058 form and supporting documentations for annual recertification or interim reexaminations will be maintained for a minimum of three years. CHFA requires that all EIV records are destroyed three years after the tenant vacates the property.

All tenant files and records must be transferred to the new owner/agent in the event of a transfer or sale of ownership or transfer of management for any property in the Program.

VIII. Admissions and Continued Occupancy

CHFA receives funds for the Program from HUD. CHFA enters into an Annual Contributions Contract with HUD to administer the Program. CHFA must ensure compliance with federal laws, regulations, and notices and must establish policies and procedures to clarify federal requirements and to ensure consistency in program operation. CHFA will provide the owners/agents with information on the Program so that the owners/agents are able to perform the delegated duties required under the Administrative Services Agreement.

Under CHFA's admissions and continued occupancy policies, there are areas of discretion given to the housing authority by HUD. Those areas are addressed in this chapter. Program-required regulations and CHFA's admissions and continued occupancy policy for complying with those regulations are addressed in a separate procedures handbook.

A. Tenant Selection Plan

CHFA will require owners/agents to establish and maintain a written tenant selection plan, which CHFA must approve.

The owner's/agent's plan must include:

1. Policies to comply with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and other relevant civil rights laws and statutes
2. Limited English Proficiency Policy
3. Authorization for the Release of Information requirement
4. Social Security number disclosure requirements [also include the exclusions to this rule as per 24 CFR 5.216 (final rule) and PIH notice 10-03.]
5. Persons Subject to Sex Offender Registration program requirement

6. Criminal and drug history screening standards/persons evicted from other PHA's programs
7. Debts Owed to PHA requirements
8. Income limit requirements specific to the program
9. Citizenship Status requirements
10. Student Status requirement
11. Housing Authority Definition of Family
12. Explanation of any preferences (must be previously approved by CHFA)
13. Occupancy standards
14. Homelessness requirement if it is an SRO property
15. Additional specific site requirements
16. Unit transfer policies, including selection of in-place residents versus applicants from the waiting list
17. Procedures for accepting applications and waiting list selection policies
18. Policy for opening and closing the waiting list
19. VAWA protections
20. Rejection/Notification Policy

For specific language or requirements, please see the related section of this Admin Plan or CHFA's Section 8 Moderate Rehabilitation Compliance Handbook.

1. CHFA's definition of family

A Family includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- a. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
- b. A group of persons residing together, and such group includes, but is not limited to:
 - i. 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);
 - ii. An elderly family; a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.
 - iii. A near-elderly family; a family whose head (including co-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.

- iv. A disabled family; a family whose head (including co-head), spouse or sole member is a person with a disability.
- v. A displaced family; a family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster, declared or otherwise formally recognized by federal disaster relief laws.
- vi. The remaining member of a tenant family is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit. Children under the age of 18 years will not be considered remaining members.

2. CHFA-established local preferences

The following local preferences have been adopted to respond to local housing needs and priorities. Not more than 30 percent of the applicants who are admitted to the projects in CHFA's Program in any one-year period will be given assistance under these local preferences.

Local Preference #1

Applicants with severe physical disability will be offered assistance before persons without such characteristics. This preference is applicable to Camelot II in Greeley.

Local Preference #2

Applicants who are participating in a program that includes educational, training, and job-readiness components will be offered assistance before persons who are not participating in such a program. This preference is applicable to Crabtree Apartments in Fort Collins.

Local Preference #3

Applicants who are 62 years of age or older or who have a disability will be offered assistance before persons who do not match such characteristics. This preference is applicable to Columbine Towers (Denver), Garfield Apartments (Denver), Park West Apartments (Denver), and Tiara Apartments (Aurora).

3. Occupancy standards

A single person cannot occupy a unit with two or more bedrooms unless they are one of the following:

- A person with a disability who needs the larger unit as a reasonable accommodation
- A person displaced by governmental action when no appropriately sized unit is available
- An elderly person who has a verifiable need for a larger unit

- A remaining family member of a resident family when no appropriately sized unit is available

A smaller unit size may be assigned upon request only if occupancy of the smaller unit will not cause serious overcrowding and will not conflict with local codes.

If a family, based on the number of members, would qualify for more than one unit size, the owner/agent must allow the family to choose which unit size they prefer.

unit size	minimum occupants	maximum occupants
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedroom	2	4
3 Bedroom	3	6

If the owner/agent or CHFA determines that the unit is not decent, safe, and sanitary due to an increase in family size or that a unit is larger than appropriate for the size of the family, the owner/agent must offer the family a suitable alternative unit should one be available. The family will be required to move. If the property at which the family resides does not have a suitable unit available, the family will not be required to move nor will housing assistance payments under the contract be terminated.

Single Room Occupancy (SRO) units may be occupied only by one person and that person must be homeless at move in. For Golfers Way and the Forum Apartments, which are under the SRO Shelter Plus care and the Mod Rehab SRO respectively, the following definitions apply.

