

**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

Special Attention of:  
Regional and Field Office Directors of Public  
Housing; Financial Management Center;  
Public Housing Agencies Administering  
Housing Choice Voucher Programs; Regional  
Directors; State and Area Coordinators

**Notice PIH 2013-14**

Issued: June 10, 2013

Expires: This notice remains in  
effect until amended, revoked or  
superseded

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Cross References:

**Subject: Disaster Housing Assistance Program - Sandy (DHAP-Sandy) Operating  
Requirements**

**1. Purpose.**

These operating requirements set forth the policies and procedures for the Disaster Housing Assistance Program- Sandy (DHAP-Sandy). DHAP-Sandy is a HUD-FEMA initiative to provide monthly rental assistance, security deposit and utility deposit assistance for certain New York State families displaced from their homes by Hurricane Sandy.

DHAP-Sandy has been modeled after previous Disaster Housing Assistance Programs for families displaced by Hurricanes Katrina/Rita and Gustav/Ike. The DHAP-Sandy is administered by HUD's network of public housing agencies (PHAs). PHAs that agree to administer DHAP-Sandy must do so in accordance with these requirements and any subsequent HUD directives and guidance for the program.

**2. Background.**

In October, 2012, Hurricane Sandy struck the United States, causing severe damage to property, loss of life, and the displacement of tens of thousands of individuals from their homes and communities. On March 25, 2013, HUD and FEMA executed an Interagency Agreement (IAA) under which HUD shall act as the servicing agency of DHAP-Sandy.

Pursuant to FEMA's grant authority, grants will be provided to the identified PHAs to administer DHAP-Sandy on behalf of FEMA. PHAs will make rental assistance payments on behalf of eligible families to participating landlords for a period of up to 12 months commencing from the effective date of the initial Disaster Rent Subsidy Contract (DRSC).

**3. General Overview**

DHAP-Sandy provides monthly rent subsidies, security deposit assistance, and utility deposit assistance to assist eligible New York State residents displaced by Hurricane Sandy. If the PHA is willing to administer the program, these PHAs will enter into Grant Agreements with FEMA to administer DHAP-Sandy.

A PHA administering DHAP-Sandy will commence pre-transitional activities for the first group of families transitioning to DHAP-Sandy once the Grant Agreement is executed and families are referred to the PHA. FEMA will continue to provide housing assistance for a DHAP-Sandy eligible family until the family is placed under a DHAP-Sandy DRSC, but no later than 120 days from the date the family is first contacted by the PHA. The “Family Signed Family Obligations Date” field in the Disaster Information System (DIS) will capture the specific date of contact, as reported by the PHA. DHAP-Sandy families will then have 90 days to secure a unit and enter into a DRSC, with an additional 30 day extension if necessary. Upon initial contact, the PHA must inform the family of this requirement.

To be eligible for DHAP-Sandy, the family must have been displaced by Hurricane Sandy and referred to HUD by FEMA. FEMA is solely responsible for determining if the family is initially eligible to receive assistance under DHAP-Sandy. The PHA verifies that a family has been determined eligible for DHAP-Sandy, by FEMA, through HUD’s web based DIS.

Under DHAP-Sandy, the PHA assumes responsibility not only to provide a monthly rent subsidy on behalf of the family but also to actively assist the family in locating an eligible unit. The PHA may receive a one-time placement fee for successfully placing the family under a DRSC in addition to on-going administrative services fees. PHA responsibilities under DHAP also include calculating the monthly rent subsidy and making monthly rent subsidy payments on behalf of participating families; performing unit inspections; applying appropriate subsidy standards for families; and entering data into DIS in a timely fashion. The PHA is also responsible for terminating the family’s participation in DHAP-Sandy if the family fails to comply with the family obligations of the program or is no longer eligible for continued assistance, as well as resolving any appeals of that determination.

Due to the level of devastation and destruction in the metropolitan New York City area, a PHA may find that units are unavailable or do not meet program standards at the current FEMA rental assistance subsidy amount of 125 percent of Fair Market Rent (FMR). As a result, FEMA will allow an increase up to 150 percent of FMR. Under DHAP-Sandy, the maximum monthly rent subsidy is based on the lower of 150 percent of the applicable FMR published by HUD or the monthly rent to owner.

At the program start, participants will be required to contribute the higher of the family’s pre-disaster housing costs or 30 percent of the family’s adjusted post-disaster income toward their rent. The applicant’s contribution is based on comparing pre and post-disaster income. An applicant is considered to be able to afford the higher of either their pre-disaster housing expenses or 30 percent of their post-disaster adjusted gross income. The family’s minimum contribution toward their rent will incrementally increase on a quarterly basis but shall not exceed 40 percent of the adjusted post-disaster income. This gradual increase in the family share will further prepare the family to assume full responsibility for their housing costs at the end of DHAP-Sandy. Detailed guidance is provided within section 4.i of this Notice. Tenants are also responsible for any utility costs that are not included in the rent under the lease.

A family may rent a unit where the rent exceeds 150 percent of the applicable FMR. However, in such cases the family is responsible for the additional cost of the rent in addition to their

applicable minimum contribution. However, in most circumstances a family may not rent a unit where the family's initial contribution to the rent would exceed 40 percent of monthly income. To facilitate smooth transition to DHAP-Sandy, only families leasing in place, have the ability to rent a unit that exceeds 150 percent of the applicable FMR and their initial rent contribution can exceed 40 percent of the family's monthly income. If a lease in place family decides to move from the initial DHAP-Sandy unit during the program, the family will still be able to lease a unit where the rent exceeds 150 percent of the applicable FMR, but the family will not be able to have a rent contribution which exceeds 40 percent of their monthly income.

DHAP-Sandy is a temporary housing assistance program that terminates on December 31, 2014. In order to prepare the family for this eventuality, Disaster Case Management is provided and required for the entire duration of DHAP-Sandy through the Disaster Case Management Program (DCMP). The DCMP is administered by State and local government entities and is not a responsibility of the PHA under DHAP-Sandy. The DCMP is further discussed in section 4.m of this Notice.

#### **4. Operating Requirements.**

The operating requirements for DHAP-Sandy are presented in the following order:

- a. Family Eligibility
- b. Database of Eligible DHAP-Sandy Families
- c. DHAP-Sandy Participating PHAs and Fair Housing and Nondiscrimination Requirements
- d. DHAP-Sandy Fees
- e. Family Referral and Intake Process
- f. Security Deposit and Utility Deposit Assistance
- g. Owner Lease and DHAP-Sandy Lease Addendum
- h. DHAP-Sandy Monthly Rent Subsidy
- i. Incremental Rent Transition
- j. Ineligible Units and Prohibition Against Other Subsidy
- k. Disaster Rent Subsidy Contract
- l. Housing Quality Standards
- m. FEMA Disaster Case Management Program Requirement
- n. Family Obligations
- o. Re-Occupancy for HUD-Assisted Families
- p. Eligibility for Continued Assistance
- q. Termination of Assistance
- r. Subsequent Moves under DHAP-Sandy
- s. End of DHAP-Sandy
- t. Use of DHAP-Sandy Funding, Program Accounts and Records
- u. Disbursement of Funds
- v. Financial Reporting
- w. Program Close-Out

### **a. Family Eligibility**

The determination of whether the family is eligible to be admitted to DHAP-Sandy is solely the responsibility of FEMA, not the PHA. The PHA does not determine the family's initial eligibility to receive DHAP-Sandy assistance or screen the family for admittance to the program. DHAP-Sandy assistance is provided for families that were displaced in New York State by Hurricane Sandy and as a result have been determined by FEMA to meet FEMA's eligibility requirements for rental assistance as a result of the disaster. FEMA will be solely responsible for the eligibility determination process for DHAP-Sandy. The PHA will forward any issues regarding initial eligibility to HUD Headquarters.

The PHA will access the DIS to verify the family's eligibility status (see section 4.b below). A family that is not in DIS and contacts the PHA must be referred by the PHA to FEMA at the following telephone number: 1-800-621-FEMA (3362).

