

**HCV PROJECT BASED VOUCHER
APPLICATION PACKET**

**Kauai County Housing Agency
Housing Choice Voucher Program
4444 Rice Street, Suite 330
Lihue, Hawaii 96766
Phone: (808) 241-4440**

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Kauai County Housing Agency

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INTRODUCTION

The purpose of this Application packet is to provide information and guidance to the applicant who is considering applying for the U.S. Department of Housing and Urban Development's (HUD) HCV Project Based Voucher Program, through the Kauai County Housing Agency (KCHA) whose HUD Public Housing Agency (PHA) code is HI005.

Project-based vouchers are a component of a PHA's HCV Program. A PHA can attach up to twenty (20) percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development. Rehabilitated units must require at least \$1,000 of rehabilitation per unit to be subsidized, and all units must meet HUD Housing Quality Standards (HQS).

Under the PBV Program, a PHA enters into an assistance contract with the owner for specified units and for a specified term. The PHA refers families from its waiting list to the project owner to fill vacancies. Because the assistance is tied to the unit, a family who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant based voucher when one becomes available through the HCV Program.

The PHA and the owner execute an Agreement to Enter into a Housing Assistance Payments (AHAP) Contract. Under this contract, the owner agrees to construct or rehabilitate the units, and the PHA agrees to subsidize the units upon satisfactory completion of the rehabilitation or construction. For existing units, the PHA and the owner will execute a Housing Assistance Payment (HAP) Contract.

The PHA must adopt a written policy for selection of units to which assistance will be attached and must publicly advertise that it will accept owner applications for the PBV program. Rents are set based upon market comparables and may not exceed 110 percent of the published existing housing fair market rents. Substandard rental housing is eligible if rehabilitation costs are at least \$1,000 per unit.

KCHA is seeking eligible project applications from qualified organizations to develop and support affordable rental housing. Qualified entities are asked to submit one application form for each project and activity being proposed.

In order to rate and rank the project, KCHA has developed a PBV Application Selection System. The system is intended to ensure that the projects submitted are eligible for funds and can be implemented in a timely manner.

Please read all the enclosed program materials before you prepare the application. In order to be considered for funding, all eligible applicants will be required to submit a complete application that satisfies the threshold factors established by HUD and the County before KCHA will rank and rate the application. However, since the demand for PBV far exceed the available funds, the PBV Application Selection System is designed to ensure that the projects are fairly and equitably reviewed and rated.

This selection system establishes a specific range of points for various elements of the project; KCHA will rate and rank the projects accordingly. To be evaluated fairly, the applicant must provide appropriate, quantifiable information in a manner that will enable KCHA to score the project on each rating element. This packet has been prepared to assist the applicant by explaining the review system and providing information and guidance on how to prepare the application.

The Application packet provides the following information:

- Explanation of HCV Project-Based Voucher Program requirements.
- Explanation of how, need, benefit and performance judgments and the selection system assessments will be made.
- Description of the documentation applicants must submit to substantiate the data, qualifications and other necessary requirements.
- Description of the review and rating process that will be used.
- Federal regulations applicable to applicants.

IMPORTANT NOTICE:

The time frames established in the Application process are firm. At the close of the application submittal period, no further information will be accepted by KCHA, although clarification of information will be allowed or additional information may be requested as required to comply with the County's Consolidated Plan. It is therefore important that your application is complete, factual and contains the required supporting data. If the application is incomplete, KCHA will not review the application.

Application Packet must be received no later than **4:00PM, Monday, April 25, 2022**, at the:

**Kaua'i County Housing Agency
Attn: Jennifer Toguchi, HCV Program Manager
4444 Rice Street, Suite 330
Lihue, Kaua'i, Hawai'i 96766**

Applications submitted after the date and time deadline will not be accepted.

I. GENERAL INFORMATION FOR APPLICANTS

The County of Kaua‘i, Kauai County Housing Agency (KCHA) is seeking rental property owners and/or developers who wish to attach federal rental subsidies to eligible existing, rehabilitated or newly constructed housing through the KCHA’s PBV Program.

It is the KCHA’s intention to solicit applications from such owners, evaluate the qualifications, establish competitive range, verify information presented, and enter into an Agreement with the successful applicant.

A. MINIMAL REQUIREMENTS FOR THE PROGRAM INCLUDE:

1. All project locations must be within a jurisdiction that allows the KCHA to meet one of its goals of de-concentration of poverty.
2. All units must meet HUD’s established Housing Quality Standards prior to occupancy.
3. All project locations must be within reasonable proximity to “quality of life” services and opportunities for project tenants. Such services and opportunities include employment, transportation, social services, municipal services, recreation, educational facilities, hospitals, clinics and shopping venues.
4. Successful applicants must execute a Housing Assistance Payment (HAP) contract with KCHA for an initial term of twenty (20) years. Execution of such an agreement allows the owner to reserve up to 25 percent of a subject building’s total units for eligible program participants or, in the case of an elderly/disabled community, up to 100 percent of a subject building’s total units for eligible program participants. However, single-family properties, defined by HUD as those with 1 to 4 separate units, may be 100 percent subsidized. At the end of the initial term, all agreements are extendable, with the mutual agreement of both the property owner and KCHA, in multiple increments up to a maximum of fifteen (15) years cumulatively.
5. The gross rent (rent plus utility allowance) for all subsidized units will be established as the lesser of:
 - a. An amount not to exceed the reasonable rent as determined by KCHA in accordance with 24 CFR Part 983.256;
 - b. Up to 110 percent of Fair Market Rent (FMR). FMR is the standard rent for comparable private market units in the subject area; or
 - c. A HUD approved Exception Rent Limit, as determined by KCHA in accordance with 24 CFR Part 982.504.

