

Rhode Island
HUD-Section 811Project Rental Assistance Program

Owner's Manual

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CHAPTER 1: INTRODUCTION TO THE SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM, RHODE ISLAND

1.1 Section 811 Project Rental Assistance Program

Authorized by the Frank Melville Supportive Housing Investment Act of 2010, the Section 811 Project Rental Assistance Program (“Section 811”) is a federally funded initiative created by the U.S. Department of Housing and Urban Development (“HUD”) for the purpose of assisting extremely low-income people with disabilities to live independently through the provision of rental subsidies to landlords and voluntary supportive services to program participants.

In 2015, Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) was awarded approximately \$5.6 million in federal funding to administer Section 811 in Rhode Island.

1.2 Program Overview

Section 811 provides five-year renewable rental assistance to affordable housing projects serving persons with disabilities. The Section 811 guiding document is known as the Rental Assistance Contract (“RAC”), which governs rental assistance payments for specified units for a period of 20 years, subject to federal appropriations. In Rhode Island, Rhode Island Housing will administer rental assistance to house up to 150 individuals and families.

In Rhode Island, Section 811 is a partnership between Rhode Island Housing, the Executive Office of Health and Human Services (“EOHHS”), and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (“BHDDH”). Pursuant to our Interagency Partnership Agreement, BHDDH and EOHHS will ensure that each tenant is connected to community-based services. Such services are voluntary; neither referral nor tenancy can be based on a program eligible tenant’s willingness to accept or not accept such services. Available services include but are not limited to: case management, transportation, employment support, independent living skills, mental health services, and coordination of care.

Section 811 rental assistance may be available to public and private property owners and/or property agents (collectively, “Owners/Agents”) of multifamily properties that have been financed by Rhode Island Housing and/or are in Rhode Island Housing’s Tax Credit Portfolio. Other eligible units may be funded by a Multifamily Bond, HOME funds, or Neighborhood Stabilization Program dollars. Section 811 rental assistance is available for existing properties, properties that are being developed, or properties that have been proposed for development. **Capital funds are not available through this program.**

1.3 Use of this Manual

This Manual has been created for Rhode Island Housing staff (“Staff”) to utilize in administering Section 811. It sets forth the terms and conditions under which Rhode Island Housing will enter into RACs with Owners/Agents and provide rental assistance to program eligible properties.

Owners/Agents may refer to this Manual for informational purposes only. It should not be construed as being a legally binding authority or as containing legal advice. Owners/Agents are expected to follow all applicable laws, HUD notices, handbooks, and other relevant guidance (collectively, “Applicable Law”) when managing program eligible properties.

This Manual is designed to supplement the Section 811 RAC between Rhode Island Housing and the Owner/Agent and is not a substitute for, or an amendment to, that document. Rhode Island Housing encourages Owners/Agents to share the RAC and other relevant documents with their property manager so that they are fully aware of the contractual obligations being committed for this property.

Rhode Island Housing reserves its right to amend, supplement, or otherwise alter this Manual as it sees fit, with or without notice to Owners/Agents.

In the event of a conflict between this Manual and any Applicable Law, the Applicable Law shall govern and control.

CHAPTER 2: APPLICATION FOR FUNDS AND SELECTION PROCESS

2.1 Properties Eligible to Apply for Section 811 Project Rental Assistance

Section 811 provides rental assistance to affordable housing developments financed with federal Low-Income Housing Tax Credits, HOME funds, or other governmental funding sources. The Section 811 rental assistance may be used in a *development* that already contains project-based units or other long term operating assistance, but cannot be used in any *units* that already receive a project-based or long-term operating subsidy, or those that have received any such subsidy within the previous 6 months, or for units currently restricted for disabled persons.

The program is open to buildings/developments throughout the state of Rhode Island but in order to ensure that the units are integrated in the community HUD limits the percentage of units that can be assisted in each development through Section 811.

- **Up to 25% of all units in a building or a development may be assisted under the Rental Assistance Contract (RAC).**
- **Buildings and/or developments must contain 5 or more units to be program eligible.**

Section 811 ensures that tenants have the maximum opportunity to choose the property in which they would like to live. Although an Owner/Agent may commit to provide a certain number of units for Section 811, properties will only be eligible to receive assistance if a program eligible tenant resides there.

2.2 Property Selection Process

Rhode Island Housing and its Partners will identify and select properties to participate in the Section 811 Program through a rolling Request for Proposal, located at www.rhodeislandhousing.org. The final unit mix will be approved by Rhode Island Housing based on demand.

Rhode Island Housing will accept proposals for existing, newly constructed, rehabilitated or to be created affordable housing units only. Properties that are in development, or are proposed for development, will receive a letter of commitment from Rhode Island Housing.

Selected proposals will provide primarily one-bedroom and efficiency units for leasing in connection with the Section 811 Program. Studio, single room occupancy (SRO), and two-bedroom units will also be considered to accommodate tenants' needs. The units must provide access to community amenities such jobs, transportation, recreation, retail services, health care, and social services.

CHAPTER 3: PROGRAM REQUIREMENTS

3.1 Required Documents

Section 811 is governed by the regulations set forth in HUD 4350.3 REV-1 and HUD Notice H 2013-24: Section 811 Project Rental Assistance (PRA) Occupancy Interim Notice. Once an Owner/Agent is approved to participate in Section 811 the owner must:

- Enter into a Rental Assistance Contract (RAC) with Rhode Island Housing to authorize rental assistance payments for specified units for a period of 20 years. Rhode Island Housing has the ability to modify the number of Section 811-assisted units in the RAC as the needs of the tenants change over time.
- Execute a Use Agreement that restricts a specific number of units for use by extremely low-income persons with disabilities for a minimum of 30 years.
- Maintain compliance with Uniform Physical Construction Standards (UPCS) and agree to periodic physical inspections every three (3) years.
- Enter into a Model Lease with a program eligible tenant.

3.2 Rental Assistance Contract (RAC)

The RAC is an agreement between Rhode Island Housing and the Owner/Agent of an eligible multifamily property that agrees to provide eligible tenants with eligible units receiving rental assistance in accordance with the Cooperative Agreement. The RAC is executed once there is a program eligible tenant for the unit. Rhode Island Housing cannot disburse any rental assistance payments until the RAC is executed.

The RAC is comprised of two parts:

Part 1: HUD Form 32235-PRA which can be found at: <https://www.hudexchange.info/resources/documents/Section-811-PRA-Demo-Coop-Agreement-Exhibit-8-RAC-Part-I.pdf> and consists of unit data including bedroom size, contract rent, utility allowances, gross rent, the number of units committed to Section 811, Affirmative Fair Housing Marketing Plan (AFHMP), Use Agreement, Model Lease, and program guidelines.