The term “homeless” or “homeless individual or homeless person” includes:

1. An individual who lacks a fixed, regular, and adequate nighttime residence; and
2. An individual who has a primary nighttime residence that is:
 - a. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - b. An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - c. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

4. Criminal and drug history screening

CHFA requires that the owner/agent include in their tenant selection criteria provisions that a background check will be conducted for all applicants, family members, and adult occupants, including live-in aides. The owner/agent must perform the necessary criminal history background checks in the

state where the housing is located and in other states where the household members are known to have resided. CHFA will not pass along to the tenant the costs of a criminal records check nor allow owners or agents to do so. CHFA will allow owner/agents to apply a stricter standard, but at minimum, their selection criteria must include the following restrictions:

1. Any individual whose criminal history includes a lifetime registered sex offender status or a conviction for producing methamphetamine is barred for life from participating in CHFA's Program.
2. Any individual whose criminal history includes any drug-related activity or violence against another person or property within the past three years is denied participation in the Program.
3. If a family member has been evicted from public housing or any subsidized housing within the past three years because of the manufacturing or selling of illegal drugs, the applicant will be denied participation in the Program.
4. If there is any criminal activity that would threaten the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner/agent, or any employee involved in the housing operations, the owner or agent will deny admission or termination of participation in the Program.
5. If any household member is currently engaging in the illegal use of a federally controlled substance, they will be denied participation in the Program.
6. If there is reasonable cause to believe that a member of a household's abuse of alcohol (or pattern of abuse) may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner/agent will deny the admission or continuance of participation in the Program. (Screening standards must be based on behavior, not the condition of alcoholism, or on any discriminatory basis.)

If an owner/agent is setting any standards beyond these required screening criteria, they are encouraged to use evaluations that include a review of the crime type, e.g., assault; and the level of offense, e.g., felony or misdemeanor in the Crime Classification Guide for Colorado.

If an owner/agent proposes to deny admission for criminal activity as shown by a criminal record, they must provide the applicant with access to the source of the information, and must give the family an opportunity to dispute the accuracy and relevance of that information, in the informal review process.

5. Debts owed to PHA screening standard

HUD maintains a national repository of debts owed to PHAs or Section 8 landlords and adverse information of former participants who have voluntarily or involuntarily terminated participation in HUD's rental assistance programs. All PHAs are required to use this system in accordance with HUD regulations at 24 CFR 5.233. A report will be requested for each applicant. If the applicant report reveals an adverse end of participation of

the applicant with any other PHA, the applicant will be denied assistance until the issue is resolved with the other PHA, including entering into a repayment agreement.

6. Application processing and waiting lists

CHFA will require owners/agents to process applications and manage their waiting list to include the following.

a. Applications

- Applications may be completed by any interested family at the property location or at any other location established by the owner/agent and approved by CHFA. The applicant must complete an application with enough information for the owner/agent to determine the applicant's eligibility for participation in the Program. The applicant must also provide any pertinent information for the owner/agent to determine applicability of any preferences. Applications will be available at each property for that particular property or may be mailed upon request.
- Once the completed application is received by the owner/agent, it will be stamped with the date and time of receipt in the property office.
- All applications will be reviewed to determine if the family meets all of the requirements for participation in CHFA's Program and for tenancy in the specific property. If the owner/agent determines that an applicant is ineligible for the program, the owner/agent will notify the applicant in writing and will give the reasons for the determination and will advise the applicant of their right to request an informal review of the decision of ineligibility within 14 working days of the notification. Applicants with the head of household under the age of 18 years will be advised that their application is rejected.
- If the owner/agent determines that an applicant is eligible for the Program, the owner/agent will place the applicant on the waiting list if no units are immediately available.

b. Waiting list

- The family will be placed on the waiting list of the property at which the application was received by time, date, and local preference.
- A written or electronic waiting list will be maintained for each property for all eligible families wishing to participate in the Program within that property. A waiting list may be maintained for more than one property together as long as the applicant has the ability to choose which property they prefer, without losing their place on the waiting list. All applications will be processed on a "first come, first served" basis on the date and time of application after consideration of the preferences contained in this Admin Plan.
- CHFA recommends that the owners/agents purge the waiting list

periodically, but at least annually, by contacting the applicants at the most recent address shown on the waiting list in order to eliminate inactive applications, to reduce unnecessary administrative burden, and to ensure that the list remains representative of the needs of the community.

- If a property wishes to close their waiting list, the property will be required to announce it by posting a notice in a conspicuous place wherever applications are taken and by notice to CHFA and all organizations or individuals listed in the property's Tenant Selection Plan.
- Reopening of the waiting list will also require it to be announced by posting a notice in a conspicuous place wherever applications are taken and by notice to CHFA and all organizations or individuals listed in the property's Fair Housing Plan.
- The applicant must report changes in her or his income, family composition, address, or telephone number to the property at which the application was made. The owner/agent will make note of these changes on the waiting list.
- When the name of the applicant comes to the top of the waiting list and all required verifications have been completed, rental assistance may be offered to the applicant.

An internal transfer list will be maintained by the owner/agent of each property. Current tenants requiring a unit transfer for the following reasons will be given preference over applicants and those on the waiting list.

1. A required unit transfer due to family size or changes in family composition
When an owner/agent determines that a transfer is required, the tenant may remain in their current unit and pay the HUD-approved market rent or must move within 30 days after notification that a unit of the required size is available within the property.
2. A unit transfer for a medical reason certified by a doctor or the need for an accessible unit

If a current tenant requests a unit transfer for any other reason, the unit transfer policy of the property will be observed. If the property does allow such a transfer, the participant will be added to the waiting list of applicants, provided there is no record of consistent late or unpaid rental obligations, no record of police activity, and inspection of the tenant's current unit must indicate there is no damage to the property or poor housekeeping habits resulting in health or safety hazards.