6. KCHA must inspect all sites, including a sample of units, review complete drawings and blueprints in the case of rehab or new construction, prior to any construction activities or any award assistance.
7. KCHA must review and approve each owner’s application for financing the project.
8. The proposed housing must be available for occupancy within 12 months following the execution of a Housing Assistance Payments (HAP) contract.
9. This Request for Application is subject to all of the applicable HUD regulations for the HCV Project-Based Voucher Program located at 24 CFR Part 983, (Appendix A).
10. KCHA is an equal housing opportunity agency. Notification of this Request will appear in *The Garden Island* newspaper for publishing on March 11, 17, and 25, 2022.
11. All applicants must certify that no member of the development team, the proposed management team or any proposed contractor or subcontractor is currently subject to any pending or active debarment action by HUD or any other federal or local government agency.

Request for Applications packets may be obtained by:

- Contacting HCV Program Manager at (808) 241-4440, between the hours of 8:00AM and 4:00pm, Monday through Thursday, except for legal holidays to request for packet to be received via mail.
- Electronically through the Kaua‘i County Housing Agency’s website at www.kauai.gov/housing.

B. ANTICIPATED SCHEDULE OF EVENTS

Public Notice in <i>The Garden Island</i> :	March 11, 2022 March 18, 2022 March 25, 2022
Application Packet Available:	March 11, 2022
Application Submission Deadline:	April 25, 2022
Final Selection:	May 16, 2022

C. EXPENSE OF QUALIFICATION STATEMENT SUBMISSION

All expenses involved with the preparation and submission to KCHA shall be the sole responsibility of the applicant(s).

D. OTHER IMPORTANT PROGRAM REQUIREMENTS

Applicants must ensure that applications meet other key HUD requirements or KCHA guidelines, as listed below:

Applications must classify properties in one of three categories, according to the property's present condition and the proposed improvement plans.

1. "Existing" properties require less than a total of \$1,000 in improvements per subsidized unit in order to make the unit compliant with Housing Quality Standards (HQS), or to complete other major building systems or configuration, changes as noted in 24 CFR Part 983.8. The prorated amount for common area improvements must be counted as part of the total cost.
2. "Rehab" properties require \$1,000 or more in improvements per subsidized unit in order to make the unit HQS compliant or to complete other major building systems or configuration changes as noted in 24 CFR Part 983.8. The prorated amount for common area improvements must be counted as part of the total cost.
3. "New Construction" properties are those proposed for construction. Absolutely no construction activities may occur prior to KCHA approval of all construction and project specifications.

KCHA will pledge, through the execution of a HAP Contract(s) with the successful applicant, to provide vacancy payments for a mutually agreed period as long as the owner is not at fault for the vacancy and works diligently with KCHA to avoid or minimize the length of any vacancies.

Applications for existing and rehabbed housing must include the owner's certification that no current occupants will be permanently displaced. If temporary relocation becomes necessary, the owner must certify that an equitable and compliant relocation process will be utilized. Relocation regulations apply equally to all tenants of rehabbed units who are in place upon submission of the application, regardless of whether they will occupy a subsidized unit. All relocation activities must comply with 24 CFR 983.10, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 49 CFR Part 24 and all local, state and federal statutes. Additionally, all relocation activities are the statutory and financial responsibility of the applicant. KCHA reserves the right to reduce the total number of subsidized units per site to adjust for ineligible residents that are in place prior to the attachment of PBV assistance.

All relocation costs are the sole responsibility of the applicant. No tenant, regardless of subsidy status, may incur any non-reimbursable cost or increase in living expenses because of the proposed rehabilitation.

The PBV subsidy will be permanently attached to each assisted unit. The subsidy will become attached to a particular unit after the first subsidized occupant moves in. Thereafter, only qualified program participants may occupy those specific units.

KCHA will maintain one waiting list for its HCV and PBV programs. Prospective participants will be referred to eligible owners for screening and selection.

All assisted units will be inspected by KCHA on an annual basis to verify continued compliance with HUD's Housing Quality Standards.

KCHA will not award site based assistance for properties that are already subsidized under the following program(s): Public Housing, any form of Section 8, any local or state rent subsidy, Section 236, Section 515, Section 521, the former Section 23, Section 221(d)(3), Section 202 for the non-elderly, Section 202 Loan, Section 811 or Section 101 Rent Supplement.

All building sites and neighborhood locations proposed for rehabilitation or new construction must receive HUD approval prior to the award of subsidy. The sites and neighborhoods will be assessed for the fulfillment of specific HUD criteria, as referenced in 24 CFR 983.6.

All awards of subsidy are conditional upon the successful completion of an environmental review by the respective local government for each building site and neighborhood location in accordance with 24 CFR Part 58.

II. APPLICATION SELECTION SYSTEM

The PBV Application Selection System is designated to help select those projects having the greatest need and which most effectively addresses that need.

In order to be considered for funding, the project must meet certain minimum requirements established by HUD, and KCHA. These are identified as “Threshold Factors.” If all the threshold factors are met, the project will be rated on the basis of “Priority Factors,” including the Consolidated Plan priorities, design, site selection information, budget and funding, environmental concerns, the applicant’s capabilities, past performance in project management, and ability to meet and comply with federal overlay statutes.