Eligible families may also include previously HUD-assisted families that cannot return to their HUD-assisted unit. A previously HUD-assisted family is a family who, immediately prior to the evacuation, must have either:

- 1) Resided in a HUD-assisted dwelling unit; or
- 2) Received rental or facility based assistance through a Special Needs Housing program (Supportive Housing Program, Shelter Plus Care, or Housing Opportunities for Persons with AIDS).

A HUD-assisted dwelling unit is defined as a unit receiving a rental subsidy under one of the following HUD-assisted rental programs: rental public housing; units receiving project-based Section 8 assistance (including Single Room Occupancy moderate rehabilitation projects, moderate rehabilitation projects, and units receiving project-based voucher or project based certificate assistance); rental Indian housing; Section 202 housing; Section 811 housing; Section 236 housing; units in Federal Housing Administration-insured and non-insured projects with Rental Assistance Payment assistance or Rent Supplement assistance; Section 221(d)(3) Below Market Interest Rate housing; and noninsured Section 236(b) housing.

**Note that regular tenant-based voucher families are not eligible for DHAP-Sandy.** Tenant-based voucher participants displaced from their communities beyond the short-term by Hurricane Sandy will receive housing assistance under the regular voucher program through the existing portability feature of that program. If the disaster-impacted PHA does not have sufficient Housing Choice Voucher funding to cover the housing assistance payments costs of displaced voucher families moving under the portability procedures as a result of higher costs in other jurisdictions, the PHA should contact HUD for assistance.

### **b. Database of Eligible DHAP-Sandy Families**

FEMA will determine family eligibility for DHAP-Sandy and will provide that information to HUD. HUD will then add these families to DIS as DHAP-Sandy eligible families. The DIS is a web-based system that provides initial family information to the PHA. The DIS is also the reporting mechanism by which PHAs provide leasing information to HUD, and which HUD

subsequently provides to FEMA on a monthly basis once the family is placed under a DRSC and starts receiving DHAP-Sandy assistance.

FEMA will refer families to DHAP-Sandy that are receiving FEMA rental assistance through FEMA’s Individuals and Households Program (IHP) and from emergency housing arrangements such as hotels and shelters. The family referral and intake process is described in detail in section 4.e below.

**c. DHAP-Sandy Participating PHAs and Fair Housing and Nondiscrimination Requirements**

To administer DHAP-Sandy, the PHA must enter into a DHAP-Sandy grant agreement with FEMA and must assist all eligible families in their jurisdiction in accordance with these requirements.

HUD is committed to affirmatively furthering fair housing under DHAP-Sandy. The PHA must administer the program in conformity with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, and FEMA’s applicable implementing regulations.

In administering DHAP-Sandy, as in other PHA programs, PHAs are required to provide reasonable accommodation to their rules, policies, practices and procedures in order to enable an applicant or resident with a disability to have an equal opportunity to benefit from the program unless such accommodations would result in a fundamental alteration in the nature of its program or an undue financial and administrative burden. Such reasonable accommodations may include, but are not limited to: allowing additional time for unit searches; providing additional bedrooms when there is a disability-related need for the additional space; allowing a person with a disability to have an assistance animal; the approval of an exception rent for a unit with accessibility features that meet the needs of a family that includes a person with disabilities; and allowing subsequent moves under DHAP-Sandy where there is a disability-related need to make such a move.

**d. DHAP-Sandy Fees**

PHAs will receive fees for administering DHAP-Sandy that include a placement fee, and administrative services fees for each family. The chart below illustrates the payment and type of administrative fees a PHA will receive as DHAP-Sandy administrators.

DHAP Administrative Activities	What services does a PHA perform to receive this Fee?	When are funds received?	Amount?
One-Time Placement Fee	Family placement under a Disaster Rent Subsidy Contract (DRSC) within the specified timeframes	The fee will be payable once the PHA reports that the family is under a DRSC in the DIS	Minimum of \$150 and Maximum \$600 per DRSC (fee amount based on the speed at which the family is placed and if broker fee funding is utilized by the PHA)

<b>DHAP Administrative Activities</b>	<b>What services does a PHA perform to receive this Fee?</b>	<b>When are funds received?</b>	<b>Amount?</b>
One-Time Administrative Fee	Fees are provided as start-up funds to implement DHAP-Sandy and initial lease up activities	Upon assignment in DIS	\$500 per assignment
Administrative Services	On-going PHA responsibilities (e.g., rent reasonableness, HQS, rent transition)	Fee for each family under a DRSC as of the first of the month until the end of the program	\$100 per month per DRSC effective as of the 1 <sup>st</sup> of the month

The PHA receives a flat administrative services fee of \$500 to cover the period commencing when the family is assigned to the PHA. Once a family is placed under a DRSC, the PHA will then receive a \$100 administrative services fee for each month that the family is assisted under the DRSC as of the first of the month.

The PHA will also receive a one-time placement fee per family once the PHA and the landlord enter into a DRSC on behalf of the family. The fee will be payable once the PHA reports that the family is under a DRSC in DIS. The amount of the fee is based on the effective date of the DRSC. PHAs receive a placement fee of \$600 if the DRSC is effective within 60 days from assignment to the PHA, and \$300 if the DRSC is effective within the third month from the date of assignment. If the PHA permits a 30-day extension to the 90 day period to place a family under a DRSC, the PHA will receive a placement fee of \$150 if the family is successfully placed within the extension period. If the PHA needs to utilize the broker fee funding to place the family, the placement fee shall be \$300 if the DRSC is effective within 30 days from assignment to the PHA and \$200 if the family is placed within 90 days of assignment to the PHA.

If the PHA needs to utilize a broker to place the family, broker fees may be provided under DHAP-Sandy on an as needed basis, but may not exceed \$1,500 per family. In DIS, the PHA must indicate a broker was used by checking the box ‘Assisted by Broker’ and record the cost of service in the box titled ‘Fee for Broker Service’; the amount reported in this box is not to exceed \$1,500.

The PHA earns the one-time placement fee when either (1) the family is placed under a DRSC or (2) the PHA succeeds in assisting a DHAP-Sandy eligible family in finding permanent housing in lieu of DHAP-Sandy rent subsidy assistance. For example, if the family is housed through the PHA’s voucher program or public housing program instead of receiving DHAP-Sandy rent subsidy assistance, the PHA will receive a one-time placement fee. The PHA does not earn the one-time placement fee until the family is actually housed. For example, if a family is to be assisted through admittance to the PHA’s housing choice voucher program, the PHA would not qualify for the placement fee until the family’s unit is under an actual voucher housing assistance payment (HAP) contract.

The PHA reports the placement of the family into permanent housing in the End of Participation (EOP) field within DIS. By entering this information in DIS, the PHA is certifying that the family has been permanently housed and the PHA qualifies for the placement fee as a result. The actual amount of the placement fee for these families will be settled through DIS reporting.

The PHA may only receive a single one-time placement fee per family. For instance, the PHA has already received the one-time placement fee for a family when it executes a DRSC on behalf of the family and does not receive an additional placement fee if the family subsequently leaves DHAP-Sandy for permanent housing.

DIS data will be used by HUD to fund and reconcile placement fees on a quarterly basis. In addition, administrative services fee funding will be advanced to PHAs and reconciled on a quarterly basis based on the actual number of families under a DRSC. At the beginning of each sequential quarter, the previous quarter's advance will be compared to the actual leasing. If actual leasing exceeds the previous leasing upon which the advance funding was based, additional funding will be provided to the PHAs. On the other hand, if the funding provided exceeds actual leasing, future disbursements will be offset by the excess funds. A final reconciliation will be completed as part of the program close-out. Note: DHAP-Sandy Fees (those DHAP-Sandy funds provided for administrative costs and activities) are provided for the specific purposes as described in this chart and PHAs must ensure that these funds are used for eligible purposes.

#### **e. Family Referral and Intake Process**

Once the PHA enters into a DHAP-Sandy Grant Agreement with FEMA, the PHA may receive and assist DHAP-Sandy eligible families.

