

## **811PRA Program Tenant Selection Plan (TSP) Addendum**

The following Tenant Selection Plan Addendum is required to be added to all current LIHTC properties now also associated with MSHDA's 811PRA program:

### **TSP ADDENDUM**

Owners are required to follow all applicable requirements found in HUD Handbook 4350.3 REV-1, Housing Notices, regulations, and statutes. Applicable HUD Notices relating to Owner occupancy requirements include but are not limited to the following, and any and all additional updates:

- **H 2013-06:** *Enterprise Income Verification (EIV) System*
- **H 2012-26:** *Extension of Housing Notice 2011-25, Enterprise Income Verification (EIV) & You Brochure – Requirements for Distribution and Use*
- **H 2012-22:** *Further Encouragement for Owners/Management Agents to Adopt Optional Smoke-Free Housing Policies*
- **H 2012-11:** *State Registered Lifetime Sex Offenders in Federally Assisted Housing*
- **H 2012-09:** *Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend or Other Persons or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing*

Note: The Violence Against Women Act Reauthorization of 2013 (VAWA) applies to Eligible Tenants and may apply to non-assisted units, depending on the funding source of those units. To the extent VAWA is applicable to VAWA covered units, Owners must comply with this law.

#### **Leasing to Eligible Tenants.**

(a) *Availability of Assisted Units for Eligible Tenant in the Target Population.*

During the term of the Rental Assistance Contract (RAC), Owner shall make available for

occupancy by Eligible Tenants in the Target Population the total number of Assisted Units committed under the RAC. For purposes of this section, making units available for occupancy by Eligible Families means that the Owner:

- (1) Has leased or is making good faith efforts to lease the units to Eligible Tenants, in the Target Population including informing MSHDA or MSHDA's designee of a vacancy and holding the unit open for a reasonable period of time; and
- (2) Has not rejected any such applicant family except for reasons permitted under the RAC, the 811PRA Program Guidelines or the MSHDA-approved Tenant Selection Plan for the 811PRA units. Failure on the part of the Owner to comply with this requirement is a violation of the RAC and grounds for all available legal remedies, including specific performance of the RAC, suspension or debarment from HUD programs, and reduction of the number of Assisted Units under the RAC.

(b) *Reduction of number of Assisted Units covered by RAC.* MSHDA may reduce the number of Assisted Units covered by the RAC if:

- (1) The Owner fails to comply with the requirements of paragraph (a) of this section; or
- (2) MSHDA determines that the inability to lease Assisted Units to Eligible Families is not a temporary problem.

(c) *Increase in number of Assisted Units covered by RAC.* MSHDA may increase the number of the Assisted Units covered by the RAC if:

- (1) The program funding amount with the increased number of assisted units does not exceed the maximum amount of grant funds awarded to MSHDA; and
- (2) The owner complies with 811PRA Program Guidelines: § PRA.305.

(d) *Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.* Subpart L of 24CFR part 5 shall apply to the Assisted Units in Eligible Multifamily Properties.

### **Responsibilities of Owner.**

(a) *Marketing, Outreach and Referral* Marketing by the Owner, where applicable (as may be outlined in MSHDA's Inter-Agency Partnership Agreement with MDHHS), must be done in accordance with the MSHDA's Affirmative Fair Housing Marketing Plan (HUD-92243-PRA) and all HUD Fair Housing and Equal Opportunity requirements. The purpose of the Plan and requirements is to assure that Eligible Families in the same housing market area have an equal opportunity to apply and be selected for an Assisted Unit regardless of their race, color, national origin, religion, sex, disability or familial status.

(b) *Management and Maintenance.* The Owner is responsible for all management functions, including screening of Eligible Applicants in accordance with the MSHDA approved Tenant Selection Plan, reexamination and verification of family income and composition, determination of family rent (total tenant payment, tenant rent and utility reimbursement), collection of rent, termination of tenancy and eviction, and performance of all repair and maintenance functions (including ordinary and extraordinary maintenance), and replacement of capital items. All functions must be performed in accordance with applicable nondiscrimination and equal opportunity requirements. Owner has tenant selection responsibilities apart from screening only as provided in MSHDA's Inter-Agency Agreement.

(c) *Contracting for Services.* The Owner may contract with a private or public entity (except MSHDA) for performance of the services or duties required in paragraphs (a) and (b) of this section. However, such an arrangement does not relieve the Owner of responsibility for these services and duties.

(d) *Submission of Financial and Operating Statements.* MSHDA shall establish control measures with the Owner to meet MSHDA's financial requirements of submitting audited annual financial statements that comply with the requirements of OMB Circular A-133.

(e) *Use of project funds.* Rental Assistance Payments must be used for the benefit of the Assisted Units.