B. Continued Occupancy Policies

CHFA's written continued occupancy policies carries out the Program in accordance with federal law, regulations, and HUD requirements. All issues related to the Program not addressed in this Admin Plan are governed by federal regulations,

HUD handbooks and guidebooks, notices, and applicable state and local laws. The policies in this plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding. CHFA is responsible for complying with all changes in HUD regulations pertaining to the program. If such changes conflict with this plan, HUD regulations will have precedence.

1. Minimum tenant rent

CHFA has established a minimum tenant rent of \$25 and any exceptions are noted below.

a. Hardship exemption

The family may request an exemption from payment of the minimum rent requirement if the hardship is due to one of these events:

- When the family has lost eligibility or waiting for eligibility for a federal, state, or local assistance program
- When the family would be evicted due to non-payment of the minimum rent
- When a decrease in income occurs due to changed circumstances (including loss of employment)
- When a death occurs in the family
- Other circumstances at CHFA's sole review and discretion

When a family requests a Hardship Exemption, the owner/agent must process the request and make a determination within ten days of the request. If the owner/agent does not approve the family's request, the owner/agent must notify the family in writing, and provide CHFA with a copy of the refusal letter. The letter must state the reason for the denial and must advise of the right to an informal hearing, in accord with the provisions of this plan.

Temporary Hardship

If the owner/agent determines that a qualifying hardship is temporary, the owner/agent may not impose the minimum rent for a 90-day period beginning the month following the date of the family's request for a hardship exemption. At the end of the 90-day suspension, the owner/agent must reinstate the minimum rent from the beginning of the suspension. The family must be offered reasonable payment agreement, on terms and conditions established by the owner/agent, for the amount of rent owed by the family.

Long-term Hardship

If the owner/agent determines that a qualifying hardship is long-term, the owner/agent must exempt the minimum rent requirement so long as such hardship continues. Such exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

2. Passbook rate

Per HUD notice PIH 2012-29, CHFA as PHA may establish its own passbook rate for calculating imputed assets from income. CHFA will utilize HUD's passbook rate.

3. Absence from the unit

If it becomes necessary for a participant to live somewhere else temporarily because of hospitalization or other significant life event, CHFA will make the Housing Assistance Payment for a period of 60 days, provided the participant notifies the owner/agent of the absence and continues to pay his or her portion of the rent. Failure to advise the owner/agent of an extended absence may be grounds for termination of the assistance.

When a tenant is going to be absent for more than 30 days, the owner/agent must receive verification from the participant to substantiate the reason for the absence. The participant may not be absent from their unit for 60 or more consecutive days without CHFA's prior written permission. After a 60-day absence, the HAP will not be made unless a request for a 30-day extension is recommended by the owner/agent and approved by CHFA. The owner/agent and CHFA will make a determination on a case-by-case basis.

A written recommendation from the owner/agent or management agent and a request for the extension from the tenant must be submitted to CHFA. If approved, a written approval will be sent to the owner/agent for the tenant's file. No absence will be approved for 180 days or more. CHFA may verify family occupancy through visits, calls, and/or conversations with owner/agents, neighbors, and other related parties.

4. Eligibility in case of family dissolution

a. Applicants

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 court determines the disposition of property between members of the applicant or resident family in a divorce or separation decree, the owner/agent will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original

family members, the owner/agent will determine which family will retain their placement on the waiting list. In making its determination, the owner/agent will take into consideration the following factors:

- The interest of any minor children, including custody arrangements;
- The interest of any ill, elderly, or disabled family members;
- The interest of any family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and provides documentation in accordance with section 3 of this plan;
- Any possible risks to family members as a result of criminal activity; and
- The recommendations of social service professionals.

b. Participants

If a family breaks up into two otherwise eligible families while living in a Mod Rehab unit, at the owner's/agent's discretion, only one family may continue to be assisted.

In the absence of a judicial decision or an agreement among the original family members, the owner/agent will determine which family will retain the unit and which family will have to relocate. If the family that is relocating wishes to live in another unit at the property, the family will need to apply and be placed on the waiting list.

In making its determination, the owner/agent will take into consideration the following factors:

- The interest of any minor children, including custody arrangements;
- The interest of any ill, elderly, or disabled family members;
- The interest of any family member who is or has been the victim of domestic violence, dating violence, or stalking and provides documentation in accordance with section 3 of this plan;
- Any possible risks to family members as a result of criminal activity, and
- The recommendations of social service professionals.

c. Remaining member of a tenant family

The HUD definition of family includes the remaining member of a tenant family, which is a member of a resident 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 (HOH), the owner/agent will allow a temporary adult guardian to reside in the unit until a court-appointed guardian is established.

In accordance with its screening policies, the owner/agent may add the new guardian as the new HOH. Owners and agents are encouraged to work with the local Department of Social Services to ensure that the best interests of the children are addressed.