The family will receive a welcome letter from HUD notifying them of their DHAP-Sandy eligibility and advising the family to expect further communication and guidance from the family's assigned PHA. The family's assigned PHA will have jurisdiction over the area in which they wish to receive DHAP-Sandy assistance.

Families must continue to utilize the rental assistance provided by FEMA until such time that the family is placed under a DRSC. If during the 120 day timeframe, while putting forth effort to get under a DRSC, the family does not have sufficient funds to support their current housing situation (i.e. lease rent or hotel), the family should promptly notify the PHA. To determine the family's eligibility for a bridge payment, the PHA should contact HUD. If the family is eligible, only FEMA may administer the bridge payment.

Families referred to DHAP-Sandy by FEMA will be assigned, in DIS, to the PHA administering DHAP-Sandy. FEMA will initially advise the family of their eligibility and both HUD and the PHA will initiate continued communication with the family to inform them of specific program eligibility requirements. . In addition, the contact information for the DHAP-Sandy PHA will be posted on the following website: [www.hud.gov/dhapsandy](http://www.hud.gov/dhapsandy). The DHAP-Sandy does not provide transportation assistance.

Through DIS, the PHA will receive from HUD a list of families eligible for DHAP-Sandy assistance that are residing in the PHA's jurisdiction. The PHA will access the family's record in the DIS database and then begin transition activities as outlined in this section.

**The PHA takes the following steps to ensure a smooth transition to DHAP-Sandy:**

1) **Confirmation of Eligibility and Assignment.** The PHA will access DIS to confirm the family's eligibility for DHAP-Sandy based upon the family's assignment to the PHA. Once the PHA determines the family has been assigned to the PHA in DIS and makes initial contact with the family, the PHA should check the "Family Contacted" box in the family's DIS record.

If a family reaches out to, but is not assigned to the PHA in DIS, the PHA should contact HUD to determine if the family should be assigned to the PHA. Only HUD (including HUD contractors) may assign a family to the PHA.

2) **Family Briefing.** Upon the family's arrival onsite, the PHA briefs the family on DHAP-Sandy to explain how the program works. The briefing includes topics such as the subsidy calculation, security and utility deposit assistance, the incremental rent transition, the deadline by which the family must successfully be under an effective DRSC to be assisted under DHAP-Sandy, the requirements for continued eligibility (see section 4.p below Disaster Case Management Program requirements) and all terms of the assistance.

The PHA must reiterate to the family that, as a condition of participation in DHAP, the family must participate in the Disaster Case Management Program, which includes certifying demonstrable progression with their permanent housing plan. The family is also required to sign the certification of family obligations form. The PHA should advise the family that to expedite the leasing process, the family may show a copy of the signed family obligations certification and/or the Request for Tenancy Approval form to a landlord who wishes to verify the family's participation in the DHAP-Sandy. Once the family signs the family obligations certification, the PHA inputs the signature date into the 'Family Signed Family Obligations Date' field in the DIS, the family will then have 90 days to get under lease and execute a DRSC.

If a family does not want to receive Case Management or otherwise refuses to sign the certification, the PHA informs the family that they will not be able to participate in DHAP-Sandy or any FEMA housing program. The PHA must request a signed and dated statement from the family acknowledging that the family understands that as a result of their refusal to comply with these requirements, the family may not participate in DHAP-Sandy or any other FEMA housing program. If the family refuses to sign the statement, the PHA must document the family's refusal to do so within the comments section of the DIS record. The PHA may not assist the family in such instance and must record this information in the DIS by checking the 'Family Contacted' box (if it has not already done so) and completing an end of participation (EOP) record for the family, with the reason code 'Family Refused DHAP.'

The PHA must also reiterate to the family that, commencing on the date the family signed the certification of family obligations, the family has 90 days to get under lease with a DRSC executed on their behalf. If more time is required for the execution of the lease or DRSC, a 30 day extension may be provided and granted by the PHA. If a 30 day extension is granted by the

PHA, the PHA must check the '30 Day Extension to DRSC Deadline Granted' box in the DIS. If at any time during the 120 day lease up timeframe, a family reports they have no additional FEMA rental assistance to support their current lodging costs, the family may request a 'bridge payment'. In this instance, the PHA will forward the name of the family to HUD for approval by FEMA. Families who do not execute a DRSC within 120 days will not be eligible to participate in DHAP-Sandy and will have their participation ended in DIS. The family will not be able to appeal the termination to the PHA. In this instance, should the family contact the PHA following their termination in DHAP-Sandy, the PHA should direct the family to FEMA. Additional time may be granted as a reasonable accommodation for households that include a person with a disability.

**3) Family Unit Search.** The PHA is responsible for providing housing search assistance to the family. However, the PHA may opt to utilize a broker to identify available units that meet program requirements. Once the unit to be leased is located and approved for tenancy, the PHA may help facilitate execution of the lease. In providing housing search assistance to a household that includes a person with disabilities, the PHA will assist the household in locating accessible housing that meets the disability-related needs of any family member with disabilities and reasonable accommodations as necessary to permit a household that includes a person with a disability to benefit from the program. The PHA and owner execute the DRSC in order to commence DHAP-Sandy assistance on behalf of the family, and the PHA checks the 'Owner Signed DRSC' checkbox in DIS and updates the family record.

***For Families Leasing in Place.*** If the family is currently receiving FEMA rental assistance, the family must provide to the PHA the landlord contact information. The PHA must contact the owner of the private rental unit where the family is currently receiving FEMA rental assistance at the earliest opportunity to explain DHAP-Sandy to the owner and determine if the owner is willing to participate in DHAP-Sandy. PHA outreach to the owner of the FEMA rental assistance unit or the FEMA identified unit is one of the most important responsibilities of the PHA. The PHA will inform the owner of any changes in the portion of the rent to owner paid by the PHA and the family, including the incremental rent transition that will increase every quarter after the family is placed under a DRSC (see section 4.i below). If the owner is unwilling to participate in DHAP-Sandy, and chooses to stay in the unit, they will do so without the benefit of DHAP-Sandy or other housing assistance from FEMA. The PHA must record this information in the DIS by checking the 'Family Contacted' box (if it has not already done so) and completing an end of participation (EOP) record for the family, with the reason code 'Family does not agree to move to a unit with a participating landlord'.

If the owner and the family agree to participate in DHAP-Sandy and to lease in-place, the PHA will require the owner to execute a DRSC and require the owner and family to sign the lease addendum as soon as possible. For families receiving FEMA rental assistance that transition to DHAP-Sandy, the DRSC and the lease addendum should be executed and recorded in DIS, by checking the 'Landlord Signed HAP Contract' checkbox and updating the HAP Contract effective date and HAP Contract termination date fields. The HAP contract effective date cannot be prior to the DHAP-Sandy program startup date reflected in DIS. The PHA should perform this process no later than two weeks before the date DHAP-Sandy rental assistance payments are scheduled to commence in order to guarantee there will be no disruption or delay in the payment

of the family's monthly rental subsidy. (See section 4.k below for further information on the DRSC and the time frames in which it must be executed.)

It is not necessary for an owner and tenant to enter into a new lease in order to receive assistance under the DRSC, only that the owner and tenant execute a lease addendum. If the lease remains in place, the rent currently charged by the owner is not affected by the DRSC and the lease addendum.

If a family wants to move from the unit, or the owner does not want to participate in DHAP-Sandy (or the owner will not take steps to bring the unit into HQS compliance), the PHA will inquire if the family wishes to move to another unit within the state of New York and receive DHAP-Sandy assistance. If the family prefers to remain in the PHA jurisdiction, the PHA provides the family with housing search assistance or may opt to use a broker to assist the family in their housing search. The PHA should advise the family that to expedite the leasing process, the family may show a copy of the signed family obligations certification to a landlord who wishes to verify the family's participation in the DHAP-Sandy. If the family chooses to move outside of New York State, the family must be terminated from DHAP-Sandy and may not participate in any other FEMA housing program. The PHA must request a signed statement from the family documenting their desire to reside outside of New York State. If the family refuses to sign the statement, the PHA must document the family's refusal to do so. The PHA must record the move outside of New York in the DIS by selecting the EOP code 'Family Moved Outside of DHAP Jurisdiction'.