Part 2: HUD Form 02237-PRA, which can be found at: <https://www.hudexchange.info/resources/documents/Section-811-PRA-Demo-Coop-Agreement-Exhibit-9-RAC-Part-II.pdf> and includes Owner/Agent Responsibilities, Rental Assistance Payments, Maintenance, Operation, Inspection of Units, Rent Adjustments, and Terminations.

The RAC has a term of 20 years with a five year initial funding period. After the initial period funds will be subject to federal appropriations, similar to other housing programs administered by HUD.

Amending the RAC

Amendments to the RAC may be initiated by Rhode Island Housing for the following reasons:

- Reduction or increase of the number of units currently occupied by tenants of the Section 811 Program, with a maximum number of units outlined in the Rhode Island Housing Participation Agreement;
- Change in bedroom size based on transfers within a property by a household or change in tenancy;
- Change in the utility allowance schedule, as allowed by Rhode Island Housing;
- Change in Contract Rent;
- Change in Management Information; or
- Changing the Anniversary Date of the RAC.

If an Owner/Agent wants to initiate a change to the RAC, including requesting that units in excess of the Participation Agreement be included, they must submit the request in writing to Rhode Island Housing.

Early Termination of RAC

Rhode Island Housing may allow for early termination of a RAC, or a reduction in the number of units placed on a RAC, in specific situations, such as if units in a RAC are not occupied in a reasonable period of time (generally six to nine months) due to lack of demand for the units. In this instance, Exhibit 1, Part I, of the RAC must be amended to reflect the actual number of Section 811 units that Rhode Island Housing intends to include in the RAC. This does not remove the Owner/Agent's obligations under the Section 811 Program Participation Agreement and Rhode Island Housing may require the Owner/Agent to again execute a RAC at some future time.

Additionally, Rhode Island Housing may terminate the RAC for persistent lack of Owner/Agent compliance with inspection or occupancy-related issues, or any other breach of contract or program requirements.

3.3 Use Agreement

The Use Agreement restricts a specific number of units in a property for use within Section 811 for a minimum of 30 years. Rhode Island Housing has the ability to terminate the Use Agreement if Congress does not provide funding beyond the initial 5 year period. The Use Agreement will be recorded in the appropriate land evidence records.

3.4 Model Lease

Section 811 requires the use of the HUD Model Lease, Form 92236-PRA which can be found at <https://www.hudexchange.info/resources/documents/Section-811-PRA-Demo-Coop-Agreement-Exhibit-11-Model-Lease.pdf>. If the property has any additional rules they can be attached to the Model Lease but must be done so prior to execution by the tenant.

3.5 Other Program Requirements

- Owners/Agents must obtain access to HUD’s Secure Systems. HUD requires the use of the Enterprise Income Verification (EIV) system to verify tenant household income.
- Owners/Agents must agree to periodic physical inspections consistent with Uniform Physical Construction Standards.
- Owners/Agents must submit their Tenant Selection Plan to Rhode Island Housing Staff (“Staff”), before a RAC can be signed. This may include any marketing materials and property information requested.
- Owners/Agents must obtain access to the Tenant Rental Assistance Certification System (TRACS). The TRAC System is used to submit tenant data at move-in and interim or annual re-certifications.
- If an Owner/Agent has not previously done business with HUD, then the Owner/Agent must register via Business Partners Registration at: https://hudapps2.hud.gov/apps/part_reg/apps040.cfm. The Owner/Agent does not have to go through the previous participation clearance process (HUD 2530).
- The Owner/Agent must display *Fair Housing Posters* in public areas. This will be confirmed during on-site monitoring.
- The Owner/Agent must comply with all applicable laws, HUD notices, handbooks, and other relevant guidance when managing program eligible properties.

CHAPTER 4: APPLICANT/TENANT ELIGIBILITY

4.1 Eligible Applicants

To participate in Section 811 applicants must:

1. Meet extremely low-income financial standards that are less than or equal to 30% of the Area Median Income; and
2. Be between the ages of 18 and 61; and

3. Meet the definition of a disabled person as defined by HUD in Title 42 Part 8013; and
4. Be considered both financially and clinically eligible for community-based long term care services and supports and be likely to continue to meet financial and clinical eligibility criteria for the foreseeable future; be eligible for services through the Affordable Care Act (ACA) Expansion and eligible to receive a variety of community-based long term care services and supports provided through the 1115 Waiver, Medicaid state plan options, state funded services, or other appropriate services related to the type of disability targeted under Section 811.

In addition, applicants must be:

1. Individuals living in institutional settings who:
 - a. have indicated a desire to reside and receive services and support in a community based setting; and
 - b. have been assessed and identified by the Nursing Home Transition Program (NHTP), Money Follows the Person (MFP) program or Managed Care Organization (MCO) as appropriate for safe transition and who can live independently with community-based services; or
 - c. reside in a Mental Health or Psychiatric Rehabilitative Residence and be able to live independently.
- OR**
2. Individuals who are on the Rhode Island Homeless Management Information System (HMIS) Universal Wait List and determined to be high users of Medicaid services. In order to reach this population Staff will attend the Coordinated Entry System Placement Committee meetings to ensure that potential applicants are linked with housing opportunities through Section 811.

4.2 Applicant Referrals

Rhode Island Housing's Partners will make referrals for the program through a pre-application process. The pre-application can be found at www.rhodeislandhousing.org. As part of the referral process, partnering agencies are responsible for verifying the applicant's disability status and ability to live independently. Once the pre-application is received, Staff will verify participation in the qualifying living settings, information collected by the referring partner and the following criteria to determine eligibility:

1. The age of the applicant is between 18-61 at the time of application;
2. The applicant is income program eligible

Once deemed program eligible, the applicant will be added to the waitlist. Rhode Island Housing's waitlist procedures are described in Section 4.6.

4.3 Owner/Agent Screening of Applicants

Owners/Agents must screen referred applicants in accordance with their Tenant Selection Plan. Owners/Agents are also required to follow the screening criteria outlined in HUD Handbook 4350.3. The mandatory denials are as follows:

- Any household with members who have been evicted within the last three years from Federally-assisted housing for drug-related criminal activity involving the manufacturing of methamphetamine. The Owner/Agent may make an exception if the member in question has successfully completed an approved drug treatment program or if the member is no longer a part of the household.
- Any household member that is subject to a state lifetime registration as a sex offender. The Owner/Agent **may not** make any exceptions in this case.

4.4 How an Applicant Becomes a Tenant

Upon execution of the RAC, the Owner/Agent agrees to notify Staff of a vacancy within seven (7) days of that unit becoming vacant. Staff will then refer eligible applicants to the Owner/Agent for screening as outlined in Section 4.3. In an effort to reduce prolonged vacancies, Staff will only refer applicants whose Section 811 eligibility has been verified. The Owner/Agent must accept applicants in the order in which they are referred.

At the same time that the referral is made to the Owner/Agent, Staff will notify the applicant of the available unit. The applicant has ten (10) days from the date of notification to determine whether he/she will accept or decline the unit.

