

CITY OF FULLERTON TENANT BASED RENTAL ASSISTANCE PROGRAM FOR QUALIFYING SENIOR MOBILE HOMEOWNERS AND VETERANS

PROGRAM GUIDELINES/OPERATING PROCEDURES

I. INTRODUCTION

Utilizing HOME Investment Partnerships Program (HOME) funding, the City of Fullerton (City) has elected to assist certain eligible low-income senior mobile homeowners and senior veterans by reestablishing its Tenant Based Rental Assistance Program (TBRA). The Program will enable the City to meet the needs of the Participating Tenant Households by providing monthly rental assistance for one year with a proposed one-year renewal (subject to funding availability).

II. TENANT SELECTION POLICY

- A. Eligible Participating Tenant Households - For the purposes of participating in the City's TBRA Program, an eligible Senior Tenant Household must qualify as a low-income household and must meet local preference requirements.

For purposes of this Program, the definition of a **low-income household** is a Tenant Household that has an adjusted annual income that does not exceed fifty percent (50%) of the area median income, adjusted for family size, established by U.S. Department of HUD for the City of Fullerton. (See Attached Income Limits).

The City has adopted the following local priorities:

1. Mobile Home Park senior residents (55 years or older) that are paying over 50% of their monthly income for space rent, first-come, first-serve basis.
2. Senior Veterans residents (55 years or older) that are paying over 30% (additional preference for over 50%) of their monthly income towards rent, first-come, first-serve basis.
3. Mobile Home Park senior residents (55 years or older) that are paying over 30% of their monthly income for space rent, first-come, first-serve basis.
4. Specified Mobile Home Park senior residents that are under age 55 if disabled, that are paying over 50% of their monthly income for space rent, first-come, first-serve basis.

Applicants shall be selected based on Fair Housing priorities which prohibit discrimination based on age, race, creed, religion, sex, handicap, national origin or familial status.

- B. Determination of Participating Tenant Household Income - Gross annual income, includes payment from all sources, whether in cash or in kind, that is anticipated to be received by all adult members of the Participating Tenant Household. The Gross Annual Income includes, but is not limited to:

1. Gross amount of wage, salary, overtime pay, commissions, fees, tips and bonuses,

2. Net income from the operation of a business or profession,
 3. Interest and other income of any kind from real or personal property,
 4. Full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability/handicap or death benefits,
 5. Payment in lieu of earnings such as unemployment, worker's compensation and severance pay,
 6. Social Security Assistance (SSA) and/or Social Security Disability Supplemental Income Assistance (SSI), and
 7. Alimony, child support and other regular contributions.
- C. Eligible applicants must contribute a minimum of \$250 towards monthly rent and have an identified monthly income.
- D. Eligible applicants cannot have real and personal property, excluding furnishing and one car, valued at over \$50,000.

III. ELIGIBLE HOUSING UNITS

- A. Eligible Housing Units - Participating Tenant Households receiving Program assistance from the City of Fullerton must reside in an eligible Housing Unit. An eligible Housing Unit must:
1. Be inspected to demonstrate that the housing unit meets the Federally established Housing Quality Standards (HQS). If necessary, eligible households may apply for assistance (in the form of loans or grants) through the City's Home Improvement Program, if repairs are necessary to pass an HQS inspection.
 2. Receive no other rent subsidies from Federal, State, or local sources.
- B. Occupancy Standard - The eligible Housing Unit shall contain at least one bedroom or living/sleeping room of appropriate size. The following occupancy standard shall apply:
1. 0 – bedroom – 1 person
 2. 1 – bedroom – 3 persons
 3. 2 – bedroom – 5 persons
 4. 3 – bedroom – 7 persons

IV. ADVERTISING TO ELIGIBLE SENIOR HOUSEHOLDS RESIDING IN HOUSING UNITS LOCATED WITHIN THE CITY OF FULLERTON

The City shall advertise the Program by distributing flyers and/or offering workshops to the Rancho Fullerton Mobile Home Estates and Rancho La Paz Mobile Home Park and qualifying senior veterans citywide.