5. Interim adjustments of rent and assistance

CHFA will require owners/agents to conduct interim adjustments to the rental assistance and tenant rent to ensure that assisted tenants pay rents commensurate with their ability to pay. All tenants must notify the owner/agent when:

- A family member moves out of the unit;
- The family proposes to move a new member into the unit;
- An adult member of the family who was reported as unemployed on the most recent certification or recertification obtains employment; or
- The family's income cumulatively increases by \$200 or more per month.

The family will be required to report these changes in its composition, income, and/or any allowance that occur between the annual certifications. These changes must be reported to the owner/agent as soon as the family becomes aware of the changes, but no longer than 10 calendar days from the date of the change to be considered timely reporting.

The owner/agent must process an interim recertification when the family reports these changes or when the owner/agent otherwise becomes aware of these changes. The owner/agent must verify only those factors which have changed since the last annual certification or which were not previously verified.

The owner/agent is not required to process an interim recertification if:

1. The resulting decrease in tenant rent was caused by the deliberate action of the family in order to avoid paying a higher rent; or
2. The owner/agent receives confirmation that the change will last less than one month. For example, an employer confirms that the family member will be laid off for only two weeks.

The owner/agent must, however, implement this policy consistently for all tenants in the property who experience a decrease or increase in income that will last for less than one month.

The owner/agent may delay, but not refuse, to process an interim recertification if the owner/agent has confirmation that the family's income will be partially or fully restored within two months. Processing may be delayed only until the new income is known.

The owner/agent must notify the family in writing of any change in the tenant rent or assistance payment resulting from the interim certification.

The effective date of the change will be as follows:

If the tenant reported the change in a timely manner (10 calendar days from the action that causes the change) the owner/agent initiates an interim recertification and implements rent changes as follows:

1. Rent increases
The owner/agent must give the family a 30-day advance notice of the increase. The effective date will be the first of the month commencing after the end of the 30-day period.
2. Rent decreases
The change will be effective the first of the month following the day the tenant reports the change.

If the tenant does not comply with the interim reporting requirements and the tenant has failed to report changes in a timely manner, the owner/agent initiates an interim recertification and implements rent changes as follows:

1. Rent increases
Owner/agent must implement any resulting rent increase retroactive to the first of the month following the date that the action occurred.
2. Rent decreases
Any resulting rent decrease, again as above, will be effective the first of the month following the residents reporting of the change.

If the owner/agent learns that the family's household has experienced one of the changes listed above, the owner/agent must immediately notify the family in writing that they must complete an interim recertification. The owner's/agent's notice must state that the interim recertification is a requirement of the program. It must also give the family 10 working days to respond to the notice and advise the family that the rental assistance may be terminated if the 10-day deadline is not met. If the family does respond within this time frame and supplies the required information, the owner/agent must process the interim recertification with an effective date as is stated when the family fails to report in a timely manner.

6. Termination of assistance

CHFA may terminate assistance as a result of the participating family's action or failure to act. CHFA may also terminate assistance by refusing to enter into a HAP contract or by terminating housing assistance payments under an existing HAP contract. CHFA may terminate assistance with or without the consent of the owner/agent.

CHFA will immediately terminate assistance if it determines that a member of the family:

- Has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine (speed) on the premises of federally-assisted housing;
- Is fleeing to avoid prosecution, custody, or confinement after conviction, for a crime or an attempt to commit a crime that is a felony;
- Is violating a condition of probation or parole imposed under federal or state law;
- Is engaged in abuse of alcohol or a pattern of abusing alcohol that threatens the health, safety, or the right to peaceful enjoyment of the premises by other residents or the right to peaceful performance of their duties by the owner/agent or management staff.

CHFA may terminate assistance for the following reasons:

- The family violates any family obligations as listed in the HUD Form 52578A "Statement of Family Responsibility;"
- Any member of the family commits fraud, bribery, or other corrupt or criminal act related to any federal housing program;
- The family currently owes moneys to CHFA or another PHA for amounts in connection with the Mod Rehab Program, housing choice voucher program, or public housing program;
- The family has not reimbursed any PHA for amounts paid to an owner/agent under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- The family is in breach of a repayment agreement with any PHA;
- The family violates CHFA's policy on absence from a unit. The family may not be absent from their unit for 60 consecutive days without CHFA's prior written permission. CHFA may verify family occupancy through visits, calls, and/or conversations with owners/agents, neighbors, and other related parties;
- Any member of the family has been evicted from federal assisted housing in the last five years;
- A PHA has terminated assistance under the program for any member of the family;
- The family has engaged in or threatened abusive or violent behavior to CHFA, the owner, or management personnel.
- Any member of the family has engaged in drug-related criminal activity or violent criminal activity;
- Any member of the family has engaged in criminal activity, regardless of whether the family member has been arrested or convicted. CHFA will provide the family with access to the source

of the information before the hearing and will give the family an opportunity to dispute the accuracy and relevance of the record.

If CHFA proposes to terminate assistance for criminal activity as shown by a criminal record, CHFA must notify the household of the proposed action to be based on the information and must provide the subject of the record access to the source of the information. CHFA will give the family an opportunity to dispute the accuracy and relevance of that information.