A. THRESHOLD FACTORS

A application must meet certain minimum requirements before KCHA will begin to rate the project. If your application does not address or meet these threshold factors, KCHA will not rank and rate your project application. The threshold requirements are listed below:

1. Project Eligibility

The project must be eligible with respect to 24 CFR 983.

2. Consistency with the County of Kaua‘i, 2020-2025 Consolidated Plan

The Consolidated Plan (CP) contains the County of Kaua‘i’s priorities and objectives for HUD Programs. As such, all projects must show that they are consistent with the Consolidated Plan’s priorities and objectives in order to be considered by KCHA for the PBV Program. The County of Kaua‘i CP is available online at <http://www.kauai.gov/Government/Departments-Agencies/Housing-Agency/Housing-Community-Development/Community-Development-Block-Grant-Program-CDBG>.

Projects requesting Project-Based funding will need to address at least one of the priorities and objectives stated in the Priority Needs Section of the County's Five-year 2020-2025 Consolidated Plan for utilizing HUD’s Project-Based Program funds.

The following chart is the County’s CP Priorities:

HIGH PRIORITIES:

Rental Housing: Use CDBG and HOME funds to finance new construction of rental units.

Homeownership Housing: Use CDBG and HOME funds for low-cost financing to assist first-time homeowners purchase existing homes; invest funds to finance housing development sites that are suitable for self-help and turn-key housing; and provide homebuyer education and counseling services.

Rehabilitation Housing: Provide low-interest loans to households that need rehabilitation to address health and safety and improve energy efficiency. Provide funds for acquisition and/or rehabilitation for single-unit and multi-unit residential housing.

Homeless Needs – Emergency Shelter & Transitional: Provide CDBG and HOME funds to acquire, rehab or construct emergency shelters for homeless or rental units for working homeless transition to permanent housing.

Homeless Needs – Permanent Housing: Provide funds to acquire, rehab or construct housing units for permanent housing.

Homeless Needs – Group Home: Provide funds to acquire, rehab or construct housing for group homes.

Homeless Needs – Supportive Services: Provide funds to support service providers that can assist with outreach, intake, mental health care, substance abuse treatment, childcare, job training, case management, housing search and placement and life skills.

Community Development Needs – Economic Development: Provide funds for supportive services and financial assistance through direct financial assistance (business loans), microenterprise assistance and business technical assistance.

Community Development Needs – Public Facilities: Provide funds to remove architectural barriers from parks, recreational and community centers and other public facilities. Provide funds to acquire, construct or upgrade public facilities.

Community Development Needs – Infrastructure: Provide funds to acquire, construct or upgrade public facilities (not ADA improvements).

Community Development Needs – Public Services: Provide funds for new or expanded programs.

Community Development Needs – Fair Housing Needs: Provide funds for education, outreach, training and coordination.

Community Development Needs – Planning and Admin: Provide appropriate, efficient and effective use of funds for program administration.

3. Relocation Plan

If individuals or businesses will be relocated in order to carry out the proposed project, it is required that the applicant describe why displacement is necessary and submit a relocation plan that complies with 24 CFR 570.606, Uniform Relocation Act (URA).

4. Environmental Considerations

All projects utilizing Section 8 funds are required by Section 8 Program rules and regulations to be reviewed for the appropriate level of environmental compliance. The type of environmental compliance is a significant milestone in the project schedule and will ultimately affect the progress of the project. Projects requiring an Environmental Impact Statement (EIS) or an Environmental Assessment expecting to have numerous environmental concerns will not be rated and ranked.

5. Site Plan

In order to implement the project in a timely manner, it is vital that the project site be identified and controlled by the applicant. Projects requiring changes in zoning, the applicant must submit a time line identifying the steps and their process to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

6. Project Funding

Documents that provide evidence that financing are secured, or notes of commitment obtained.

B. PRIORITY FACTORS

If the application meets the eligibility criteria, the application will be evaluated on the basis of responses to questions and information requested in the application packet. The application will be evaluated and selected for assistance based upon the following rating criteria:

<u>PROJECT EVALUATION</u>	<u>MAXIMUM POINTS</u>
<u>Project Element</u>	
Results to be achieved	10
Consolidated Plan Priorities	10
Design Layout	10
Site Selection	10
Environmental Considerations	10
Compliance with Federal Overlays	<u>10</u>
Sub-Total	<u>60</u>
<u>Project Funding & Budget</u>	
Funding	10
Budget	<u>10</u>
Sub-Total	<u>20</u>
<u>Applicant Evaluation</u>	
Project Management	10
Past Performance	<u>10</u>
Sub-Total	<u>20</u>
TOTAL	<u>100</u>

Project Evaluation

The project evaluation element, which represents a significant portion of the total number of points each project can receive, is intended to ensure that the best projects are considered for funding. Ten components have been identified and will be considered in the rating of this element. These components are:

1. Results to be achieved

Design or rehab plans improve livability, viability and safety of home for residents. The design of the project is appropriate for planned use, taking into consideration the needs of special tenant population. Rehabilitation plans remove existing design hazards or flaws. The design provides adequate utilities, parking and street access. A portion or all the units will be made accessible to the handicapped.

- | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 points | The project outcome would resolve the problem completely, other actions needed to support the project have been committed and are clearly stated in the application. |
| 8 points | The project outcome would have a major impact on the need but would not completely resolve the problem. |
| 6 points | The project outcome would have some impact on the need but not as much as that of other projects. |
| 4 points | The project outcome does not clearly address the need. The project appears to be of general community benefit and would only minimally serve low and moderate income persons. |
| 0 points | Only small portion of the described need would be addressed. The community has made no apparent effort to solve the problem through local and other sources. |

2. Consolidated Plan Priorities

Based on community input and current data, the County of Kaua'i established its high and low priorities for HUD federal funded programs. Applicants should clearly describe how its proposed project will comply and ultimately accomplish a priority(ies) of the County's 2015-2020 Consolidated Plan. Higher points will be awarded to projects that address high priority activities.

- | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 10 points | The project will address a high priority and goal of the County's Consolidated Plan. |
| 6 points | The project will address a low priority and goal of the County's Consolidated Plan. |
| 4 points | The project meets the high, medium, and/or low priorities but will not accomplish the goal of the priorities within the Consolidated Plan. |

0 points The project does not address a priority and goal of the County's Consolidated Plan.

3. Design Layout

Design or rehabilitation plans improve livability, viability and safety of home for residents. The design of the project is appropriate for planned use, taking into consideration the needs of special tenant population. Rehabilitation plans remove existing design hazards or flaws. The design provides adequate utilities, parking and street access. A portion or all of the units will be made accessible to the disabled.

10 points The project design is appropriate for the planned use. The project considers the needs of targeted tenant population.

8 points Design problems have been identified; however, they appear to be fully resolvable.

6 points The project appears to have slight problems with respect to design.

4 points The project appears to have moderate problems with respect to design.

0 points The project appears to have extensive problems with respect to design.

4. Site Selection

The project is residential in nature. Site location is adequate in size, exposure and contour to accommodate the number and type of units proposed; adequate utilities (water, sewer, gas, electricity) and streets available to serve the site. Promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of low-income persons. The site is accessible to social, recreational, educational, commercial, and health facilities and services equivalent to those typically found in similar, unassisted neighborhoods.

10 points There are no site selection problems identified.

8 points There may be some site selection problems; however, they appear to be fully resolvable.

- 6 points The project appears to have some problems with respect to site selection.
- 4 points The project appears to have a moderate amount of problems with respect to site selection.
- 0 points The project appears to have extensive problems with respect to site selection.

5. Environmental Considerations

A federal environmental review will be required for all projects selected for funding. Consequently, information relating to environmental concerns at the selection stage can have a significant impact on the application. The extent to which the applicant has considered and acted upon potential environmental concerns may be important. Some examples are: relocation activities from a flood plain, the effect of increased traffic in a neighborhood resulting from a funded activity, historic sites, hazardous material, etc.

- 10 points An environmental review has been completed, and there are no environmental problems.
- 8 points Environmental problems have been identified; however, they appear to be fully resolvable.
- 6 points The project appears to have slight problems with respect to environmental concerns.
- 4 points The project appears to have moderate problems with respect to environmental concerns.
- 0 points The project appears to have extensive problems with respect to environmental concerns.

6. Compliance with Federal Overlay Statutes

Applicants are required to indicate whether their activities will necessitate compliance with the federal overlay statutes as described in Exhibit 8 and the applicant should describe its understanding and procedures for complying with these federal statutes.

- 10 points There are no overlay statute problems.

8 points	There may be overlay statute problems; however, they appear reasonable and fully achievable.
6 points	The project appears to have slight problems with respect to overlay statutes compliance.
4 points	The project appears to have moderate problems with respect to overlay statutes compliance.
0 points	The project appears to have extensive problems with respect to overlay statutes compliance.

Project Funding and Budget Impact

The project funding and budget elements are intended to ensure that the proposed project can be completed and that the program funds are effectively used and secured. The scoring system is also intended to encourage the use of resources and funds over and above the PBV funds applied for in undertaking the project. The components to be examined are:

1. Need for the PBV Vouchers.
2. Sufficiency of resources to complete the project.
3. Accurate cost estimates.

1. Funding Impact

10 points	The applicant clearly documents the need for funding assistance through the PBV program and all sources of funds are secured and committed to complete the project.
8 points	The applicant appears to need funding assistance through the PBV program to complete the project and other sources of funds have been identified and firm commitments have been received
6 points	PBV program funds may not be sufficient to complete the project but other resources have been identified and no commitments have been received.
4 points	The PBV funds would have little impact to complete the project and other resources have not been identified or secured.
0 points	No other funds have been identified and committed to the complete the project.

2. Budget Impact

10 points	The project costs are clearly documented and are accurate.
8 points	The project costs appears to be accurate but not well documented.
6 points	The accuracy of the project costs are questionable and not well documented.
4 points	The project costs are inaccurate and are not documented.
0 points	The project costs were not submitted and not documented.

Applicant Evaluation

The applicant evaluation element is intended to ensure that the applicant has the necessary qualifications and expertise to carry out the proposed project. To be awarded HCV PBV Program funds, the applicant must have the capacity to undertake, complete, and administer the project in compliance with the PBV Program rules in a timely and efficient manner.

The components to be examined include:

1. Project Management

The project management component is designed to evaluate the applicant's capacity to implement the project. If an on-going program activity will result from this project (i.e., construction of a building for operation of rental housing project, etc.), the program management section will be evaluated to determine if the applicant has the capacity to implement the program activity as well as the project.