In any case where a family that was receiving FEMA rental assistance is moving from their unit instead of transitioning to DHAP-Sandy in-place, the end of financial assistance payments by FEMA directly to the family does not affect the lease commitments of either the owner or the tenant in the FEMA assisted unit. It is the family's responsibility to resolve any issues that may arise under the lease as a result of vacating the previously FEMA assisted unit.

#### ***Effective Date of the DRSC***

The DIS or HUD will provide information to the PHA indicating the earliest effective date that the DRSC may commence on behalf of the family. (FEMA provides this date to HUD based on the amount of housing/temporary shelter assistance FEMA has already provided for the family in order to avoid the duplication of assistance on behalf of the family.)

#### ***Pre-Disaster Unit Availability for Previously HUD-Assisted Families Prior to DRSC***

##### ***Execution***

If HUD determines that the family's pre-disaster HUD-assisted unit is available for re-occupancy before the family is placed under DRSC, HUD or the PHA will place an end-of-participation (EOP) code on the family's DHAP-Sandy record. The HUD or the PHA should use the EOP code 'Family Returned to Previous HUD-Assisted Unit'. If the family refuses to return to their pre-disaster HUD assisted unit, the family may not participate in DHAP-Sandy or any other FEMA housing program. The PHA should update the family's record in DIS using the code 'Family Does Not Agree to Move to Pre-Disaster Unit'.

#### **f. Security Deposit and Utility Deposit Assistance**

If a family requests and certifies the family needs assistance with security deposits and utility deposits, the family may receive security deposit assistance and deposits for utilities (including connection fees) assistance under DHAP-Sandy when the family initially leases a unit under the program. **Security deposit and deposits for utilities are only provided for the unit that the family initially leases under the program.** The family does not qualify for security deposit assistance or utility deposit assistance from DHAP-Sandy for subsequent moves.

**The PHA pays the security deposit assistance to the owner. The maximum amount of the security deposit assistance cannot exceed the total of one month of the lease rent.**

If the security deposit exceeds the total of one month of the lease rent, the remainder of the security deposit must come from another source. The security deposit assistance may not exceed the security deposit charged by the owner. The PHA may disapprove the unit for leasing under DHAP-Sandy if the security deposit is in excess of private market practice (as determined by the PHA) or in excess of amounts charged by the owner to unassisted tenants.

Upon the termination of a family's participation in DHAP-Sandy, the owner must return the security deposit assistance (less any amounts the owner may withhold under the terms of the lease and state and local law) to the PHA. The owner must return any security deposit amount collected from the tenant (less any amounts the owner may withhold under the terms of the lease and state and local law) directly to the tenant. The owner must give the tenant and PHA a list of all items charged against the security deposit, and the amount of each item. Any amount charged by the owner must first be deducted from the tenant's portion, if any, of the security deposit before it may be applied to the security deposit assistance provided by the PHA.

The PHA also provides assistance for deposits (including connection fees) required for the utilities to be supplied by the tenant under the lease. The maximum amount for any and all utility deposit assistance provided on behalf of a family is \$400. The PHA may pay the utility deposit assistance directly to the utility companies or may pay the assistance to the family, provided the PHA verifies the family paid the utility deposit. If the total amount of the deposits required for the utilities exceeds \$400, the PHA determines how to apply the utility deposit assistance.

Upon the termination of a family's participation in DHAP-Sandy, the PHA receives the PHA-provided portion of the deposit(s) back directly from the utility companies (less any amounts the utility companies may withhold under the service contract) or the family. Any amount charged by the utility company must first be deducted from the tenant's portion, if any, of the utility deposit before it may be applied to the utility deposit assistance provided by the PHA. If the utility company returns the deposit assistance to the family instead of the PHA, the family is responsible for returning the deposit assistance to the PHA. If the PHA provided the utility deposit assistance to the family, the family is responsible for returning the full amount of the utility deposit assistance to the PHA when their participation in DHAP-Sandy is terminated.

Before providing security deposit or utility deposit assistance, the PHA must explain the requirement for any and all deposits to be returned upon the termination of the family's

participation. This includes instances where the family remains in the unit and/or the family maintains utility service.

At the conclusion of each quarter, PHAs may be required to remit any returned and/or unused deposit assistance to HUD.

**g. Owner Lease and DHAP-Sandy Lease Addendum**

The PHA is not a party to the lease between the owner and the family. In the case where a family is already under lease and wishes to remain in-place to receive DHAP-Sandy assistance, the owner and the family may remain under the existing lease, provided that they execute a DHAP-Sandy lease addendum. The family and owner may also choose to enter into a new lease that commences at the same time as the effective date of the DRSC. If the family resides in a unit where there is no existing lease and the family wishes to remain in-place, the family and owner must enter into a lease and execute a DHAP-Sandy lease addendum to receive assistance under DHAP-Sandy.

The owner is responsible for collecting the family's contribution of the rent directly from the family, including the increase in the family contribution as a result of the incremental rent transition in accordance with section 4.i below. The owner is responsible for enforcing the terms of the lease, including collecting any charges for unit damage by the family.

At such time that the monthly rent subsidy payments cease, the family assumes sole responsibility for the entire rent charged by the owner.

The owner must notify the PHA of any changes in the amount of the rent charged under the lease at least thirty days before any such change goes into effect. The owner must notify the PHA of any actual or planned lease terminations, including any family or owner notices to vacate the unit. The owner must notify the PHA if the family has vacated the unit without notice.

**h. DHAP-Sandy Monthly Rent Subsidy**

The monthly rent subsidy is paid directly to the owner under the DRSC.

The monthly rent subsidy equals the lesser of:

- 1) The monthly rent specified in the lease minus the family's applicable differential rent; or
- 2) 150 percent of the applicable FMR published for the area where the unit is located minus the family's applicable differential rent.

***Monthly Lease Rent***

The monthly lease rent specified is the total monthly rent payable to the owner under the lease for the unit. The monthly rent covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for under the lease. The owner shall not charge, and the family shall not pay to the owner, any additional amounts for leasing the unit other than the monthly rent specified under the lease.

The subsidy is not reduced or otherwise impacted by the fact that the costs of some or all of the utilities are included in the rent and are the owner's responsibility to pay for under the lease.

The family may rent a unit that is furnished. The rent subsidy calculation in such a case remains the same and the resulting subsidy amount is neither subsequently reduced nor increased because the unit is furnished.

### ***Applicable FMR***

The PHA must use the applicable FMR for the bedroom size for which the family qualifies for under the PHA subsidy standards for the housing choice voucher program (family unit size). Requests for reasonable accommodations should be granted when there is a disability-related need for additional space (e.g., space for medical equipment or live-in assistant). The PHA multiplies the applicable FMR by 150 percent to determine the maximum subsidy it may pay on behalf of the family.

The family may select a unit where the monthly rent exceeds the FMR limitation. The family is also not restricted from leasing a unit where the number of bedrooms exceeds the qualifying bedroom size under the PHA subsidy standards if the unit is within the approved FMR for the family's qualifying unit size. However, the family is responsible for any portion of the rent that as a result of selecting such a unit is not covered by the monthly rent subsidy. In addition, the family's share of the rent (differential rent plus any portion of the rent not covered by the rent subsidy) may not exceed 40 percent of the family's Post-Disaster Adjusted Income at the time the family is *initially* assisted in any unit under DHAP-Sandy.

The family pays its share of the rent directly to the owner. As noted earlier, the family also pays any tenant-funded utilities directly to the utility supplier.

If the applicable FMR decreases during the term of the DRSC, the decreased FMR amount is not applied to the family's subsidy calculation during the term of the DRSC.

### ***Differential Rent***

The differential rent is the minimum amount of the rent the family is required to pay under DHAP-Sandy.