Prior to terminating assistance, CHFA will give the family the opportunity to request a hearing. CHFA will consider the seriousness of the issue, the level or involvement of family members, mitigating circumstances related to the disability of a family member, and the effects of termination on noninvolved family members. CHFA may permit some members of the family to continue receiving assistance while imposing a condition that the family member or members who engaged in wrongful activity will not reside with the assisted family. If the family includes a person with disabilities, CHFA's decision is subject to consideration of reasonable accommodation.

CHFA will give both the owner/agent and the family written notice of termination of assistance that states:

- Reason for the termination;
- Effective date of the termination; and
- Family's right to request a hearing.

CHFA may terminate rental assistance if a participant has moved from the property at which assistance is given and/or is living in another apartment/housing situation and keeps the subsidized unit as a secondary residence.

In order for owners/agents to terminate the tenancy of a family during the family's lease term for any of the above reasons, they must comply with the lease and local requirements. All evictions must be carried out through state and local court action. CHFA must be notified in writing of any pending evictions once the court date is set. After a judgment has been rendered, the owner/agent will notify CHFA of the outcome. These notifications may be submitted with the monthly vouchers.

If an owner/agent initiates an eviction action in accordance with the lease and the family continues to stay in the unit, CHFA must continue to make HAP payments to the owner/agent until the family voluntarily moves or is evicted.

7. Marijuana

a. New admissions

Although marijuana has been legalized in the state of Colorado, based on federal law, new admissions of marijuana users are prohibited into CHFA's Mod Rehab Program. The Controlled Substances Act (CSA) lists marijuana as a Schedule I drug, a substance with a very high potential for abuse and no accepted medical use in the United States. The Quality Housing and Work Responsibility Act (QHWRA) of 1998 (42 U.S.C. §13661) requires that PHAs administering HUD's rental assistance programs establish standards and lease provisions that prohibit admission into programs based on the illegal use of controlled substances, including state-legalized medical and recreational marijuana. State laws that legalize marijuana directly conflict with the admission requirements set forth in QHWRA and are, thus, subject to federal preemption.

b. Current residents

For existing residents, QHWRA requires PHAs to establish occupancy standards and lease provisions that will allow the PHA to terminate assistance for use of a controlled substance. However, the law does not compel termination of assistance and PHAs have the discretion to determine continued occupancy policies that are most appropriate for their local communities. Because marijuana is a federally-controlled substance, CHFA may terminate the federal dollar assistance for residents using marijuana on or at the properties.

8. Debts owed and repayment agreements

For current participating families that owe money to CHFA, the family will be required to repay the amounts overpaid on their behalf. CHFA will permit families to sign a repayment agreement. The following rules will be applied for those repayment agreements.

- a. The repayment agreements will be in writing and signed by the family and the management or owner/agent of the property.
- b. The amount due or balance thereof may be paid in full at any time.
- c. The monthly repayment amount is in addition to the monthly rent amount and must not be greater than 40 percent of the current adjusted income.
- d. The monthly repayment amount must be paid on or before the fifth day of each month to the owner/agent or management agent of the property.
- e. This Repayment Agreement will be in default when one (1) payment is late. When an agreement is in default, no future Repayment Agreement will be made unless extenuating circumstances exist and can be verified. In addition, the balance due must be paid in full immediately.

Failure to abide by this Repayment Agreement may result in one or more of the following actions:

- i. Entire balance is due and payable immediately upon demand for payment.
- ii. The Section 8 rental assistance will be terminated.
- iii. Actions to initiate the termination of the lease and tenancy may be initiated.
- iv. The existing balance will be turned over to an appropriate collection agency.
- v. Any unpaid balance at the time of move-out from the unit, the owner/agent will report to CHFA and CHFA will report it to the EIV as a debt to a PHA. This is a national database and may limit the participant's ability to receive further housing assistance. (Please see end of participation policies section 9.)
- f. This Repayment Agreement will be reviewed at every recertification and may be renegotiated if there is a decrease or increase in the household income.

IX. End of Participation Policy

A. End of Participation

HUD requires that all housing authorities administering certain assistance programs, including the Moderate Rehabilitation Program, to report any adverse information regarding tenant participation in the program once they end that participation.

CHFA will require the owner/agent to fill out and submit an End of Participation (EOP) Report, CHFA Form 2011-4.

If there is adverse information, the owner/agent must also:

1. Include the Former Resident Notification Form 2011-5 when sending the resident their security deposit disposition.
2. Send to CHFA a copy of the Security Deposit Disposition, Former Resident Notification (CHFA Form 2011-5), and signed and dated copy(s) of the HUD Form 52675 (Debts Owed Form) for all adult household members with the End of participation report.

All reports are due to CHFA within 30 days of the end of participation date.

B. Debts Owed Reporting

The following adverse information is collected once the participation in the housing program has ended, whether the participant voluntarily or involuntarily moved out of an assisted unit:

1. Amount of any balance owed to CHFA or Section 8 landlord and explanation [i.e., unpaid rent, retroactive rent (due to unreported income and/ or change in family composition) or other charges such as damages, utility charges, etc.]
2. Whether or not the participant has entered into a repayment agreement for the amount that the participant owes.
3. Whether or not the participant has defaulted on a repayment agreement.
4. Whether or not the owner/agent has obtained a judgment against the participant.
5. Whether or not the participant has filed for bankruptcy.
6. The negative reason(s) for the participants end of participation or any negative status (i.e., abandoned unit, fraud, lease violations, criminal activity, etc.) as of the end of participation date.