V. MAXIMUM AMOUNT OF RENTAL SUBSIDY/TENANT HOUSEHOLD CONTRIBUTION

- A. Rent Standard - The City shall utilize the Fair Market Rent (FMR) established for the Section 8 Housing Choice Voucher Program, which is published by the U.S. Department of HUD on a yearly basis. (See Attached FY 2021 Fair Market Rent (FMR))
- B. Total Tenant Household Payment - Participating Tenant Households shall pay 30% of their adjusted monthly income (as hereafter defined) for housing costs consisting of monthly space rent payment. If rent is above the FMR household will pay 30% of its income toward housing plus the amount by which the unit's rent exceeds the rent standard.
- C. Rent Reasonableness Review - City shall review the Participating Tenant Household's lease agreement to verify the amount of rent paid on a monthly basis, excluding utilities.

VI. LENGTH OF ASSISTANCE

The City of Fullerton will provide rental assistance payments for up to twelve months (1-year) from the date of the execution of Rent Payment Contract with the possibility of renewal for a second one-year period following recertification of the Participating Tenant Household's income eligibility and Program qualification.

Rental Assistance Payments will be made directly to the Participating Tenant Household by the City on a monthly reimbursement basis. Assistance may be terminated upon verification that the Participating Tenant Household:

- A. Is no longer income eligible (i.e. income exceeds 50% of area median income adjusted per family size), or
- B. Fails to complete the recertification process, or
- C. No longer resides in the eligible Housing Unit on a full-time basis.

In addition, rental assistance per this TBRA program could be terminated prior to annual renewal if the City no longer receives HOME funding. If HOME funding to the City is discontinued the TBRA program funding will be terminated on June 30th of the current program year.

VII. RECERTIFICATION AND REINSPECTION

Federal law requires that the City of Fullerton recertify the income of each assisted Participating Tenant Household annually. This recertification must be completed prior to the execution of a second year Rent Payment Contract. Failure on the part of the Participating Tenant Household to recertify its income eligibility will cause the termination of any further rental assistance. Should a Participating Tenant Household's income exceed fifty-percent (50%) of the area's median income, assistance will be terminated.

In addition, a reinspection will be conducted annually during the term to demonstrate that the housing unit continues to meet HQS. Any and all required repairs must be completed prior to the execution of a second year Rent Payment Contract.

VIII. RIGHT TO AN INFORMAL HEARING PROCEDURE

Participating Tenant Households have the right to be heard by an impartial official, without prejudice. Program participants may appeal a proposed Program action that may have an adverse effect upon them by submitting a written Request for Hearing to the City of Fullerton, which includes the Participating Tenant Household's objection, name and relationship of all potential parties, list of documents to be presented, current address and telephone number. Appeals must be filed within seven (7) calendar days of notification of proposed Program action.

The informal hearing will be scheduled as soon as possible. The informal hearing shall be conducted in English. Notice of Informal Hearing will be issued at least ten days prior to the Hearing appointment. The Participating Tenant Household may bring legal counsel and/or a translator at their expense. Participating Tenant Household may bring person(s) to testify and/or documents at their expense. Participating Tenant Households may review pertinent file documentation as long as such documentation does not infringe on any other party's rights.

Within ten business days of the Informal Hearing, the official's decision will be mailed.

IX. PROGRAM PROCEDURES

1. The City receives the application with all attachments.
2. Application reviewed by City staff.
3. Annual gross income is verified and adjusted monthly income is calculated to determine the Total Tenant Payment.
4. Unit inspection is conducted.
5. Preparation and execution of the One-Year Rent Payment Contract between the City and the Participating Tenant Household and other related documents.
6. City sets up project on HUD IDIS.
7. City makes twelve monthly reimbursement payments to the Participating Tenant Household upon receipt of proof of rent payment. City shall drawdown Federal funds to reimburse City for such costs.
8. Forty-five days prior to the termination of the Rent Payment Contract, the Participating Tenant Household shall submit monthly income information. City shall review documentation for re-certification and if eligible, a unit inspection will be conducted.
9. The City and the Participating Tenant Household shall execute an additional One-Year Rent Payment contract and related documents, if needed.