FEMA will determine the initial amount of rent in which the family will contribute. The family contribution will be calculated through the 'DHAP Contribution Calculator' which corresponds to OMB No. 1660-0061 / FEMA Form 010-0-12. Participants will begin the program with an adjusted rent contribution which represents 30 percent of their monthly post-disaster income and housing costs (as defined in section 4.p) or the pre-disaster housing costs whichever is higher. Over the course of the 12 month program, the differential rent may increase each quarter. The differential rent amount will only be re-calculated on an interim basis when the family indicates that their income has decreased (i.e. when there is a job loss).

The family may be required to pay more than the differential rent if the monthly lease rent exceeds the monthly rent subsidy provided on behalf of the family.

***Exception for FEMA Rental Assistance Family Transitioning to DHAP-Sandy In-Place***

A FEMA rental assistance family that leases in-place (i.e., the family transitions to DHAP-Sandy in the same unit they were previously receiving FEMA rental assistance), the monthly rent subsidy for that unit equals the lesser of:

- 1) The monthly rent specified in the lease minus the family's differential rent
- 2) 150 percent of the applicable FMR published for the area where the unit is located minus the family's differential rent.

The family may remain in a unit where the lease rent exceeds 150 percent FMR; however, in such cases the family is responsible for covering the portion of the rent that exceeds 150 percent of the FMR. In this circumstance, the family's share of the rent (differential rent plus any portion of the rent not covered by the rent subsidy) may exceed 40 percent of the family's Post-Disaster Adjusted Income at the time the family is *initially* assisted when leasing in place under DHAP-Sandy. However, if the family moves during the course of the program, the family's share of rent may not exceed 40 percent of the family's Post-Disaster income for the new unit.

The purpose of this exception is to effectuate the family's transition to DHAP-Sandy from the FEMA rental assistance program as seamlessly as possible. This is only applicable if the family transitions in-place. If the family subsequently chooses to move with continued DHAP-Sandy assistance, the FMR is applied in the same manner as any other DHAP-Sandy family.

On a quarterly basis, the amount of the monthly rent subsidy for all families must be adjusted in accordance with the incremental rent transition requirement described in the Rent Differential section above.

***Changes in Family Size and Composition***

***Initial DHAP-Sandy Rent Subsidy Calculation***

DHAP-Sandy is a disaster-related program designed to continue rental assistance for those households displaced by Hurricane Sandy that FEMA has determined eligible for DHAP-Sandy assistance. FEMA's subsidy determination is, in part, based on the actual composition of the household that was displaced by the disaster.

The amount of such assistance is not adjusted to cover subsequent increases in family size that occurred after the disaster since the family's housing need with respect to these additional family members is not directly related to the hurricane. Consequently, DHAP-Sandy does not take any increases in family size that occurred after FEMA's initial family eligibility determination into consideration for purposes of the DHAP rent subsidy calculation. Therefore, when determining the family unit size under the PHA subsidy standards for purposes of determining the applicable FMR to calculate the family's initial DHAP rent subsidy payment, the PHA always uses the smaller of:

- (1) The family unit size for which the original composition of the family qualifies under the PHA subsidy standards; or
- (2) The family unit size for which the current composition of the family now qualifies under the PHA subsidy standards.

If the family wishes to appeal the family composition determined eligible by FEMA for DHAP-Sandy assistance, the family must be referred by the PHA to HUD. Families may contact HUD at the following toll-free telephone number: **1-877-483-2251**

***Subsequent Changes in Family Size and Composition for Families under DRSC***

A subsequent increase in the size of the family does not result in the family qualifying for a larger family unit size under the PHA subsidy standards for purposes of the subsidy calculation, either during the term of the existing DRSC or under any new DRSC.

However, if the PHA inspection requirements for DHAP-Sandy provide that the unit must meet the HQS requirement under 982.401(d) (2)(ii) that each dwelling unit must have at least one bedroom or living/sleeping room for each two persons, the PHA may grant an exception from this requirement if necessary on a case-by-case basis at the request of the family. The PHA may take the limited duration of DHAP-Sandy assistance into consideration in making such a determination. The PHA must record any such exception for the unit and must maintain a record of the exception within the family's file. There will be no increase in the DHAP-Sandy rent subsidy in these exception situations.

If a decrease in the size of the family results in the family qualifying for a smaller family unit size under the PHA subsidy standards during the term of the DRSC, the lower FMR amount is not applied to the family's subsidy calculation during the term of the DRSC. However, the smaller family unit size is used when determining the applicable FMR for purposes of calculating the monthly rent subsidy under any new DRSC (e.g. a DHAP-Sandy family moves to a new unit with continued DHAP-Sandy assistance).

***Continued Eligibility for DHAP-Sandy Assistance for Remaining Family Members if the Head-of-Household Dies or Otherwise Leaves the Family***

If during the time the family is receiving DHAP-Sandy rental assistance and the designated Head-of-Household, as determined by FEMA, dies or otherwise leaves the family, the family (now comprised of the remaining members) may still be eligible for continued DHAP-Sandy assistance. To be eligible for continued DHAP-Sandy assistance, at least one of the remaining family members must:

- (1) Have been a member of the family determined eligible by FEMA for continued rental assistance under DHAP-Sandy (as evidenced by the original family record in DIS); and
- (2) Have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

If none of the remaining family members originally determined eligible by FEMA for continued assistance under DHAP-Sandy have legal capacity to enter into a lease under State and local law, the family may not be eligible for continued assistance. Should the family in this instance wish to add a new member with legal capacity to enter into a lease under State and local law, the PHA will report the proposed change in family composition directly to HUD. HUD in turn will pass the information to FEMA, who will make the final determination. HUD will then advise the

PHA of the FEMA determination regarding the family’s eligibility for continued assistance under DHAP-Sandy. The new family member with legal capacity must agree to and follow the family obligations referenced below in section 4.n.

**i. Incremental Rent Transition**

To prepare the participant for the termination of DHAP- Sandy assistance after 12 months, the percentage portion of their rent will rise through graduated contribution increases based upon their income. At program start, participants will contribute toward their rent based upon an adjusted rent determination. The participant adjusted rent contribution will increase quarterly. Participants who enter DHAP contributing more than 30 percent of their post-disaster income will have their rent adjusted based on the Incremental Rent Transition, but will not exceed 40 percent of their post-disaster income. For example, upon entering into DHAP, a family contributing 35 percent of their income based on their pre-disaster housing costs will be adjusted to 37 percent in the third quarter of DHAP.

**For families who enter the program contributing 30 percent of their Post-Disaster Adjusted Income, the Incremental Rent Transition schedule, is as follows:**

<b>Quarter of Participation</b>	<b>Incremental Rent Transition</b> <i>The higher of:</i>
1 <sup>st</sup> Quarter of DHAP-Sandy Participation <i>(Start of Participation)</i>	30 percent Post-Disaster Adjusted Income <i>or</i> Pre-Disaster Housing Costs
2 <sup>nd</sup> Quarter of DHAP-Sandy Participation	33 percent Post-Disaster Adjusted Income <i>or</i> Pre-Disaster Housing Costs
3 <sup>rd</sup> Quarter of DHAP-Sandy Participation	37 percent Post-Disaster Adjusted Income <i>or</i> Pre-Disaster Housing Costs
4 <sup>th</sup> Quarter of DHAP-Sandy Participation <i>(Termination of Participation)</i>	40 percent Post-Disaster Adjusted Income <i>or</i> Pre-Disaster Housing Costs

*Schedule based on a full 12 months of DHAP-Sandy participation.*

***Adjustments to the Incremental Rent Transition Between Quarters Due to a Decrease in Income***

DHAP-Sandy participants who experience a decrease in income (i.e. loss of employment) between quarters and notify the PHA, will have the ability to have an interim differential rent adjustment conducted. The PHA will only conduct interim differential rent adjustments when requested by the DHAP-Sandy participant.