In accordance with the Federal Privacy Act of 1974, as amended (5 USC 552a) and HUD regulations pertaining to its implementation of the Federal Privacy Act of 1974 (24 CFR Part 16), the participant has the following rights:

1. To have access to the participant's records maintained by HUD.
2. To have an administrative review of HUD's initial denial of the participant's request to have access to the participant's records maintained by HUD.
3. To have incorrect information in the participant's record corrected upon written request.
4. To file an appeal request of an initial adverse determination on correction or amendment of record request within 30 calendar days after the issuance of the written denial.
5. To have the participant's record disclosed to a third party upon receipt of the participant's written and signed request.

C. If a Participant Disputes the Debt or Termination Information Reported

1. The participant should contact CHFA in writing if the participant disagrees with the reported information. CHFA's name, address, and telephone numbers are listed on the Debts Owed and Termination Report.
2. The participant has a right to request and obtain a copy of this report from CHFA.
3. Inform CHFA why the participant disputes the information and provide any documentation that supports the participant's dispute. Disputes must be made within three years from the end of participation date. Otherwise

the debt and termination information is presumed correct. Only CHFA, who reported the adverse information about the participant, can delete or correct the participant's record.

4. The participant's filing of bankruptcy will not result in the removal of debt owed or termination information from HUD's EIV system. However, if the participant has included this debt in the participant's bankruptcy filing and/or this debt has been discharged by the bankruptcy court, the participant's record will be updated to include the bankruptcy indicator, when the participant provides CHFA with documentation of the participant's bankruptcy status.
5. CHFA will notify the participant in writing of its action regarding the participant's dispute within 30 days of receiving the participant's written dispute. If CHFA determines that the disputed information is incorrect, CHFA will update or delete the record. If CHFA determines that the disputed information is correct, CHFA will provide an explanation as to why the information is correct.

D. Repayment Agreements

If a previous participant left the program owing either CHFA or an owner/agent, the previous participant may be able to enter into a repayment Agreement. Items 1, 2, 4, and 5 of "viii, Debts Owed and Repayment Agreements" section of this plan must be applied to these agreements. The following rules will be applied for those repayment agreements.

Failure to abide by this Repayment Agreement may result in one or more of the following actions:

- Entire balance is due and payable immediately upon demand for payment.
- The existing balance will be turned over to an appropriate collection agency.
- Repayment default will be added to the EIV national database.

X. Grievance Procedures and Informal Reviews and Hearings

CHFA will require owners to grant a family participating in the Program the opportunity to appeal the owner's decisions of admission and continuation in the Program. The owner will review the appeal at the next higher level of authority than that of the person who made the decision. When all levels of owner authority have been exhausted, the family may request a hearing from CHFA.

The owner/agent will provide the family the opportunity for an informal review if the family is denied assistance either at the application stage or after assistance has been provided to the family.

A. Informal Review for Applicants

The owner/agent will use the following procedures to advise the applicant and conduct the review:

1. The applicant will be given written notification of the denial of assistance or denial of placement on the waiting list that shall state the reason(s) for the denial.
2. The notice will state that the applicant has a right to request, in writing, an informal review of the decision to deny assistance within 14 business days of the date of the notification.
3. The informal review will be conducted within 10 business days of the date the request is received. The owner/agent will select a person who was not involved in the decision to deny assistance to conduct the review.
4. The applicant may present written or oral arguments relative to the decision.
5. The applicant will be notified in writing of the results of the informal review within 10 business days of the Review.
6. This does not preclude the family from seeking other remedies.

B. Informal Hearings for Participants and Applicants

The procedures for an Informal Hearing are:

1. The management will notify the participant of the decision, their right to an explanation, and their right to request in writing an Informal Hearing within 10 days of the occurrence.
2. In the case of a participating family, the management will provide an opportunity for an Informal Hearing before the actual effective date of the termination of housing assistance payments.
3. The management will schedule the hearing within 10 business days of the date the written request for an Informal Hearing is received in the management's office.
4. The procedures for requesting and conducting an Informal Hearing will be provided to each family during the Moderate Rehabilitation Program Briefing.
5. Within 10 days of receipt of a request for an Informal Hearing in accordance with CHFA's policies, the management will select a Hearing Officer and schedule the hearing. The Hearing Officer will be someone other than the person who made the decision on the matter under review or the subordinate of that person.
6. The Moderate Rehabilitation Program participant and the owner/agent may be represented by a lawyer or other representative.

7. The Hearing Officer will be responsible for conducting the hearing in accordance with the following guidelines:
 - a. The participant or the participant's representative will first be given an opportunity to present his/her objections to the decision in question, and only the specific decision pertinent to this hearing. The participant may present evidence or question witnesses at this time.
 - b. The management or the management's representative will then have an opportunity to explain the decision. The management may present evidence and question witnesses. The participant will have the opportunity to question any development witnesses at this time also.
 - c. The Informal Hearing is not intended to duplicate procedures under judicial review, so the rules of admissibility under such proceeding will not be applied in the course of the hearing.
 - d. The Hearing Officer will issue a written decision stating the reasons for the decision within 10 business days of the Informal Hearing. Factual decisions related to the individual circumstances of the participant will be based on the evidence presented at the hearing. A copy of the hearing decision will be sent by certified mail to the participant.
 - e. The decision of the Hearing Officer will be final. When all levels of owner authority have been exhausted, the family may request a hearing from CHFA. This does not preclude the family from seeking other remedies.