DEFINITIONS

Fair Market Rent (FMR)

The Fair Market Rent (FMR) is a rent standard that is established and published by the U.S. Department of HUD for individual jurisdictions based upon the rent for standard units within that jurisdiction.

Housing Unit Characteristics

The Housing Unit Characteristics are certain minimum housing quality standards that meet local building codes as well as established Federal Section 8 Program minimum housing quality standards.

Initial Income Verification

Initial Income Verification determines if program applicants are income-eligible by reviewing original source documents.

Income eligibility

Income eligibility is based on anticipated GROSS ANNUAL income from all sources as follows:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation or assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the Household has Net Household Assets in excess of \$5,000, annual Income shall include the greater of the actual income derived from all Net Household Assets or a percentage of the value of such Assets based on the current passbook savings rate, as determined by HUD;
4. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions (3));
6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designed for shelter and utilities that is subject to adjustment by the Welfare Assistance agency in accordance with the actual cost of shelter and utilities, the amount of Welfare Assistance income to be included as

income shall consist of:

- (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus
 - (ii) The maximum amount that the Welfare Assistance agency could in fact allow the Household for shelter and utilities. If the Household's Welfare Assistance is reduced from the standard of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage;
- 7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
 - 8. All regular pay, special pay and allowances of a member of the Armed Forces and;
 - 9. Any earned income tax credit to the extent it exceeds income tax liability.

GROSS ANNUAL income does not include the following:

- 1. Income from employment of children (including foster children) under the age of 18 years;
- 2. Payments received for the care of foster children;
- 3. Lump-sum additions to Household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (unless listed in inclusions paragraph (5));
- 4. Amounts received by the Household that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- 5. Income of a live-in aide, as defined in 24 CFR 813.102;
- 6. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the Government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income;
- 7. The special pay to a Household member serving in the Armed Forces who is exposed to hostile fire;
- 8.
 - (i) Amounts received under training programs funded by HUD
 - (ii) Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); or
 - (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child-care, etc.) and which are made solely to allow participation in a specific program;

9. Temporary, nonrecurring, or sporadic income (including gifts);
10. For all initial determinations and reexaminations of income carried out on or after April 23, 1993, reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era; or
11. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category or assistance programs that includes assistance under the United States Housing Act of 1937.

Lease

The lease must be a written document and have a term of at least one year.

Maximum TBRA Payment

The maximum TBRA payment is the difference between 30% of the Participating Tenant Household's adjusted monthly income and the rent limit (payment standard) established by the City.

Program Participant Selection

Participant selection occurs upon the receipt of a complete application package from a tenant household that is processed on a first-come, first-serve basis.

Rent Standard

The City of Fullerton utilizes the Santa Ana-Anaheim-Irvine, CA HUD Metro (FMR) Area as a basis for its rent standards. If rent is above the FMR household will pay 30 percent of its income toward housing plus the amount by which the unit's rent exceeds the rent standard.

Tenant Based Rental Assistance (TBRA)

Tenant Based Rental Assistance is a rental subsidy reimbursement program provided by the City to help individual households afford housing costs.

Total Tenant Payment

The total tenant payment is the share of the amount of monthly rent to be paid by the Participating Tenant Household.

FAIR MARKET RENTS
FY 2021
Santa Ana-Anaheim-Irvine, CA HUD Metro FMR Area
FMRs for All Bedroom Sizes

2021 FMRs Per Unit Based on Number of Bedrooms			
<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
\$1,888	\$2,331	\$3,227	\$3,716

Fair Market Rents (FMRs) are published by HUD to be used by the Orange County Housing Authority (OCHA) for administration of the Housing Choice Voucher Program effective October 1, 2020.