Owner/Agent must accept or deny an applicant upon completion of the screening process. If accepted, the applicant and Owner/Agent may proceed by conducting the move-in inspection and then executing the Model Lease.

4.5 Applicant Denial

The Owner/Agent has the right to deny admission to a Section 811 applicant that does not meet the requirements of their Tenant Selection Plan. In the event that an applicant is denied, the Owner/Agent **must** notify the applicant and Staff in writing. This letter should include:

- The reason for denial;
- Notification of the applicant's right to request a meeting within 14 days to dispute the rejection; and
- Notification of the applicant's right to request a reasonable accommodation

The Owner/Agent **may not** deny admission on the basis that the applicant has been a victim of domestic violence, dating violence, sexual assault, or stalking in accordance with the Violence Against Women's Reauthorization Act of 2013.

According to the HUD Handbook 4350.3 applicants **must** have a right to dispute the denial to reside in a unit. The result of any dispute **must** be communicated to both the applicant and Staff in writing.

If the Owner/Agent 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 24 CFR 5.100, et seq.), or for failure by an applicant to sign and submit consent forms for obtaining wage and claim information from State Wage Information Collection Agencies (as provided by 24 CFR 5.100, et seq.), or that the Owner/Agent is not selecting the applicant for other reasons, the Owner/Agent 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/Agent 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.

4.6 Waitlist Management

In the event that it is necessary, Staff will maintain a waiting list for Section 811. Applicants wanting to apply for Section 811 must first be referred to Rhode Island Housing by EOHHS or BHDDH and then complete the preliminary application in collaboration with their service provider.

The "Section 811 Application Form" must be completed in its entirety. Incomplete applications will not be accepted and will be returned. An applicant's position on the waiting list is determined by the date and time that the completed application was received. Placement on the waiting list does not guarantee eligibility for a unit. When an applicant nears the top of the waiting list, Staff will contact the applicant through the service provider and issue a letter to the applicant. The letter will indicate the property address and location of the prospective unit. An applicant may decline as many units as they would like and still maintain their position on the wait list. However, upon receipt of the unit availability letter, applicants are required to reply to Staff within 10 days of the date of the letter and indicate whether or not they are interested in the available unit. If interested, the applicant's information is referred to the Property Owner/Agent for additional screening as established in the property's Tenant Selection Plan.

Applicants can only be placed on the waiting list for one type of unit at any time. Notwithstanding the other provisions of this section, in instances where there are two or more applicants who are program eligible and are ready to move, first preference shall be given to an individual who is transitioning from an inpatient facility.

If at any time while on the waiting list, an applicant family is determined not to be program eligible for assistance, the applicant will be removed from the waiting list and a notice will be sent to the family's address of record and the partner agency.

The Section 811 waiting list will be organized in such a manner to allow Staff to accurately identify and select families for assistance in the proper order. The waiting list must contain the following information for each applicant listed:

- Applicant name;

- Family unit size;
- Date and time of application;
- Racial or ethnic designation of the head of household

CHAPTER 5: OWNER/AGENT RESPONSIBILITIES

5.1 Affirmative Fair Housing Marketing Plan

Rhode Island Housing has an Affirmative Fair Housing Marketing Plan (AFHMP) which outlines what is required to carry out an affirmative program to attract prospective renters of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability or familial status (24 CFR 200.620). This document can be found at www.rhodeislandhousing.org on the Section 811 page. It is the responsibility of Rhode Island Housing and not the Owner/Agents to conduct outreach and obtain referrals for Section 811.

5.2 Income Eligibility Determination and Documentation

In order to determine household income eligibility, Owners/Agents **must** collect and verify all social security numbers as well as all income information of all household members. Participants of Section 811 do not have to be citizens of the United States to participate in the program. For further guidance please refer to the HUD Handbook 4350.3.

It is the responsibility of the Owner/Agent to ensure that the combined gross annual income does not exceed the extremely low limit as defined by HUD. These limits can be found at <https://www.huduser.gov/portal/datasets/il/il16/index.html>.

Adult family members **must** sign all required HUD consent forms. The Owner/Agent must collect:

- Social Security Numbers for all program eligible family members
- Income through HUD's Enterprise Income Verification (EIV) system
- Income information related to income eligibility

If Owners/Agents need further guidance on determining household income in compliance with HUD regulations they should utilize the HUD Handbook 4350.3.

Owner/Agents are required to verify all household members' information using acceptable methods established by HUD. These methods are:

1. Enterprise Income Verification (EIV)
2. Third Party Written Verification
3. Third Party Oral Verification
4. Family Self-Certification

EIV provides a comprehensive on-line system for the determination and verification of various resident information and income that Public Housing Agencies (PHA's) use in determining a

rental subsidy. Additionally, EIV collects supplemental employment and benefit information through data sharing agreements with the Social Security Administration (SSA) and the United States Department of Health and Human Services (HHS). These agreements, in combination with HUD's TRAC system and EIV reports, provide an analysis of income and benefit information that the EIV team monitors in order to assist PHA's and HUD Field Offices to identify and resolve certain regulatory deficiencies and to implement proactive measures to effectively mitigate risk and program waste, fraud and abuse.

If an Owner/Agent cannot obtain third party written verification, the file must contain documentation as to why the verification is unavailable. Third party verification is the process of confirming any income from an independent party. HUD outlines acceptable forms of verification in Appendix 3 of the 4350.3 which can be found at <https://portal.hud.gov/hudportal/documents/huddoc?id=43503a3HSGH.pdf>.

5.3 Tenant Rent

Section 811 tenants will pay no more than 30% of their adjusted income for rent, including utilities. It is the responsibility of the Owner/Agent to collect this amount from the tenant. The remaining balance of the contract rent will be paid to the Owner/Agent by Rhode Island Housing on behalf of HUD.

Owner/Agents are required to determine the Section 811 applicant's income before the applicant is allowed to move in and at least annually thereafter. Once the applicant's income is verified, the Owner/Agent will use the information to determine the Rental Assistance Payment and the Total Tenant Payment (TTP). The Rental Assistance Payment is the amount of assistance paid to the Owner/Agent on behalf of the tenant and is calculated using the tenant's annual income, less allowable deductions. HUD program regulations specify the types and amounts of income and deductions to be included in the calculation of annual and adjusted income.

The TTP is the amount a tenant is expected to contribute for rent and utilities. TTP for Section 811 is based on the family's income. The TTP must be calculated according to the requirements in HUD Handbook 4350.3 Chapters 5-25, 5-26, 5-27, and 5-30. Calculation of TTP is the greater of the following:

1. 30% of monthly adjusted income;
2. 10% of monthly gross income;
3. Welfare rent (welfare recipients in as-paid localities only); or
4. \$25 minimum rent.