The DHAP-Sandy participant will be required to complete the OMB No. 1660-0061 / FEMA Form 010-0-12 (Application for Temporary Housing Assistance) and document the decrease in income with supporting documentation. Upon completion of the re-calculation, the PHA will notify the landlord and the DHAP-Sandy participant of the new subsidy and differential rent. The new subsidy and differential rent amounts will be based upon the Incremental Rent

Transition percentage due for the current quarter. All future incremental rent transitions will occur based upon the schedule defined by the participant's initial DRSC effective date.

**j. Ineligible Units and Prohibition Against Other Subsidy**

The following types of housing may not be leased under DHAP-Sandy:

- A public housing unit or Indian housing unit
- A unit receiving assistance under section 8 of the 1937 Act
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services
- College or other school dormitories
- Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions
- A unit occupied by its owner or by a person with interest in the unit
- A FEMA provided temporary housing unit
- A HUD Real Estate Owned (REO) property

In addition, the family may not receive the benefit of DHAP-Sandy rent subsidy while receiving the benefit of other forms of housing subsidy, for the same unit or for a different unit, described in 24 CFR 982.352(c). Furthermore, the unit is ineligible for DHAP-Sandy assistance if the owner (including a principal or other interested party) is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

**k. Disaster Rent Subsidy Contract**

Under the DRSC, the PHA will pay the owner the monthly rent subsidy payment in accordance with the contract. The owner is responsible for performing all of the owner's obligations under the DRSC. The PHA may not make any monthly rent subsidy payment to the owner until the DRSC has been executed. The PHA may not make any monthly rent subsidy payment to cover any period of time prior to the effective date of the DRSC. The owner is responsible for the screening and selection of the family to occupy the owner's unit. The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy.

The owner is responsible for ensuring that all screening takes place in accordance with the non-discrimination requirements of the Fair Housing Act and any other applicable federal, state, and local non-discrimination requirements. This includes allowing a person with disabilities to make reasonable modifications at their own expense to the unit to render the unit accessible and providing reasonable accommodations to rules, policies, practices or services when such accommodation may be necessary to provide a person with a disability equal opportunity to use and enjoy a dwelling.

The term of the DRSC begins on the date specified in the contract. The PHA may terminate the DRSC in accordance with the terms of the contract. The PHA must record the family unit information in the DIS once a DRSC is executed with the owner.

The PHA must use best efforts to execute the DRSC before the effective date of the approved DHAP-Sandy tenancy. However, the PHA may execute the DRSC up to 30 calendar days after approving DHAP-Sandy tenancy if warranted by individual circumstances, with an effective date no earlier than the date the PHA approved DHAP-Sandy tenancy.

In such instance, the rent subsidy payment will be made retroactively to cover the period of time commencing with the effective date of the DRSC (not to exceed 30 days prior to the actual DRSC execution date).

**The DRSC terminates if any of the following occurs:**

- 1) The lease is terminated by the owner or the tenant;
- 2) The PHA terminates the DRSC;
- 3) The PHA terminates assistance for the family for violating the family obligations under section 4.n;
- 4) The family is determined ineligible for continued assistance by the PHA or FEMA;
- 5) The family ends their participation in the program; or
- 6) The family vacates the unit.

Rent subsidy payments shall only be paid to the owner while the family is residing in the unit during the term of the contract. The owner must promptly notify the PHA if the family moves out. The PHA shall not pay a rent subsidy payment to the owner for any month after the month the family moves out except as described in the following paragraph. The owner retains the full subsidy payment for the month that the family vacates the unit.

***Vacancy Payment to Facilitate Families' Return Home***

The DRSC provides that if the family requests to terminate the tenancy and vacate the unit during the term of the lease (as opposed to the end of the lease term) in order to end the family's participation in DHAP-Sandy to return home to their pre-disaster housing, the PHA may provide the owner with a vacancy payment of up to two months of rent if the owner agrees to mutually terminate the lease. The vacancy payments may only be made if the owner and tenant mutually agree to terminate the lease.

The PHA must inform the family that the family may not receive continued DHAP-Sandy assistance if the family requests, and the PHA makes, a vacancy payment to facilitate the mutual termination of the lease on the family's behalf.

The vacancy payment is twice the amount of the lease rent for the month in which the family vacated the unit under the mutual agreement to terminate the lease, provided there are at least two months remaining under the term of the lease following the month the family vacates the unit. If there is only one month remaining on the term of the lease following the month the family vacates the unit under the mutual agreement to terminate the lease, the vacancy payment is equal to the lease rent for the month in which the family vacated the unit.

No vacancy payments will be made where the owner refuses to terminate the lease and the family moves in violation of the terms of the lease. Acceptance of the vacancy payment does not

negate the owner's right to retain part or all of the security deposit for damages or other amounts owed under the lease in accordance with the terms of the lease and State and local law.

## **I. Housing Quality Standards**

In order to be an eligible unit under DHAP-Sandy, a unit must be decent, safe, and sanitary.

### ***Initial Inspection***

In general, the unit must be initially inspected and approved by the PHA before the PHA and owner may enter the DRSC. The owner may not receive DHAP-Sandy rent subsidy payments until the owner corrects any PHA- identified deficiencies and the PHA verifies the repairs have been completed.

The PHA must at minimum conduct a limited inspection to ensure the unit's current condition does not contain any life-threatening deficiencies (as determined by the PHA). A PHA may choose to apply additional criteria to this inspection, including the application of the Housing Quality Standards (HQS) as defined in 24 C.F.R. 982.401. Section 982.401(d) (2)(ii) provides each dwelling unit must have at least one living/sleeping room for each two persons. The PHA that chooses to apply the full HQS rather than conduct a more limited inspection may still choose to grant an exception from this requirement on a case-by-case basis at the request of the family.

### ***Initial Inspection Exception -- FEMA Rental Assistance Family Transitioning to DHAP-Sandy In-Place***

In the case of a FEMA Rental Assistance family transitioning to DHAP-Sandy by staying in-place in the FEMA rental assistance unit, the PHA may only conduct a limited initial inspection to ensure that the unit does not contain any life-threatening deficiencies. The PHA may conduct the limited initial inspection before executing the DRSC, or may choose to conduct the limited initial inspection either on or in a reasonable time after the effective date of the DRSC to ensure the unit's current condition does not contain any life-threatening deficiencies (as also determined by the PHA). If the PHA opts to conduct the initial inspection on or after the effective date of the DRSC and the unit fails the inspection, the owner must correct the deficiencies within 48 hours upon notification by the PHA. The PHA must verify that the deficiencies have been corrected. If the corrections have not been made within the required 48 hour cure period, the PHA must immediately abate the monthly rental subsidy payment and provide housing search assistance to the family to lease another unit as soon as possible.

### ***Subsequent Inspections***

Once the PHA has fulfilled the initial inspection requirements for a unit, the PHA is not required to conduct further inspections of the unit on a periodic or annual basis since DHAP-Sandy is only a temporary housing program. The PHA may, at any time as needed, inspect a unit under a DRSC to determine if the unit is in compliance with the inspection standards as determined by the PHA. In determining whether an inspection is needed, the PHA may consider family complaints and any other information brought to the attention of the PHA. If a unit fails a subsequent inspection and the owner fails to correct the defect within the period specified by the PHA, the PHA shall abate the monthly rental subsidy payment and provide housing search assistance to assist the family to lease another unit.

Under no circumstances may the owner receive DHAP-Sandy rent subsidy payments until the owner corrects any PHA- identified deficiencies and the PHA verifies that the deficiencies have been corrected.

The DHAP-Sandy requirements do not create any right of the family or any party, other than HUD or the PHA, to require enforcement requirements by HUD or the PHA, or to assert any claim against HUD or the PHA, for damages, injunction or other relief, for alleged failure to enforce the HQS.

#### **m. Disaster Case Management Program**

During the time the family is assisted under DHAP-Sandy, each family head of household will participate in Disaster Case Management (DCM). The Disaster Case Management Program, administered by various local entities, enables a whole community approach through funding support to voluntary, faith-based and nonprofit organizations.