### **Selection and Admission of Eligible Tenants.**

(a) *Application.* The Owner must accept referrals of Eligible Applicants from MSHDA or MSHDA's designee for determining eligibility with the Owner's MSHDA-approved Tenant Selection Plan. Upon request of MSHDA or HUD, the Owner must furnish copies of all applications to HUD and/or MSHDA.

(b) *Determination of eligibility and selection of Eligible Tenants.* The Owner is responsible for:

- (1) obtaining and verifying information related to Social Security Numbers of Eligible Family members in accordance with 24CFR part 5, subpart B. Owner shall refer to Handbook 4350.3 REV-1, chapters 3-3, B. and C., 3-9, and 3-11, and 3-31 for further guidance;
- (2) obtaining and verifying income through the use of Enterprise Income Verification (EIV), pursuant to 24C.F.R. 5.233(a)(2). Owner shall refer to Handbook 4350.3 REV-1, chapter 3-30 for further guidance;
- (3) obtaining and verifying information related to income eligibility of Eligible Families in Assisted Units in accordance with 24CFR part 5, subpart F. Owner shall refer to Handbook 4350.3 REV-1, chapter 3-30 for further guidance;
- (4) preventing crime in the Assisted Units, including the denial of admission to persons engaged in criminal activity or has certain criminal histories, in accordance with 24CFR part 5, subpart H. Owner shall refer to Handbook 4350.3 REV-1, chapter 4-27, E. for further guidance.
- (5) complying with protections for victims of domestic violence, dating violence, sexual assault, or stalking, pursuant to 24CFR part 5, subpart L; and
- (6) complying with all other applicable requirements, including but not limited to the RAC, 811PRA Program Guidelines, and any other HUD administrative requirements.

(c) If the Owner determines that an applicant is ineligible on the basis of income or family composition, or because of failure to meet the disclosure and verification requirements for

Social Security Numbers (as provided by 24CFR part 5), or because of failure by an applicant to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies (as provided by 24CFR parts 5), or that the Owner is not selecting the applicant for other reasons, the Owner will promptly notify the applicant in writing of the determination and its reasons, and that the applicant has the right to meet with the Owner (or Owner's designee) and has the right to request a reasonable accommodation. The applicant may also exercise other rights if the applicant believes that he or she is being discriminated against on the basis of race, color, national origin, religion, sex, disability or familial status. Records on applicants and approved Eligible Families, which provide racial, ethnic, gender and place of previous residency data required by HUD, must be maintained and retained for three (3) years. Owner shall refer to Handbook 4350.3 REV-1, chapter 4-9 for further guidance on rejecting applicants and denial of rental assistance.

### **Eligibility Requirements**

All prospective households must meet the following Section 811PRA program criteria and requirements:

Eligible Individuals/Households: PRA funds will be used to serve extremely low income, non-elderly persons with disabilities who are age 18 or older, but less than 62 years of age at the time of transitioning into permanent housing. The person with the disability must be eligible for and require the support of home and community based long term supports and services funded through the Michigan Medicaid program. These programs include Home Help, MI Choice, MI Health Link, Habilitation Supports Waiver, and other Community Mental Health programs. Applicants must have an income that is not greater than 30% of the Area Median Income as established by HUD.

#### Priority populations:

- Individuals in nursing facilities.
- Individuals with developmental disabilities.
- Individuals who may be forced to enter a nursing facility because affordable housing is

not available.

- Individuals who are chronically homeless.
- Individuals who are exiting foster care.

Applications are seldom rejected for poor credit, or financial history, poor or lack of rental history, minor criminal convictions, or behaviors that indicate a lack of housing readiness.

Credit Checks: The applicant's credit report will be run and reviewed, to include:

(a) Applicants with evictions will be reviewed

(b) Credit history, unless something on it is a MSHDA disqualifying event, will not be used for denying residency.

811PRA applicants will not be denied occupancy based on a poor credit history or a history of nonpayment of rent if the applicant, at the time of commencement of occupancy, will have access to rental assistance sufficient to pay his/her share of the PRA unit rent and there are procedures in place to ensure such rental assistance will be paid on a monthly basis in accordance with the HUD 811PRA Model Lease and other 811PRA program requirements.

Disqualifying Criteria: The following households are excluded from Section 811PRA:

- Any household containing a member(s) who was evicted in the last three years from federally assisted housing for drug-related activity, with the following exceptions: 1) The evicted household member has successfully completed an approved, supervised drug rehabilitation program. 2) The circumstances leading to the eviction no longer exist (e.g., the household member no longer resides with the applicant household).
- A household containing a member(s) who is currently engaged in illegal use of drugs or for which the owner has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug may interfere with the health, safety and right to peaceful enjoyment of the property by other residents.

- Any household member if there is reasonable cause to believe that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety and right to peaceful enjoyment by other residents.
- Any household member who is subject to a state sex offender lifetime registration requirement.