Tenant rent is calculated by subtracting the allowed utility allowance (if any) from the TTP. Tenant rent is the portion of the TTP the tenant pays each month directly to the Owner/Agent for rent. If a property has a utility allowance, it is possible for the Tenant Rent to be \$0 if the utility allowance is greater than the TTP. A utility reimbursement to the tenant must be

provided if the utility allowance is greater than the TTP. The Owner/Agent must document in the tenant file the distribution of any utility allowance reimbursement provided to a tenant.

5.4 Annual and Interim Reexaminations

Annual Reexaminations

Owner/Agents must conduct a recertification of family income and composition at least annually and must then recalculate the tenants' rents and assistance payments, if applicable, based on the information gathered. See Chapter 7 of Handbook 4350.3 for more information.

Interim Reexaminations

Owner/Agents must also conduct interim recertifications of family income and composition in accordance with HUD requirements when tenants notify the Owner/Agent that:

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

Tenants may request an interim recertification due to any changes occurring since the last recertification that may affect the TTP for the tenant, such as:

1. Decreases in income (including but not limited to: loss of employment, reduction in number of hours worked by an employed family member, and loss or reduction of welfare income);
2. Increases in allowances (including but not limited to: increased medical expenses, and higher child care costs); and
3. Other changes affecting the calculation of a family's annual or adjusted income (including but not limited to: a family member turning 62 years old, becoming a full-time student, or becoming a person with a disability).

If a tenant's rent increases because of an interim adjustment, the Owner/Agent must give the tenant 30 days advance notice of the increase. The effective date of the increase will be the first of the month commencing after the end of the 30-day period

5.5 Leasing Requirements

All Owner/Agents are required to use the HUD Section 811 Model Lease, which can be found at: <http://www.rhodeislandhousing.org>. This lease is for a term of one year and automatically renewable for successive terms of one month. The model lease outlines the tenant and Owner/Agent responsibilities and covers the following:

- Total Rent (Contract Rent);

- Security Deposit Amount (amounts received from tenants may not exceed monthly tenant payment or \$50-whichever is greater);
- Utilities Provided;
- Utility Payment (if tenant responsible for any utilities);
- Rental Assistance Payment;
- Tenant Rent Share; and
- Termination & Required Notices.

The following documents must be attached to the model lease:

- HUD- 50059
- Property Rules
- VAWA Lease Addendum
- Move-in inspection
- Lead-based paint disclosure form (if applicable)
- Pet rules (if applicable)
- Pet Addendum (if applicable)
- Live-in Aide Addendum (if applicable)

Security Deposits

The Section 811 Tenant will pay the security deposit by bank check, cashier's check or money order to the Owner/Agent. At the time of the initial execution of the lease, the Owner/Agent may collect a security deposit from each family in an amount equal to one month's Total Tenant Payment or \$50, whichever is greater. The Section 811 Tenant may pay the security deposit from personal resources and/or other public sources. The Owner/Agent may collect the security deposit on an installment basis. The Owner/Agent must place security deposits in a segregated, interest-bearing account. The balance of this account must at all times be equal to the total amount collected from the Section 811 Tenant plus any accrued interest. The Owner/Agent must comply with any applicable State and local laws concerning interest payments on security deposits and return the security deposit to the tenant following the requirements in HUD Handbook 4350.3 REV-1, Paragraph 6-18 and Applicable Law.

In the event that funds are available, Staff may assist the tenant in paying the security deposit. Staff will complete a form requesting funds for the security deposit, and Owner/Agents will execute the form and indicate that at the time of move-out any remaining funds will be returned to Rhode Island Housing (to the extent that Rhode Island Housing contributed funds toward the security deposit, and after any reasonable reductions for damages as permitted by Applicable Law).

Any security deposit collected by the Owner/Agent must be used in accordance with HUD security deposit requirements and is subject to Applicable Law.

Assistance Animals

Assistance animals are permitted to reside in Section 811 units and therefore are not considered pets. A pet security deposit cannot be taken for assistance animals needed as a reasonable accommodation due to a disability. See PRA Occupancy Notice HUD Notice H 2013-24 for more information. All expenses associated with the animal (i.e. food, veterinary expenses, etc.) are allowable medical deductions when calculating tenant rent.

5.6 Rental Assistance Payments

Once a RAC has been executed and the Owner/Agent has signed a Section 811 Model Lease with a Tenant, the Owner/Agent may begin submitting a monthly requisition for funds to Rhode Island Housing.

Systems Necessary for Processing Section 811 Payments

Before a rental assistance payment can be requested, the unit(s) must be set up in HUD Secure Systems along with access to:

- **Tenant Rental Assistance Certification System (TRACS)** to collect tenant and voucher data and authorize payments for the subsidy;
- **Enterprise Income Verification (EIV)** to obtain tenant income and employment verification; and
- **Integrated Multifamily Access eXchange (iMAX)** which allows Owner/Agents to send tenant and voucher data to HUD.

Owner/Agents may submit requests for two types of payments:

- **Rental Assistance Payments**, which represent the difference between the contract rent for the unit and the tenant rent (usually 30% of adjusted income)
- **Vacancy Payments**, which cannot exceed 80% of the contract rent for up to 60 days of vacancy.

A requisition for funds must be made using HUD Secure Systems and TRACS.

Owner/Agents will enter electronic submissions into iMAX to Rhode Island Housing using HUD form 50059 for each Section 811 assisted household and HUD form 52670 via their software, or through their service bureau. Both forms can be found here:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud5

On a monthly basis, the Staff is responsible for processing monthly Section 811 vouchers. The monthly voucher is a request for rental assistance payments. Each Owner/Agent must submit a hard-copy paper voucher along with an electronic records submission through HUD's iMAX System. It is the Staff's responsibility to review, verify, and authorize payment for each unit. It is also Staff's responsibility to try to resolve any discrepancies pertaining to the voucher submission. If Staff cannot resolve the discrepancy, they must assist the Owner/Agent in submitting the appropriate corrected records in order to resolve the problem.

Submission Requirements:

Owner/Agent submissions:

- 1 The paper voucher must be received by the 10th of the month preceding the month for which the Owner/Agent is requesting payment.
- 2 The iMAX submission must be received by the 10th of the month preceding the month for which the Owner/Agent is requesting payment.
- 3 If a submission is not made timely Staff will contact Owner/Agent regarding the late submission.

Voucher approvals and payment request submissions to HUD:

- 1 Staff must review, verify, and authorize payment for each of their developments by the 20th of each month.
- 2 Staff must electronically submit to HUD the approved request for payment for each of their developments by the 20th of each month.
- 3 If delays occur due to late submissions or errors, Staff must notify their supervisor explaining the delay.

*Note: For the first three months after execution of the RAC, a paper voucher must be submitted to HUD.