10 points	The applicant clearly documents the necessary qualifications and experience to carry out the project. Staff has extensive training and experience relative to their functions. Applicant has excellent previous experience and capacity for managing grant funds.
8 points	The applicant appears to have the necessary qualifications and experience to carry out the project, but it is not well documented.
6 points	The applicant appears to have most of the necessary qualifications and experience to carry out the project.

4 points The applicant appears to have some of the necessary qualifications and experience to carry out the project.

0 points The applicant does not appear to have the necessary qualifications or experience.

2. Past Performance

The performance component involves an examination of the applicant’s project management previous experience, including the number of projects and units and the number of low-income/affordable housing projects units developed. In addition, applicants who have received PBV Program funds in the past will be evaluated on the basis of their past performance. Criteria to be examined include:

- a. Applicant’s rate of progress in completing activities.
- b. Applicant’s rate of expenditure and obligation of funds.
- c. Applicant’s compliance with applicable laws and regulations.
- d. Applicant’s track record for responding to KCHA in a timely manner.

If the applicant has not participated in a PBV Program in the past, it will be rated solely on its Project Management Capabilities to complete the project.

Points will be assigned for each component based on the following criteria:

10 points The applicant has implemented the project(s) on a timely basis.

8 points The applicant had some problems in implementing the project(s), but the problems were fully resolvable.

6 points The applicant had problems in implementing the project(s).

4 points The applicant had a moderate amount of problems in implementing the project(s).

0 points The applicant had extensive problems in implementing the project(s).

C. FINAL SELECTION

1. Ranking

The points received on each of the elements will be added and the projects ranked accordingly. KCHA will then recommend for approval, the projects to be approved for the PBV program, based on the ranking system.

Upon approval, the KCHA Director will authorize the HCV Program Manager to allocate an appropriate amount of HCV Voucher funding, subject to such terms and conditions as it deems necessary or appropriate to assure compliance with 24 CFR 983 and KCHA rules.

III. APPLICATION REQUIREMENTS

A. General Information

The information required in the application will be used by KCHA to make final funding decisions.

The time frames established in the application process are firm. At the close of the application submittal period, no further information will be accepted by KCHA, although clarification of information will be allowed or additional information may be requested as required to comply with the County's Consolidated Plan. It is therefore, important that your application is complete, factual, and contains the required supporting data. If the application is incomplete, KCHA will not review the application.

B. Submission Dates

Project application for the 2022 PBV program funds should be bounded to secure all documents and must be submitted to KCHA by 4:00PM, April 25, 2022. Applications received after the date and time deadline, faxed copies, and incomplete applications will be rejected.

C. Application Requirements

The submission packet must be signed by a representative of the Applicant who is legally authorized to enter into a contractual relationship in the name of the Applicant, and Applicant must affix the organization's corporate seal to these documents. In the absence of the corporate seal, the submission package must be notarized by Notary Public. Only data submitted by the deadline will be considered in the selection process.

HUD INCOME DEFINITIONS AND LIMITS

Under the PBV program, applicants must select and consistently utilize one of the three definitions of income in determining a low and moderate income household.

1. Annual income as defined under HCV Housing Assistance Payments Program income limits as established by HUD. Low and moderate income household or lower income household means a household whose annual income does not exceed 80% of the median family income for the County of Kaua'i. Very low income is defined as 50% of the median income. Extremely low income is defined as 30% of the median income.

INCOME LIMITS FOR 2021

(To be used with the HUD-approved survey)

<u>Family Size</u>	<u>Extremely Low Income Limit</u>	<u>Very Low Income Limit</u>
1	21,400	35,700
2	24,450	40,800
3	27,500	45,900
4	30,550	50,950
5	35,700	55,050
6	40,920	59,150
7	46,140	63,200
8	51,360	67,300

Effective date: April 21, 2021

NOTE: HUD income limits are updated annually. If you are unsure on how to apply these income limits, contact KCHA for advice and especially how to document compliance with the appropriate quantifiable data to support this national objective.

Elderly persons are defined as members of a one-or two-person household containing a person over 62 years of age.

2. Annual Income as reported under the Census long-form for the most recent available decennial Census. This definition includes:
 - a) Wages, salaries, tips, commission, etc.;
 - b) Self-employment income;
 - c) Interest, dividends, net rental income or income from estates or trust;
 - d) Farm self-employment income;
 - e) Social security;
 - f) Supplemental security income or other public assistance or public welfare programs;
 - g) Retirement, survivor or disability pensions; and
 - h) Any other sources of income received regularly including veterans' payments, unemployment compensation and/or alimony.

3. Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual federal annual income tax purposes.

INSTRUCTIONS/CHECKLIST

This checklist will aid applicant in submitting all the appropriate forms required for a complete project application. Please complete the checklist by placing a checkmark next to each item and attach Exhibits 1 to 12 along with required forms and documents as requested for each exhibit.

Exhibits should be typewritten or computer generated. Narratives should be straightforward and limited to facts, solutions to problems and proposed plans of action. Limit responses to no more than two (2) pages.

All applications should be bound to secure your document. Incomplete applications may be rejected.