Disaster Case Management services for DHAP-Sandy eligible families will be provided through the Disaster Case Management Program. Disaster Case Management involves a partnership between a case manager and a disaster survivor to develop and carry out a Disaster Recovery Plan. This process involves an assessment of the disaster survivor's verified disaster-caused unmet needs, development of a goal-oriented plan that outlines the steps necessary to achieve recovery, organization and coordination of information on available resources that match the disaster-caused unmet needs, the monitoring of progress toward reaching the recovery plan goals, and when necessary, client advocacy. If a family is determined eligible for DHAP-Sandy, the family will be required to participate in the Disaster Case Management Program. The family will also be responsible for coordinating with their case manager to verify continued participation in the Disaster Case Management Program and their progress in reaching their permanent housing plan goals. At the time of the family's quarterly eligibility determination, the family must provide a copy of the 'Continued Assistance Certification Form' completed by the DCMP caseworker to the PHA which verifies their compliance with the DCM requirements. If the family fails to provide the 'Continued Assistance Certification Form' to the PHA, the family will be terminated from DHAP-Sandy.

#### **n. Family Obligations**

During the family briefing on DHAP-Sandy, the PHA must provide the family with a list of the family obligations. The Head of Household must sign a copy of the obligations and certify that he or she understands that the PHA may terminate DHAP-Sandy assistance for a family that does not comply with the family obligations. The PHA must retain the family certification for their records.

A family receiving assistance under DHAP-Sandy must comply with all of the family obligations during their participation in the program. Actions that occurred before the PHA briefed the family on DHAP-Sandy and the family signed the certification are not grounds for termination from participation in DHAP-Sandy. The obligations of the family consist of the following:

- 1) The family must supply any information to the PHA that HUD requires for DHAP-Sandy assistance. Any information supplied by the family must be true and complete.

- 2) The family may not commit any serious or repeated violation of the lease, such as damaging the unit or failing to pay their share of the rent in accordance with the lease.
- 3) During the term of the lease, the family must reside in the DHAP- Sandy unit. The family must not sublease, let, assign the lease or transfer the unit. The family must not own or have any interest in the unit.
- 4) The family must notify the PHA before the family moves out of the unit or terminates the lease. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the notice of termination at the same time. The family must promptly return to the PHA the full amount of any DHAP-Sandy utility or security deposit assistance provided to the family by the PHA.
- 5) The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.
- 6) The family must promptly provide any information required by the PHA to determine and verify that the family is eligible for continued DHAP-Sandy assistance. All information supplied by the family must be true and complete. A family can be terminated from the program and not be eligible for continued assistance if the family's housing costs decreased or income increased and their rent is now within their financial ability to pay.
- 7) The family is responsible for paying the owner any portion of the lease rent that is not covered by the PHA rent subsidy payment. (The amount of the differential rent to be contributed by the family will be determined in accordance with DHAP-Sandy requirements.)
- 8) The members of the family must not commit fraud, bribery, or criminal act in connection with DHAP- Sandy.
- 9) The members of the family may not engage in drug-related criminal activity or violent criminal activity.
- 10) The members of the family may not engage in other criminal activity, which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity.
- 11) The members of the family may not engage in other criminal activity, which may threaten the health, safety of the owner, property management staff, or persons performing a contract administrative function or responsibility on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor or agent).
- 12) The members of the family may not threaten or engage in abusive or violent behavior toward PHA personnel.
- 13) The FEMA designated family head of household must participate in the required disaster case management services provided by local Disaster Case Management Program providers.
- 14) The FEMA designated family head of household must show ongoing progress toward their realistic Permanent Housing Plan as reported to the PHA by the family and certified by the family's Disaster Case Manager.
- 15) A family may not receive the benefit of a duplicative subsidy while receiving DHAP-Sandy rental assistance.
- 16) For all pre-disaster HUD-assisted families: Upon notice from the PHA that your pre-disaster HUD-assisted unit or a comparable unit in the project is available for occupancy, the family may opt to return to the pre-disaster project with the understanding that the

family's eligibility for DHAP-Sandy assistance will end as of the date by which the family has to return to the project. It should also be understood that if the family declines the opportunity to return to the project, the PHA or owner will lease the assisted unit to another family. Furthermore, the PHA must terminate the family's participation in DHAP in accordance with the section 4.q of the DHAP-Sandy Operating Requirements.

17) The family must comply with any additional requirements specified by HUD or FEMA.

The PHA may not add any other family obligations to DHAP-Sandy. If the family is terminated from DHAP-Sandy, the family may not return to any FEMA provided housing option.

In determining if the family has failed to comply with the family obligations concerning participation in required Disaster Case Management and showing progress toward their Permanent Housing Plan, the PHA shall consult with the family's case manager.

**o. Previously HUD-Assisted Families: Availability for Occupancy of Pre-disaster HUD Assisted Project**

For a family under a DRSC, if the PHA is informed by HUD that the family's pre-disaster HUD-assisted project is available for occupancy, the family's eligibility for continued DHAP-Sandy assistance ends as of the date by which the family has to return to the pre-disaster HUD assisted project (either to the family's pre-disaster unit or a comparable unit in the project).

If the family returns to its pre-disaster HUD-assisted project, the PHA completes an end of participation (EOP) record for the family with the reason code 'Family Returned to Previous HUD-Assisted Unit.'

If the family declines to return to the available pre-disaster HUD-assisted project, the PHA advises the family, the PHA or owner (as applicable) will lease that assisted unit to another family. The PHA must advise the family that the family may not continue to receive DHAP-Sandy assistance beyond the date the family has to return to the HUD assisted pre-disaster unit. Regardless of whether the family still declines the opportunity to return to their pre-disaster assisted housing, the PHA must terminate the family's participation in the program in accordance with section 4.r below.

**p. Family Eligibility for Continued Assistance**

The PHA will be responsible for verifying a family's eligibility for continued assistance on a quarterly basis (every 90 days). Continued Assistance will be determined based on the family's ability to pay for housing and the certification of the case manager the family is continuing to participate in disaster case management and making progress toward achieving their permanent housing plan.

Through the requirement that the family participates in the Disaster Case Management Program, the disaster case manager will work with the family on their progress toward achieving their permanent housing plan. The family will be required to provide certification to the PHA by using the 'Continued Assistance Certification Form' which must be signed by the family and the disaster case manager. The family must also provide the name and phone number of the case

manager to the PHA so periodic verification can be performed by the PHA with the Disaster Case Manager.

Once the Certification Form has been received, the PHA will be responsible for determining the family's continued financial ability to participate in DHAP-Sandy. The PHA will have the information supplied by the family to FEMA to determine the initial portion of rent to be paid by the family. This information will be supplied in the FEMA Form titled, 'Individuals and Households Program Application for Continued Temporary Housing Assistance.'

Since FEMA will have already gathered the relevant documentation to determine the family's differential rent, the PHA will only need to verify if the family's income has increased or decreased or their housing costs have increased or decreased. If the family's income or housing costs have not changed, then the family's financial ability has not changed and can be certified for continued assistance. If the family's income or housing costs have changed, the PHA will need to gather the relevant documentation outlined in the FEMA Form, 'Individuals and Households Program Application for Continued Temporary Housing Assistance.' The family will be required to provide the PHA with the necessary documentation on their pre-disaster and current housing costs; pre-disaster and current income and verifiable documentation of income, recovery strategy, current lease/cancelled checks, and mortgage payment information, as applicable. Once all of the updated information is collected for the OMB No. 1660-0061 / FEMA Form 010-0-12, 'Individuals and Households Program Application for Continued Temporary Housing Assistance,' the PHA will input the relevant information into the DHAP calculator to determine the family's adjusted differential rent amount.

Per the 'OMB No. 1660-0061 / FEMA Form 010-0-12', income is defined as: 1) Wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services; 2) Interest, dividends and other net income of any kind from real or personal property; 3) Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount; 4) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; and 5) Welfare assistance.

A family may be terminated from the program and not eligible for continued assistance if:

- The family violates any of the family obligations, or
- The family's housing cost has decreased or income has increased and their rent is now within their financial ability to pay. For example, if the PHA contribution to the family's rent is zero, then the family has the financial ability to pay rent on their own.