If an Owner/Agent is having issues with their voucher submission, they should contact Rhode Island Housing to help facilitate the processing of the voucher. For more information on the TRACS system, see HUD's MAT User Guide (version 202D) or visit the following HUD webpage:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum.

Special Claims

If an Owner/Agent has entered into a RAC for a property, the Owner/Agent may be entitled to a vacancy payment for each Section 811 unit that is not leased as of the effective date of the RAC. Vacancy payments may not exceed 80% of the Contract Rent for up to 60 days of vacancy, provided that the Owner/Agent:

1. Performs appropriate feasible actions to fill the vacancy; and
2. Has not rejected any program eligible applicants, except for good cause that is acceptable to Rhode Island Housing.

If a tenant vacates a unit and the Owner/Agent seeks Rental Assistance Payments, the Owner/Agent must:

1. Certify that the Owner/Agent did not cause the vacancy by violating the lease, the Contract, or any applicable law; and
2. Notify Rhode Island Housing of the vacancy or prospective vacancy and the reasons for it immediately (but no later than 7 days) upon learning of the vacancy or prospective vacancy.

The Owner/Agent must lease the Section 811 units under a RAC only to program eligible tenants. When vacancies occur, the Owner/Agent must inform Rhode Island Housing of the vacancy and hold the unit vacant for a period of 60 days. If a program eligible tenant is not identified within this time, the Owner/Agent may lease the unit to households who are not eligible for Section 811; however, this household is not entitled to the benefit of the rental assistance. If the number of occupied Section 811 units at the property falls below the total number of units listed in Exhibit 1 of Part I of the RAC, the Owner/Agent will designate the next available appropriate unit as a Section 811 unit until the total number of occupied Section 811 units meets the total number listed in Exhibit 1 of Part I of the RAC.

Except for vacancy payments as outlined above and absences from the unit as discussed in Section 5.10, if a tenant moves out of a Section 811 unit, Rhode Island Housing will not make any rental assistance payments to the Owner/Agent for any month after the month when the tenant moves out.

5.7 Initial Contract Rent and Rent Increases

The initial contract rent will be calculated using the existing rent for the property. **Rhode Island Housing will set the initial RAC rents at levels affordable to households at 30% of AMI (Area Median Income).** HUD uses the median income for families in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. The tenant contribution to rent shall be 30% of their income, and the subsidy will cover the difference between the tenant contribution and the 30% AMI rent.

After the initial contract rent setting, contract rents may be adjusted annually. The calculation or methodology used for the annual adjustment amount will be outlined in the property's RAC. After the signing of the original RAC with Rhode Island Housing and upon request from the Owner/Agent to Rhode Island Housing, Contract Rents will be adjusted on the anniversary date of the Contract. Within the first year of the Contract and with approval from HUD, the Owner/Agent may request to align their Contract anniversary date with the existing federal or state housing programs layered at the property. Owner/Agents can submit a written request for a rent increase or to change the contract anniversary date using Form HUD- 92458 which can be accessed here:

<http://portal.hud.gov/hudportal/documents/huddoc?id=92458.pdf>.

Rhode Island Housing will review and approve each written request and ensure that the approved annual rent adjustment coincides with Part II of the RAC, section 2.7(b). Rhode Island Housing will document the approved contract rent increase and utility allowance adjustment (if applicable) on a rent schedule (Form HUD-92458) and update the Owner/Agent with the approved rent increase.

5.8 Utility Allowance

For properties in which the tenant pays all or some utilities, there is a utility allowance outlined in the RAC which reflects an estimated average amount that tenants will pay for utilities assuming normal consumption.

5.9 Inspections

Move-In

Prior to occupancy of any Section 811 unit by a program eligible applicant, the applicant must be given the opportunity to be present for the move-in unit inspection (see **HUD 4350.3 Appendix 5 Sample Move-In/Move-Out Inspection Form**). The inspection of the unit must be completed by both the Owner/Agent and the applicant. Both parties must sign an Inspection Form, using either the template provided by the **HUD 4350.3 Appendix 5 Sample Move-In/Move-Out Inspection Form** or a Rhode Island Housing approved form certifying they have inspected the unit and determined it to be decent, safe, and sanitary in accordance with the criteria provided in the form. The Owner/Agent will keep a copy of this inspection form and include it as an attachment to the lease. Referral Agents and/or Service Providers will be available to assist the applicant with scheduling, transportation, or interpreter services.

Applicants have the right to waive their presence during the inspection. If they choose to exercise this right, they must sign a waiver form. Owner/Agents must still complete the Move-In/Move-Out Inspection Form and attach it to the signed waiver in the tenant's file.

Annual

The Owner/Agent must perform an inspection of all Section 811 units on at least an annual basis to determine whether the appliances and equipment in the unit are functioning properly and to assess whether a component needs to be repaired or replaced. This ensures that the Owner/Agent is meeting the obligation to maintain the Section 811 units in decent, safe, and, sanitary condition. The Owner/Agent should complete either the Rhode Island Housing Inspection Form or a Rhode Island Housing approved form for every annual inspection of an 811 unit. All Inspection Forms must be kept in the Tenant File.

Uniform Physical Condition Standards

In addition to the annual Owner/Agent inspections, a Uniform Physical Condition Standards (UPCS) inspection of the 811 unit must be performed by a qualified inspector. This inspection can be aligned with inspections that are scheduled for the property's other existing federal or state housing programs, if any, but must occur at least **every three years**. If multiple federal or state housing programs are layered at the property, the frequency of the physical inspection will be determined by the most stringent UPCS standard, with a minimum of every three years. UPCS requires that items in five categories (site, building exterior, building systems, dwelling units, and common areas) must be inspected during any physical inspection of the property. These requirements are more specifically described in 24 C.F.R § 5.703. A checklist outlining these standards is available here:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_26481.pdf. A UPCS inspection fee may be imposed on the Property but will be determined at RAC execution.

5.10 Occupancy

Generally, a standard of two persons per bedroom is acceptable. An Owner/Agent may establish a different standard for assigning unit size based on specific characteristics of the property (e.g., some bedrooms are too small for two persons); however, if fewer than 2 persons per bedroom for each rental unit are required for reasons other than those directed by local building code or safety regulations, a written justification must be provided by the Owner/Agent. Owners/Agents are responsible for the final determination that households meet the occupancy standards of their Tenant Selection Plan, HUD Handbook 4350.3 and Exhibit 5 of the Cooperative Agreement, Part D §PRA.404.