- 1. Letter of transmittal
- 2. General Information Application Form
Answer all questions. If a question does not apply, mark it n/a (not applicable).
- 3. Exhibit 1 – Project Eligibility
 - Form
 - Narrative
- 4. Exhibit 2 – Consolidated Plan Priorities
 - Narrative
- 5. Exhibit 3 – Displacement and Relocation
 - Narrative
 - Plan
- 6. Exhibit 4 – Environmental
 - Form
 - Narrative
- 7. Exhibit 5 – Site Selection Standards Information
 - Form
 - Narrative
- 8. Exhibit 6 – Budget and Funding
 - Form
 - Narrative
- 9. Exhibit 7 – Need for Project-Based Vouchers
 - Narrative
- 10. Exhibit 8 – Compliance with Federal Overlay Statutes

- Form
 Narrative
- 11. Exhibit 9 – Project Management
 Narrative
 Organization Chart
- 12. Exhibit 10 – Past Performance
 Narrative
- 13. Exhibit 11 – Application Information
 Documentation
 Articles of Incorporation
 By-laws
 IRS Exemption under Section 501(c)
 List of Current Board of Directors
 Most Current Financial Audit
 Board of Director Composition
 CBDO Form
- 14. Exhibit 12 – Certification and Authorization
 Form
 Resolution authorizing filing and submittal
- 15. Submit the Application Packet to:

Kaua‘i County Housing Agency
 Attn: Jennifer Toguchi, HCV Program Manager
 4444 Rice Street, Suite 330
 Lihue, Kaua‘i, Hawai‘i 96766

Applications submitted after the date and time deadline will not be accepted.

Deadline: **4:00PM, April 25, 2022**

I. GENERAL INFORMATION

A. PROJECT INFORMATION

Project Name: _____

Project Address: _____

Census Tract: _____ TMK: _____

B. INFORMATION ON THE APPLICANT

Name of Applicant: _____

Address: _____

Mailing Address: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

Contact Person and Title: _____

C. TYPE OF ORGANIZATION (CHECK ONE)

- Community Housing Development Organization
- Nonprofit Housing Developer/Owner
- For-Profit Housing Developer/Owner
- Other (Please Specify): _____

D. NUMBER OF VOUCHERS REQUESTED

Project Unit Summary (Numbers entered should total down and across):

	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Totals
# of requested PBV units (estimates OK)						
# of other subsidized units						
# of market rate units						
Total units in project						

Desired PBV Program agreement length requested? _____ Years

On a separate page if necessary, please describe your experience as an owner of affordable housing properties including properties that receive tenant-based voucher assistance and owner compliance with the owner’s obligations under the tenant-based voucher program.

On a separate page if necessary, please describe in detail the extent to which your proposed project furthers the goal for the Kaua’i County Housing Agency of deconcentrating poverty and expanding housing and economic opportunities.

On a separate page if necessary, please describe if applicable the extent to which services for special populations are provided on site of your project or in the immediate area for occupants of the property.

EXHIBIT 1 PROJECT ELIGIBILITY

Applicants must ensure that applications meet other key HUD requirements or KCHA guidelines, as listed below:

Applications must classify properties in one of three categories, according to the property's present condition and the proposed improvement plans. Please check one:

- ___ “Existing” properties require less than a total of \$1,000 in improvements per subsidized unit in order to make the unit compliant with Housing Quality Standards (HQS), or to complete other major building systems or configuration , changes as noted in 24 CFR Part 983.8. The prorated amount for common area improvements must be counted as part of the total cost.

- ___ “Rehab” properties require \$1,000 or more in improvements per subsidized unit in order to make the unit HQS compliant or to complete other major building systems or configuration changes as noted in 24 CFR Part 983.8. The prorated amount for common area improvements must be counted as part of the total cost.

- ___ “New Construction” properties are those proposed for construction. Absolutely no construction activities may occur prior to KCHA approval of all construction and project specifications.

Summary of the Project: In narrative form, please describe your proposed project and the proposed outcomes. Attach all appropriate information that will explain and clarify the specifics of the project.

This section must include a written description of the housing to be subsidized through this application, including the following: a written description of the project site and neighborhood, including the address of the proposed existing or rehabilitated property; description of the units prior to and after all construction activities, list of units categorized by size (square footage) and number of bedrooms and bathrooms, complete construction specifications for all proposed new construction or rehabilitation; written description of all construction or rehabilitation activities, including exterior site improvements, listing of amenities, facilities and services near the site, estimated date of rehabilitation or construction completion and estimated date of tenancy occupancy.

County Facilities and Priorities: It is required that applicants with project applications that contain an activity that falls within the various County Department's realm of jurisdiction such as community/senior centers and facilities, parks, waterlines, economic development activities, housing, emergency fire and rescue vehicles, police or fire stations, sewer lines, etc., should contact and meet with the appropriate County Departments (i.e., Parks and Recreation, Department of Water Supply, Office of Aging, Fire, Police, Public Works, etc.) to discuss your proposed project.

Important Note: The appropriate County departments must either submit the applications on behalf of your project, sign as a co-applicant or provide a signed letter of recommendation submitted with the original project application stating that the project meets the Department's priorities and objectives.

Please note: KCHA will not recommend funds for projects that have not met this condition.

EXHIBIT 2 CONSOLIDATED PLAN PRIORITIES

The proposed project must address and comply with the County of Kaua'i priorities as contained in the current approved 2020-2025 Consolidated Plan (CP). Briefly describe which priority(ies) your proposed project complies with and describe how your project's outcome will address the priority(ies).

The County's CP Priorities will be used to allocate PBV vouchers in accordance with project eligibility requirements and program rules. (Higher points will be awarded to project applications that address high priority activities in accordance with the County's Request for Project Application System.)