Continued Assistance for DHAP-Sandy shall continue to be provided for as long as the family remains eligible based on the criteria established above for eligibility for continued assistance or 12 months from the DRSC effective date. However, in no event may any family continue to receive continued assistance through DHAP-Sandy beyond December 31, 2014.

#### **q. Termination of Assistance**

The PHA may terminate DHAP-Sandy assistance for a participating family that does not comply with the family obligations under section 4.n. In order to terminate assistance because of

noncompliance with DHAP-Sandy family obligations, the PHA must provide the family with advance written notice of the termination action. The PHA must give the family an opportunity to request an informal hearing to consider whether the PHA decision is in accordance with DHAP-Sandy requirements. If a hearing is requested by the family, the PHA must proceed with the hearing in a reasonably expeditious manner.

The informal hearing procedures used by the PHA are the same hearing procedures the PHA employs for its housing choice voucher program. The PHA must follow the procedures for conducting the hearing in accordance with the procedures in the PHA administrative plan for the housing choice voucher program and the program regulations at 24 CFR 982.555<sup>1</sup>. If the family requests and receives an informal hearing, the PHA may not terminate the family's participation in DHAP-Sandy until the hearing officer has issued the written decision in accordance with 24 CFR 982.555(e)(6).

The PHA may impose, as a condition of continued assistance for certain family members, a requirement that other family members who participated in or were culpable for the non-compliance with DHAP-Sandy family obligations will not reside in the unit. The PHA may permit other members of the family to continue to receive assistance in such a case. The PHA must provide the family with a list of the family obligations when the PHA initially briefs the family on DHAP-Sandy. The family must sign a copy of the obligations and certify that the family understands the PHA may terminate DHAP-Sandy assistance for a family that does not comply with the family obligations. The PHA must retain the family certification for their records.

If the family's participation in DHAP-Sandy is terminated, the PHA must record the end of participation in the DIS.

#### **r. Subsequent Moves under DHAP-Sandy**

The family may request to move to a new unit with continued DHAP-Sandy assistance if:

- (1) The lease has terminated (including lease terminations by mutual consent except where the owner has received a vacancy payment on behalf of the family);
- (2) The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family;
- (3) The family has given proper notice of lease termination, in accordance with the terms of the lease; or
- (4) The family has requested the move as a reasonable accommodation for a family member with a disability.

Note that in the case where the owner has commenced an action to evict the family or has obtained a court judgment or other process allowing the owner to evict the family, the PHA may have grounds to terminate the family's participation in DHAP-Sandy if the cause of the eviction is the family's serious or repeated violation of the lease. If the PHA terminates the

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<sup>1</sup> Note that, if FEMA determines a family is ineligible to receive assistance under DHAP-Sandy, the PHA does not conduct an informal hearing in accordance with section 4.n.

family's participation in DHAP-Sandy, the family may not choose to move to another unit with continued DHAP-Sandy assistance or receive assistance under any FEMA housing program.

The family may move with continued DHAP-Sandy assistance within the jurisdiction of the PHA administering the family's DHAP-Sandy assistance. The PHA may limit the number of moves a family may make within the PHA jurisdiction. Any such limit does not apply to cases where the family must move because the owner is terminating the tenancy or the PHA is terminating the DRSC. Such limits also do not apply where the move may be necessary for a family with a person with a disability as a reasonable accommodation, unless the move results in a fundamental alteration in the nature of the PHA's program or an undue financial and administrative burden.

**s. End of DHAP-Sandy**

DHAP-Sandy assistance is a temporary housing assistance program. DHAP-Sandy will terminate on December 31, 2014. However, individual program participation will conclude 12 months after the execution of their initial DRSC. If the family's participation in DHAP-Sandy ends for any reason prior to the 12<sup>th</sup> month rental subsidy payment, the PHA must record the family's end of participation in the DIS.

**t. Use of DHAP-Sandy Funding, Program Accounts, and Records**

DHAP-Sandy funding may not be used for other activities or costs. The DHAP-Sandy funding remains separate and distinct from the PHA's regular voucher program, in terms of the source and use of the funding. The PHA is required to maintain records that allow for the easy identification of families assisted under DHAP-Sandy, and must report monthly leasing and expenditure for such families separately from housing choice voucher families under the Voucher Management System (VMS). The PHA must maintain a separate HAP register for DHAP-Sandy to record and control assistance payments for rent subsidies. Such records must remain available for 3 years after program close-out.

PHAs are reminded that DHAP-Sandy family information is reported to HUD through the DIS. **A PHA administering DHAP-Sandy does not complete a HUD 50058 or enter any information on a DHAP-Sandy family into the Public Housing Information Center (PIC) system.**

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements and in a manner that permits a speedy and effective audit in accordance with OMB-Circular A-133. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record-keeping. The PHA must comply with the financial reporting requirements in 24 CFR part 5, subpart H. The PHA must furnish to HUD accounts and other records, reports, documents and information, as required by HUD.

HUD, FEMA, and the Comptroller General of the United States shall have full and free access to all PHA offices and facilities, and to all accounts and other records of the PHA that are pertinent to the administration of the program, including the right to examine or audit the records, and to make copies. The PHA must grant such access to computerized or other electronic records, and

to any computers, equipment or facilities containing such records, and shall provide any information or assistance needed to access the records.

During the term of each assisted lease, and for at least three years thereafter, the PHA must keep:

- 1) A copy of the executed lease;
- 2) The DRSC;
- 3) Unit inspection reports;
- 4) Accounts and other records supporting PHA budget and financial statements for the program;
- 5) Signed statement of Family Obligations;
- 6) Any certifications made by a family that declines to return to their pre-disaster HUD-assisted housing; and
- 8) Other records specified by HUD or FEMA.

#### **u. Disbursement of Funds**

The timing of the disbursement of administrative fees and placement fees is covered in section 4.d above.

All disbursements of funding advances for rent subsidy payments will be based on data entered by the PHA into the DIS. When the PHA accesses the family's record through the DIS to verify eligibility, this action prompts HUD to advance funding to cover the first month's rent subsidy payment. Once the PHAs enter family leasing and unit information into the DIS, HUD will begin providing subsequent monthly rent subsidy payments. On a quarterly basis HUD will calculate the PHA's aggregate funding needs and compare it to funding previously provided. When actual leasing needs exceed previous funding, additional funding will be advanced to the PHAs. On the other hand, if the funding provided exceeds actual leasing costs, future disbursements will be offset by the excess funds.

PHAs will not have to submit any type of budget or requisition for payment. Monthly disbursements will be automatically scheduled for payment on the first of the month. At that time, the PHA will receive an 'Intent to Pay' notice that details scheduled payments.

#### **v. Financial Reporting**

The VMS data collection will capture DHAP-Sandy units leased and actual rental subsidy costs. In order for HUD to track monthly leasing information, the PHA must enter actual costs for DHAP-Sandy families in the VMS. PHAs must report in VMS the actual rental assistance costs, administrative costs, and leasing for each month. Submissions are due 30 days following the end of each quarter or earlier as required by HUD.

#### **w. Program Close-Out**

Upon conclusion of the PHA's DHAP-Sandy program, HUD will reconcile rent subsidy payments, security and utility deposit assistance, placement fees, Real Estate Broker fees, and administrative fees based on reported costs and leasing from the VMS and DIS databases. Actual rent subsidy payments will be settled through VMS reporting. If the costs exceed the funding provided by HUD, a final underpayment will be processed. If the funding provided by HUD exceeds reconciled costs, the PHA will remit the overpayment to HUD. In accordance with the IAA, the close-out will be completed within 180 days from the termination of the program.

**5. Paperwork Reduction Act Requirements.**

The information collection requirements imposed by HUD in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2577-0252. In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

**6. Additional Information.**

Any questions related to this notice should be addressed to the Program Support Division at (202) 708-1380.

\_\_\_\_\_/s/\_\_\_\_\_  
Sandra Henriquez, Assistant Secretary  
for Public and Indian Housing