At initial occupancy, Owners/Agents may not place a lower number of tenants in a unit than allowed for occupancy by HUD Handbook 4350.3 Chapter 3-23 or another reasonable standard developed by Rhode Island Housing. A single person must not be permitted to occupy a unit with two or more bedrooms, except for the following persons:

- A person with a disability who needs the larger unit as a reasonable accommodation
- A displaced person when no appropriately sized unit is available.
- A remaining family member of a tenant family when no appropriately sized unit is available
- An appropriately sized unit must be available and offered to the Section 811 household before the household can move. If the next household on the waiting list is not appropriate for the unit size available, the unit will be offered to the next available household that fits the unit size.
- A household may elect to live in a smaller unit than the unit size allocated, but the utility payment will be based on the occupied unit.
- A household may not elect to live in a larger unit than the allocated unit size

Overcrowded/Under-Occupied Units & Transfers

If the Owner/Agent determines that because of a change in household size, an assisted unit is smaller than appropriate for the program eligible household to which it is leased, or that the unit is larger than appropriate, the Owner/Agent shall refer to their written policies in the Tenant Selection Plan regarding family size and unit transfers. Rental Assistance Payments with respect to the assisted unit will not be reduced or terminated until the Section 811 household has been transferred to an appropriately- sized assisted unit. Rhode Island Housing should be notified of any changes in family size once the Owner/Agent is made aware of changes.

Absences from the Unit

Rhode Island Housing can continue to make Rental Assistance Payments to Owner/Agents while a Section 811 tenant is absent from the unit under reasonable circumstances. For example, if the head of household is hospitalized, Rental Assistance Payments can continue

as long as the household continues to pay their portion of the rent and the program eligible household member is expected to return to live in the unit. This includes but is not limited to hospitalization in a medical facility, a psychiatric facility, a nursing facility, or other institution.

Note that it is possible that a household's income and corresponding tenant rent may change when an individual is in the hospital or an institution. In the event that the tenant's absence from the unit may be for an extended period of time, the tenant may request a Reasonable Accommodation to retain the unit. The approval of the Reasonable Accommodation will be up to the Owner/Agent, in consultation with the Rhode Island Housing.

Determining the Eligibility of a Remaining Member of a Tenant Household

As part of the referral process, Rhode Island Housing will have screened for eligibility of the applicant household. According to Title 42, Part 8013, HUD defines an Program eligible Family as a household composed of one or more persons who is 18 years of age or older and less than 62 years of age, and who has a disability. The Owner/Agent must contact Rhode Island Housing as soon as possible, but no later than three business days, if there are any changes to household composition involving the program eligible household member so that Rhode Island Housing can determine if the existing household remains eligible for Section 811 assistance.

If the program eligible household member passes away the remaining household members may remain in the unit and continue receiving Rental Assistance Payments based on income eligibility. If the program eligible household member leaves the unit (other than a temporary absence listed in previous Section) for any reason other than death, the remaining members are **only** eligible to continue receiving Rental Assistance Payments if at least one remaining household member meets both the income and disability eligibility criteria. Once Rhode Island Housing is notified of this situation, the remaining household members will be provided eligibility information and the Owner/Agent must collect eligibility verifications, which is to be maintained in the tenant file.

If Rhode Island Housing and/or the Owner/Agent determine that no remaining household members meet the eligibility criteria, the household can still remain in the unit, but the household **will not** receive any Section 811 Project Rental Assistance and must pay market rent or the restricted rent of the unit, as applicable. See HUD Handbook 4350.3 Chapter 3-16 for further guidance. Owners/Agents must provide a 30-day notice before adjusting the tenant portion of rent.

5.11 Record Keeping

Owners/Agents must retain records in accordance with HUD 4350.3 Handbook. HUD requires that documents be destroyed at the conclusion of the term of tenancy plus three years. During the term of each assisted lease, and for at least three years thereafter, the Owner/Agent must keep:

- A copy of the executed lease;

- The application from the family;
- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each in program eligible family and notice that the applicant is not program eligible;
- HUD-required reports;
- Unit inspection reports;
- Other records specified by HUD

5.12 Limited English Proficiency (LEP)

Persons who, as a result of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand English are considered persons with limited English proficiency (LEP). It is the policy of Rhode Island Housing that language assistance will be made available for persons with LEP to ensure that they have meaningful access to the Section 811 Program. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Property Owners/Agents must take reasonable steps to ensure meaningful access to the information and services they provide for persons with LEP.

5.12 Fair Housing Poster

In accordance with HUD's guidelines, Owner/Agents are required to post HUD's fair housing poster at any leasing offices located at properties with Section 811 units. This poster can be downloaded at the web link below:

<http://portal.hud.gov/hudportal/documents/huddoc?id=928.1.pdf>

CHAPTER 6: TERMINATION

6.1 Termination

Termination of Tenancy

Owner/Agents are expected to enforce the terms of the lease and tenants are similarly expected to comply with the requirements established in the lease. Termination for reasons other than those permitted by HUD is prohibited. Both Owners/Agents and tenants have the right to terminate tenancy.

An Owner's/Agent's intent to terminate a lease for any reason must be made in writing and provided to both the tenant and Staff. Staff will then contact the Owner/Agent to discuss the proposed termination and the potential resolution. HUD Regulation provides that the Owner/Agent may only terminate the lease based upon either material noncompliance or other good cause.

If a resolution cannot be reached, the Owner's/Agent's written termination notice must be sent via first class mail to the tenant and Staff. In addition, a copy of the notice must be served on an adult person answering the door at the leased dwelling unit or by placing the

notice under or through the door, if possible, or by affixing the notice to the door. The notice must adhere to the following standards:

1. State that the lease is terminated and include a specific termination date;
2. State the reasons for the Owner's/Agent's action with enough specificity to allow the tenant to prepare a defense;
3. Advise the tenant that if he or she remains in the leased unit on the date specified for termination, the Owner/Agent may seek to enforce the termination only by bringing a judicial action at which time the tenant may present a defense; and
4. Advise that persons with disabilities they have the right to request Reasonable Accommodations to participate in the hearing process.

If the tenant does not vacate the premises on the effective date of the termination, the Owner/Agent may pursue all judicial remedies under State or local law for the eviction of the tenant. In such case the Owner/Agent must notify Staff. Additional information can be found in the HUD Model Lease.

Section 811 Program Termination

Section 811 rental assistance payment will be terminated when a tenant is no longer eligible for the subsidy in the assisted unit. Tenants whose rental assistance is terminated may remain in the unit but must pay the market rent or other rent amount as may be required by the Owner/Agent for the unit.

Please refer to Section 3.2 for further information about early termination of the Rental Assistance Contract.

6.2 Material noncompliance

Termination of tenancy for material noncompliance of the lease agreement consists of the following:

1. **One or more substantial violations** of the lease;
2. **Repeated minor violations** of the lease, which disrupt the livability of the project; adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities; interfere with the management of the project; or have an adverse financial effect on the project;
3. **Failure of the tenant to timely supply all required information** on the income and composition or eligibility factors of the tenant household (including failure to meet the disclosure and verification requirements for Social Security Numbers, as provided by 24 CFR Part 5, Subpart B or knowingly providing incomplete or inaccurate information); or
4. **Nonpayment of rent** or any other financial obligation due under the lease (including any portion thereof) beyond any grace period permitted under Rhode Island law shall constitute a substantial violation. The payment of rent or any other financial obligation due under the lease after the due date but within any grace period permitted under Rhode Island law shall constitute a minor violation.