CHFA will give a participant in the Moderate Rehabilitation Program the opportunity for an informal hearing in cases concerning the following decisions:

1. A determination of the amount of the Total Tenant Payment
2. A decision to terminate or deny assistance
3. A determination that the participant is living in a unit with more bedrooms than appropriate under the occupancy standards and CHFA has denied a request for a waiver of the standards

CHFA is not bound to conduct hearings in the following cases:

1. A decision that is not identified in the Plan as eligible for an Informal Review or beyond the authority of the Hearing Officer or procedures
2. A decision in matters contrary to HUD regulations, requirements or federal, state, and local law

XI. Housing Quality Standards

In accordance with 24 CFR 882.516(b), Maintenance, Operation, and Inspections, CHFA as the PHA will inspect or cause to be inspected each dwelling unit under contract at least annually and at such other times as may be necessary to assure that the owner/agent is meeting the obligations to maintain the unit in a decent, safe, and sanitary condition and to provide the agreed-upon utilities and other services. CHFA as the PHA will take into account complaints and any other information brought to its attention in scheduling inspections. Housing Quality Standards (HQS) are minimum standards. HQS standards apply to the building and premises, as well as to the unit.

HQS will be the minimum requirement for approving units for assistance payments. Although CHFA is not required to enforce standards set forth in the Colorado State or Local Building/Housing Codes and/or the other building/housing codes in any areas within the jurisdiction, CHFA will cooperate, to the greatest extent possible, with local code enforcement officials to obtain uniformity of inspections. Efforts will be made at all times to encourage owners/agents to provide housing above HQS minimum standards and to comply with local codes. CHFA will not require any additional acceptability criteria that may severely restrict housing choice.

A. HQS Inspections

Following are the types of inspections:

Initial

Newly leased units must pass the HQS inspection before the tenant moves into the unit. The initial inspection must be completed by the owner/agent or management agent with the tenant present. The move-in inspection must be signed and dated by the owner/agent and tenant.

Annual

An annual inspection to determine that the unit continues to meet HQS will be completed by CHFA for every unit in the program; this inspection must be conducted within 12 months of the last annual inspection. Inspections will be conducted on business days only during normal business hours. The owner/agent will be notified of the inspection appointment by mail, email, or phone, with a minimum of a 14-day notice. The owner/agent will then give the tenant a reasonable notice.

Complaint

At CHFA's discretion, an inspection may be completed when CHFA receives a complaint regarding the unit by anyone.

Special

An inspection may be done at the request of a third party (i.e., HUD request).

Emergency

An inspection may be done in the event of a perceived emergency.

Supervisory

Quality control inspections will be done on units under lease during the year by a supervisor of the CHFA inspector. The purpose of quality control inspections is to ascertain that each inspector is conducting accurate and complete inspections

and to ensure that there is consistency among inspectors in application of HQS. The owner/agent will be notified of the inspection appointment by mail, email, or phone, with a minimum of a 14-day notice. The owner/agent will then give the tenant a reasonable notice.

Move-out/Vacate Inspections

The owner/agent must conduct a move-out inspection when a tenant vacates a unit. If possible, both the tenant and landlord should be present for this inspection. The inspection must be signed and dated by the owner/agent, and if possible, by the vacating tenant.

Re-inspections

If an onsite re-inspection is required, the CHFA inspector will provide the owner/agent and the family reasonable notice. The notice may contain a warning that payments will be abated (in the case of owner's/agent's responsibility), or a warning of intent to terminate assistance (in the case of family's responsibility).

1. Notification of HQS failures

When a unit fails HQS inspection, the CHFA inspector must notify the owner/agent in writing. For emergency items that endanger the family's health or safety, the CHFA inspector will notify the owner/agent of emergency items prior to leaving the site. The emergency items must then be corrected by the owner/agent within 24 hours. For nonemergency items, the CHFA inspector will notify the owner/agent in writing within 30 days. The owner/agent must make repairs within 30 days of receipt of report. For major repairs, the CHFA inspector may approve an extension beyond 30 days.

2. Verification of correction of HQS deficiencies

The CHFA inspector may elect to do a re-inspection to comply with 23 CFR 982.404(a)(3) to verify that all HQS deficiencies have been corrected. A re-inspection is not necessary if CHFA can obtain verification by other means. Other than in the case of life-threatening deficiencies, the CHFA inspector may accept work orders identifying the work completed to remedy the deficiency. The work order must be signed and dated by the person completing the work.

In cases of life-threatening deficiencies, a work order may also be accepted, but it must also be signed and dated by the owner/agent, or sign a certification that the work has been completed and submit with the work order. When the deficiencies are the responsibility of the family, the tenant must certify that the deficiency has been corrected. The owner or management agent must also certify that the deficiencies have been corrected. Verification that repairs were completed may be made at the next onsite inspection.