The following are the County's CP Priorities:

HIGH PRIORITIES:

Rental Housing: Use CDBG and HOME funds to finance new construction of rental units.

Homeownership Housing: Use CDBG and HOME funds for low-cost financing to assist first-time homeowners purchase existing homes; invest funds to finance housing development sites that are suitable for self-help and turn-key housing; and provide homebuyer education and counseling services.

Rehabilitation Housing: Provide low-interest loans to households that need rehabilitation to address health and safety and improve energy efficiency. Provide funds for acquisition and/or rehabilitation for single-unit and multi-unit residential housing.

Homeless Needs – Emergency Shelter & Transitional: Provide CDBG and HOME funds to acquire, rehab or construct emergency shelters for homeless or rental units for working homeless transition to permanent housing.

Homeless Needs – Permanent Housing: Provide funds to acquire, rehab or construct housing units for permanent housing.

Homeless Needs – Group Home: Provide funds to acquire, rehab or construct housing for group homes.

Homeless Needs – Supportive Services: Provide funds to support service providers that can assist with outreach, intake, mental health care, substance abuse treatment, childcare, job training, case management, housing search and placement and life skills.

Community Development Needs – Economic Development: Provide funds for supportive services and financial assistance through direct financial assistance (business loans), microenterprise assistance and business technical assistance.

Community Development Needs – Public Facilities: Provide funds to remove architectural barriers from parks, recreational and community centers and other public facilities. Provide funds to acquire, construct or upgrade public facilities.

Community Development Needs – Infrastructure: Provide funds to acquire, construct or upgrade public facilities (not ADA improvements).

Community Development Needs – Public Services: Provide funds for new or expanded programs.

Community Development Needs – Fair Housing Needs: Provide funds for education, outreach, training and coordination.

Community Development Needs – Planning and Admin: Provide appropriate, efficient and effective use of funds for program administration.

EXHIBIT 3
DISPLACEMENT/RELOCATION/ACQUISITION

1. If your project will entail permanent or temporary displacement or relocation of families and businesses:
 - a. Your project will be required to comply and meet the relocation requirements of the uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, under 49 CFR Part 24 and as required under Section 104(d) of the Housing and Community Development Act of 1974, as amended. Contact KCHA for a copy of these federal regulations.
 - b. Please submit a copy of a draft or final relocation plan that describe in detail your procedures to minimize involuntary relocation, the availability of comparable replacement units within the project area and how and with what source these activities will be funded as required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
 - c. Should your project be selected for funding, documentation indicating compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, will be required to be submitted.

**EXHIBIT 4
ENVIRONMENTAL**

A federal environmental review that complies with 24 CFR Part 58 – Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities is required if your application is accepted to be funded. However, information relating to environmental concerns at the selection stage can have a significant impact on your application.

The extent to which an applicant has considered and acted upon potential environmental concerns is important. Therefore, indicate which of the following environmental concerns are applicable to your project by checking “yes” or “no”. In addition, provide and submit information and documentation, if any, on environmental concerns. Explain if your proposed project has a completed final Environmental Assessment (EA) that complies with 24 CFR Part 58 and whether any permits or clearances related to the aforementioned environmental concerns have been obtained. Projects having completed a state and federal environmental assessment will rate higher in the selection process.

Environmental Concerns	YES	NO
The project will affect a property that is 50 years or older and therefore eligible or designated as a historic site on the State or National Registers of Historic Places.		
The project site is located within a flood plain and requires flood insurance and compliance with flood plain management decision-making (8-step) process.		
The project site is located within a wetland which requires consistency review from the U.S. Dept. of Army Corp. of Engineers.		
The project site will increase density in volcanic hazard zone 1 and/or 2.		
The project will require a major Shoreline Management Permit (SMA).		
The project has received an SMA approval.		
The project will affect endangered species and their habitats		
Will your proposed project trigger compliance with Chapter 343 of the Hawai‘i Revised Statutes? (Environmental Impact Statement)		
Are there any known environmental issues with the site?		
Airport clear zone	_____	_____
Known prior industrial use	_____	_____
Sole source Aquifer, Air Quality, Wild and Scenic Rivers, Farmland Protection	_____	_____
Other known environmental concerns	_____	_____

Environmental Concerns	YES	NO
Are there any neighborhood factors which negatively impact the site?		
Crime, drugs, other safety concerns	_____	_____
Traffic, noise, other environmental factors	_____	_____
Incompatible non-residential uses nearby	_____	_____
If any answer to the above questions is “YES,” then:		
Has a final Environmental Assessment (EA) been completed for the project? If yes, submit a copy of the EA.	_____	_____
Have any of the permits or clearances related to the aforementioned environmental concerns been obtained?	_____	_____
If “no,” identify and describe any actions taken toward obtaining these permits and/or clearances.	_____	_____

EXHIBIT 5
SITE SELECTION STANDARDS INFORMATION

1. Are you in control of the project site? If not, where are you in obtaining site control and when do you anticipate having site control?

If you are in control of the project site, please include a copy of the deed or other legal document that establishes that the applicant has sufficient ownership rights to the site and all property thereon.

2. Is the community aware of the proposed project?
 Yes No

If yes, how were they informed? If no, do you anticipate opposition? Please describe.