6.3 Good Cause

The conduct of the tenant cannot be deemed “other good cause” unless the Owner/Agent has given the tenant prior written notice that the conduct constitutes a basis for termination. When the termination of the tenancy is based on “other good cause,” the termination notice must be effective at the end of the lease term, but in no case earlier than 30 days after receipt of the notice by the tenant. Owners/Agents must also consider reasonable accommodation requests by individuals with disabilities in the eviction process.

CHAPTER 7: Tenant Rights and Participation

7.1 Tenant Rights

Tenants are entitled to peaceful living arrangements with decent, safe, and sanitary conditions that meet the requirements of the UPCS. A tenant’s refusal to participate in or accept services or a termination of service is not a basis for lease termination.

7.2 Tenant Support Services

Section 811 tenants are referred by the Nursing Home Transition Program (NHTP), Money Follows the Person (MFP) Program, or a Managed Care Organization (MCO). The Section 811 applicant will work with Partner Agency Staff and the Staff of the applicant’s current residence to develop a service plan for successful tenancy. A sample of these services can include but is not limited to:

- Case management
- Transportation
- Employment supports
- Independent living skills
- Mental health services
- Coordination of care

7.3 Owner/Agent Concerns

Prior to initiating any actions associated with termination, the Owner/Agent will consult with Rhode Island Housing and/or the tenant’s service provider or other designated contact person in an attempt to avoid termination. The purpose of this consultation is to quickly address any concerns with the Section 811 tenant and to preserve tenancy in compliance with the property rules and regulations. Following this consultation, the Owner/Agent may terminate a tenant’s assistance if:

- The tenant fails to provide required information at the time of recertification, including changes in household composition, or changes in income or Social Security numbers for new household members;
- The tenant fails to sign/submit required consent and verification forms;
- An annual or interim recertification determines that the tenant has an increased ability to pay the full contract rent;
- The tenant fails to move to a different-sized unit within 30 days after the Owner/Agent notifies him/her that a transfer is required, and that the unit of the required size is available;
- Serious or repeated violations of the terms and conditions of the lease

7.4 Tenant Complaints

On occasion, tenants or applicants may contact Rhode Island Housing with complaints regarding the Owner/Agent, or because of an issue they are unable to resolve. The tenant or applicant may visit Rhode Island Housing to make their complaint in-person. It is the responsibility of Staff to receive and investigate the complaint, with the goal of resolving the issue to preserve tenancy. It is Rhode Island Housing's policy to obtain routine tenant or applicant complaints in writing. However, if a complaint is considered one that is life-threatening, or involves a health and safety issue, obtaining the complaint in writing from the tenant is not necessary and follow-up will be immediate.

Once a written complaint is received, Staff will send a copy of the complaint letter to the Owner/Agent within two (2) days along with a letter stating that they have five (5) days to respond. If the Owner/Agent does not respond within the five (5) day period Staff will follow-up with a documented phone call. Failure to respond within fifteen (15) days to Staff regarding tenant grievances may be considered grounds for termination of the Owner/Agent participation in Section 811.

Staff will review the Owner/Agent response to ensure that all issues and concerns have been addressed. Further communication with Owner/Agent and/or tenant may be necessary before closing out the complaint. Any delays in response need to be documented and justified. Once Staff can determine that the complaint has been resolved, the outcome will be communicated by Staff to the tenant in writing within five (5) business days.

7.5 Reasonable Accommodations

A "Reasonable Accommodation" is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies, practices, and services may have a different effect on a person with a disability than on other persons, treating a person with a disability exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling.

With certain limited exceptions, all privately and publicly owned housing, including housing subsidized by the federal government or rented through the use of Section 811, is required to provide Reasonable Accommodations.

Several federal laws including the Fair Housing Act (FHA), Section 504 of the Rehabilitation Act of 1973 (504), and the Americans with Disabilities Act (ADA) Title II and III require Owners/Agents to provide Reasonable Accommodations. The Section 811 Program Guidelines also require Owners/Agents to comply with these laws and regulations.

To show that a requested accommodation may be necessary, there must be an identifiable relationship or nexus between the requested accommodation and the individual's disability. Owners/Agents may deny an accommodation if there is no disability-related need for the accommodation.

In addition, a request may be denied if providing the accommodation is not reasonable (i.e., if it would impose an undue financial and administrative burden on the housing provider or it would fundamentally alter the nature of the provider's operations). The determination of undue financial and administrative burden must be made by the Owner/Agent on a case-by-case basis involving various factors, such as the cost of the requested accommodation, the financial resources of the provider, the benefits that the accommodation would provide to the tenant, and the availability of alternative accommodations that would effectively meet the tenant's disability-related needs.

When an Owner/Agent refuses a requested accommodation because they believe it is not reasonable, they should discuss with the tenant whether there is an alternative accommodation that would effectively address the tenant's disability-related needs without a fundamental alteration to the Owner/Agent operations and without imposing an undue financial and/or administrative burden. If an alternative accommodation would effectively meet the tenant's disability-related needs and is reasonable, the Owner/Agent must grant it. An interactive process in which the Owner/Agent and the tenant discuss the tenant's disability-related need for the requested accommodation and possible alternative accommodations is helpful to all concerned because it often results in an effective accommodation for the tenant that does not pose an undue financial and administrative burden for the Owner/Agent.

If the Owner/Agent denies the requested accommodation as unreasonable, the Owner/Agent should discuss with the tenant whether reasonable accommodations could be provided to meet the tenant's disability-related needs. For instance, placing an open trash collection can in a location that is readily accessible to the tenant so the tenant can dispose of his own trash and the Owner's/Agent's maintenance Staff can then transfer the trash to the dumpster when they are on site. Such an accommodation would not involve a fundamental alteration of the operations and would involve little financial and administrative burden for the Owner/Agent while accommodating the tenant's disability-related needs.

When an applicant or tenant requests an accommodation, the Owner/Agent is entitled to obtain information that is necessary to evaluate if a requested Reasonable Accommodation may be necessary because of a disability. If a person's disability is obvious or otherwise known to the Owner/Agent, and if the need for the requested accommodation is also readily apparent or known, then the provider may not request any additional information about the tenant's disability or the disability-related need for the accommodation.

Some Section 811 applicants will have criminal records, poor tenancy histories, and/or poor credit histories. Some Owners/Agents will screen out applicants with certain criminal background or tenancy histories. A reasonable accommodation of the policy may be requested if the applicant demonstrates that:

1. Their history is disability related; and
2. The situation/behavior is not likely to recur.

If these conditions have been satisfied, then a reasonable accommodation may be requested. It will be up to the Owner/Agent to determine whether they think the request is reasonable or not, and whether the applicant has provided a strong case that the behavior will not recur. An applicant may use the dispute resolution process if they think a reasonable accommodation should have been granted.