CHFA, at its discretion, will base the verification process on the severity of corrections to be made and/or CHFA's experience with the owner/agent and property.

3. Determination of responsibility

Certain HQS deficiencies are considered the responsibility of the family: tenant-paid utilities not in service; failure to provide or maintain family-supplied appliances; and damage to the unit or premises caused by a household member or guest beyond normal wear and tear. Normal wear and tear is defined as items that could not be

charged against the tenant's security deposit under state law or court practice. A health, fire, or safety issue due to housekeeping is also a deficiency responsibility of the tenant.

The owner/agent is responsible for all other HQS violations, including vermin infestation, even if alleged to have been caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner/agent may evict for serious or repeated violation of the lease. The CHFA inspector may terminate the family's assistance on that basis. The owner/agent or participant may appeal the determination to the CHFA inspector's supervisor within five business days of notification.

4. Consequences when the owner/agent is responsible (nonemergency items)

When it has been determined that a unit on the program fails to meet HQS, and the owner/agent is responsible for completing the necessary repair(s) in the time period specified, the assistance payment to the owner/agent will be abated. A Notice of Abatement will be sent to the owner/agent stating that the abatement will be effective from the day after the date of the failed inspection. CHFA will determine the deadline for completing deficiencies, depending on the nature of the repair(s) needed.

CHFA will also determine at that time if the units should be re-inspected, depending on the owner's/agent's notification that the work has been completed. Upon notification that the required work is completed, CHFA will advise both the owner/agent and tenants of the re-inspection date, if re-inspection is required.

If the owner/agent makes repairs during the abatement period, payment will resume on the day the unit is determined to pass inspection. No retroactive payments will be made to the owner/agent for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states that the tenant is not responsible for HUD's portion of rent that is abated.

The CHFA inspector may grant an extension in lieu of abatement in the following cases: the owner/agent has a good history of HQS compliance; the failed items are minor in nature; there is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services; the owner/agent makes a good faith effort to make the repairs; the repairs are expensive (such as exterior painting or roof repair) and the owner/agent needs time to obtain the funds; or the repairs must be delayed due to climate conditions. The extension will be made for a period of time to be determined by the CHFA inspector. At the end of that time, if the work is not completed or substantially completed, the CHFA inspector, with approval of their supervisor, may terminate assistance.

5. Consequences when the family is responsible

If emergency or nonemergency violations of HQS are determined to be the responsibility of the family, CHFA will require the family to make any repairs or corrections within a time period consistent with the owner/agent requirement for completing deficiencies. If the repairs or corrections are not made in this time period, the CHFA inspector, with approval of their supervisor, may terminate assistance to the family after providing an opportunity for an informal hearing. The tenant will have 10 days to request an informal hearing. Extensions in these cases must be approved by CHFA.

CHFA inspectors will not enter a unit if it is known to have a bed bug infestation. The unit will automatically fail HQS.

B. Review of Management Operations

CHFA administers its Program under the provisions of waivers that CHFA received from HUD on May 1984, April 1987, and August 1987. These waivers allow CHFA to delegate certain responsibilities to the owner of multifamily properties in the Program. CHFA has delegated these responsibilities through an Administrative Services Agreement with the owners of the properties participating in CHFA's Program. CHFA will assure compliance with this Agreement, this Administrative Plan, and related Procedures through regular monitoring of management practices and through the periodic management reviews provided for in the Administrative Services Agreement. These management reviews will be conducted annually or as needed. The reviewer will review operating procedures and conduct a tenant file audit on a percentage of the units. Any findings or observations must be corrected by management within 30 days of receipt of the report. An owner's/agent's noncompliance could lead to suspension or termination of Section 8 rental assistance or of the Housing Assistance Contract.

XII. Glossary

Annual Contributions Contract (ACC): Annual contracts with Public Housing Authorities for payments toward rent, financing debt service, and financing for modernization

CFR: Code of Federal Register

CHFA: Colorado Housing and Finance Authority

EIV: Enterprise Income Verification

EOP: End of Participation

HAP: Housing Assistance Payment

HQS: Housing Quality Standards

HUD: Housing and Urban Development

Lease bifurcation: Remove a household member from a lease without regard to whether the household member is a signatory to the lease

Moderate Rehabilitation Program: The Moderate Rehabilitation Program provides project-based rental assistance for low income families. The program was repealed in 1991 and no new projects are authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments (HAP) contract between an owner and a Public Housing Agency (PHA).

Occupancy Standards: A limit on the number of persons allowed per dwelling unit, based on the size of the unit, number of bedrooms and baths, and other factors, such as physical limitations of the building

OPIH: Office of Public and Indian Housing

QHWRA: Quality Housing and Work Responsibility Act of 1998

SRO: Single Room Occupancy

Tenant Selection Plan: A formal written policy statement, developed by the owner and available to the public, that clearly states the procedures and criteria the owner will consistently apply in drawing applicants from the waiting list, screening for suitability for tenancy, implementing income targeting requirements, and offering housing assistance and/or assisted housing units. The Tenant Selection Plan also includes policies applied to residents of the property such as how unit transfers are carried out.

Total Tenant Payment: The total amount the HUD rent formula requires the tenant to pay toward the gross rent, before any utility allowance (if applicable) is deducted

VAWA: Violence Against Women Act