CHAPTER 8: COMPLIANCE AND MONITORING

8.1 Compliance Monitoring

Rhode Island Housing will oversee the continued compliance of multifamily properties that participate in the Section 811 Program, including compliance with existing or new funding requirements added by Section 811. Compliance reviews will occur annually and may be conducted on-site or remotely through a desk review. If a property is under an existing monitoring schedule for another Rhode Island Housing program, these reviews may be done in conjunction with those compliance reviews. Advanced written notice of on-site reviews will be provided prior to a visit.

One year after the RAC execution, Rhode Island Housing will conduct a monitoring site visit with the Owner/Agent. The monitoring review will consist of an Staff interviews, an assessment of Tenant Files, and a physical inspection. Thereafter, the reviews will be conducted annually at each participating development.

8.2 Monitoring Interviews

Staff will conduct an entrance interview with Owner/Agent to assess management and oversight of the housing development. The following may be discussed during the interview process:

- Preventative Maintenance Procedure
- Rent Collection Procedure
- Work Order Procedures

- Inspection Procedures
- Pet Policy
- Grievance Procedure

At the time of the monitoring, Staff will review the supporting documentation to ensure compliance with HUD rules and regulations. If a deficiency is noted during the interview, the Section 811 representative should ensure that a cause as to why the deficiency occurred is obtained.

8.3 Review of Tenant Files

The minimum file sample may include a review of new move-ins, re-certifications (initial, interim, and annual), at least one applicant file that was denied, and at least file of a tenant that was terminated or moved-out. Rhode Island Housing will follow the guidance provided in form HUD-9834, which states that minimum file sample shall be determined as follows:

<i>Number of Units</i>	<i>Minimum File Sample</i>
100 or fewer	5 files plus 1 for each 10 units over 50

During the file review, the following items/forms must be reviewed for compliance with HUD and/or Rhode Island Housing’s requirements (if applicable):

- Application
- Certification of Age
- Certification of handicap/disability
- Reasonable Accommodation Letter
- HUD Form 50059
- Third Party Asset, income and medical expense verification forms
- Miscellaneous verification forms
- Asset disposition statement
- Medical reimbursement statement
- Notice and consent for the release of information (HUD 9887)
- Tenant consent to the release of information (HUD 9887-A)
- Unit inspection report
- HUD model lease and attachments

Following the entrance interview, Staff will be supplied with the files that were selected for review. The tenant file review worksheets are divided into the following sections:

- A. Household Information
- B. Verification
- C. Lease
- D. Certification/Recertification Activities
- E. Billing
- F. Move-out File Review Only
- G. Applicant Rejection Review Only

Not all sections need to be completed, however all questions must be answered if the section pertains to the type of file being reviewed. There are four types of files to review:

- Applicant rejection
- Tenant move-in
- Tenant move-out
- Certification/recertification.

8.4 Physical Monitoring

General Appearance (Reference question A 1 of form HUD-9834)

During the monitoring Staff will conduct a general inspection of the buildings and grounds. The purpose of the inspection is to ensure the development, including common areas are in decent, safe, and sanitary condition. The Staff may take pictures of deficiencies to provide supporting documentation of physical findings.

Site

The site components, such as fencing, retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, roads, and walkways must be free of health and safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walkways or steps, excess accumulations of trash, vermin or rodent infestation or fire hazards.

Building Exterior

Each building on the site must be structurally sound, secure, habitable and in good repair. Each building's doors, fire escapes, foundations, lighting, walls and windows, where applicable, must be free of health and safety hazards, operable and in good repair.

Dwelling Units

Each dwelling unit within a building must be structurally sound, habitable and in good repair. All areas and aspects of the dwelling unit (for example, the unit bathroom(s), call-for-aid (if applicable), ceiling, doors, electrical systems, floors, kitchen, lighting, outlets/switches, patio/porch/balcony, smoke detectors, stairs, walls and windows) must be free of health and safety hazards, functionally adequate, operable and in good repair. The dwelling unit must have hot and cold running water, including an adequate source of potable water (note: single room occupancy units need not contain water facilities).

If the dwelling unit includes its own sanitary facility, it must be in proper operating condition, usable in private, and adequate for personal hygiene and the disposal of human waste.

The dwelling unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each level of the unit.

Health and Safety Concerns

All areas and components of the housing must be free of health and safety hazards. These areas include, but are not limited to electrical hazards, elevators, emergency/fire exits, flammable materials, garbage and debris, handrail hazards, infestation and lead-based paint. For example, the buildings must have fire exits that are not blocked, handrails that are undamaged, and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling units and common areas must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have available proper certifications of such (see 24 CFR Part 35).

8.5 Exit Interview

The exit interview will be conducted upon conclusion of the site visit. The purpose of the exit interview is to ensure a clear understanding of the findings and to provide proper guidance to resolve any findings.

During an exit interview, Staff will offer Owners/Agents the opportunity to locate missing document(s). The Owner/Agent must provide the completed document(s) to Staff within 72 hours.

Once the monitoring review is complete all findings and concerns will be documented and detailed in a monitoring letter which will be issued within 30 business days of the site visit. The Owner/Agent then has 30 days to respond to the notice and provide a plan of action to correct the findings. Another site visit may be conducted to confirm that the issues have been addressed and the Owner/Agent is operating in compliance with HUD guidelines.

CHAPTER 10: Additional Resources

HUD Handbook 4350.3

https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35639.pdf

Multifamily Enterprise Income Verification (EIC) Website:

<http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivapps.cfm>

HUD Section 811 PRA Web Page:

[https://www.hudexchange.info/811-pra/.](https://www.hudexchange.info/811-pra/)

<http://811resourcecenter.tacinc.org/policy-programs/section-811-program-faqs>

Area Median Income Limits:

<http://www.huduser.org/portal/index.html>

Section 504:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/sect504

Limited English Proficiency (LEP):

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promoting_h/lep-faq

Fair Housing:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp

Multifamily Housing Rental Housing Integrity Improvement Program, (RHIIP) ListServ:

<http://www.hud.gov/subscribe/signup.cfm?listname=Multifamily%20Housing%20RHIIP%20%28Rental%20Housing%20Integrity%20Improvement%20Program%29%20Tips&list=MFH-RHIIP-TIPS-L>

HUD Notice H 2013-24: Section 811 Project Rental Assistance (PRA) Occupancy Interim Notice

HUD Notice PIH 2016-05 (HA): Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies

HUD's Step-by-Step Instructions for 811 PRA Grantees to use HUD Systems

Exhibit 5 of the Cooperative Agreement: Program Guidelines

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section811ptl

CHAPTER 11: Rhode Island Housing Contacts

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