3. Identify the legal owner of the property, all existing facilities, existing county zone, and land area.

4. If applicable, indicate if any of the following conditions apply to the infrastructure servicing the project site by checking the appropriate category.

	Yes	No	Not Applicable
Road access to the site is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sewer capacity is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical service is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water service is adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. If any answer to the above questions is “no,” describe and document any actions being taken to resolve any potential problems associated with the particular infrastructure deficiency.

6. Attach location map(s). Include schematics and/or preliminary drawings, if available.

7. Will you have to obtain changes to, or exemptions from, the following land use designations and code requirements in order to carry out your project? Indicate by checking “yes” or “no” for each item.

	Yes	No		Yes	No
State Land Use District	___	___	Building Code	___	___
Boundary					
General Plan Designation	___	___	Zoning Code	___	___
Development Plan	___	___	Housing Code	___	___
Designation					
Subdivision Code	___	___	Other _____	___	___
Requirements					

8. If any answer to the above questions is “yes,” identify the kinds of changes, which are required as well as any actions taken toward obtaining the necessary clearances.

9. Will your project involve rehabilitation of a facility built prior to 1978? If yes, your facility will need to be tested for lead base paint and abatement documentation will be required to be submitted.

10. Is there a likely presence of hazardous material?

	Yes	No
Lead based paint	___	___
Asbestos	___	___
Other _____	___	___

If yes, identify the abatement process required and submit documentation which identifies these hazards.

11. If the project site does not have the appropriate infrastructure/utility services, describe and document any actions being taken to resolve any potential problems associated with the particular infrastructure deficiency. Describe the improvements required and the estimated costs.

12. If the project site is or will be on leasehold property, provide details on the steps taken or will be taken to secure the project site. Submit a copy of the lease. If the lease is not available at this time, describe the terms of the lease, the duration, etc., and what steps have been taken to secure the lease.

**EXHIBIT 6
PROJECT BUDGET AND FUNDING**

1. State the amount of PBV Vouchers being requested for the activity.

2. Provide a detailed budget, including other sources of funds for the proposed project and its activities as shown below.

3. Identify who did the estimates and discuss how these estimates are current and realistic. Provide documentation to support estimates. (Quotes, proposals, etc.)

4. If other sources of funds will be used (i.e., County, State, private donations, etc.), state the amount, the source, the date of expected availability and expiration and submit documentation (letters) to verify that these funds are secured.

5. Explain your organization’s ability to access other funds and the overall attempts to obtain additional resources.

6. If your project will generate project income, state the projected amount and the expected date to receive this program income. All project income should be included and incorporated into the budget along with other funding sources.

Be sure your submitted budget identifies specifically what the PBV funds and other sources of funds will be used for.

NOTE: If project is funded, letters of commitment from all sources of funding must be submitted.

Example:

Milestones	Total Cost	PBA	Other funds	Status
Environmental Review				
Procurement Policy				
Project Design				
Bid/Advertisement Contract				
Construction				
Project Income				
Project Management				
TOTAL				

EXHIBIT 7
NEED FOR PROJECT-BASED VOUCHERS

1. State and describe the problem/need you are trying to address. Be clear and specific in identifying who it affects, why it is a problem, and what are the causes. Use current data, trends, studies and testimony in analyzing the problem/need as it relates to the outcome you are trying to accomplish.

2. Explain the seriousness and why PBV Vouchers are necessary to address this problem/need. Describe why the proposed project cannot occur without the PBV Voucher award. Fully describe the activities in the project which will address the problem, including all appropriate quantifiable information.

EXHIBIT 8
COMPLIANCE WITH FEDERAL OVERLAY STATUTES

Below is a list of federal overlay statutes that may apply to your particular project. Please review the statutes and if you check yes to any of the following, please describe your procedures on a separate sheet of paper for complying with the following federal rules.

Please note: Should your project be selected for funding, KCHA will request additional information and documentation to show compliance. Failure to comply with the applicable statutes will be reasons for non-compliance and termination of any agreement to utilize the PBV and which will be required to be recaptured.

COMPLIANCE REQUIRED	YES	NO
a. Equal Employment Opportunity	___	___
b. Fair Housing	___	___
c. Section 504 of the Rehab Act	___	___
d. Section 3	___	___
e. Section 109	___	___
f. Environmental Review	___	___
g. Displacement/Relocation/Acquisition	___	___
h. Federal Labor Standards (Davis-Bacon)	___	___
i. Lead-based Paint	___	___
j. Conflict of Interest	___	___
k. Debarred and Suspension	___	___
l. Flood Insurance	___	___
m. OMB Circulars A-110, A-122, A-87, 24 CFR Part 84 & 85 (financial procedures)	___	___
n. OMB Circular A-133-Audits (required for federal funds in excess of \$300,000)	___	___
o. Drug-free Workplace	___	___
p. Minority/Women Business Enterprise	___	___
q. Anti-lobbying Provisions	___	___

EXHIBIT 9
PROJECT MANAGEMENT

1. Name of agency or person who will manage, coordinate and implement the proposed project:

2. Address: _____

3. Contact person and staff primarily responsible to oversee and implement project:

4. Phone and fax numbers:

5. Years in business or operations. _____

6. Describe your organization's management ability. Describe the mission, management structure and staffing of your organization. Provide a detailed description of your organization's experience and ability in implementing and managing projects. Provide an organizational chart showing the staffing and lines of authority for the key personnel to be used in the project.

7. Explain any past or current experience with federal or state award or loan programs.

8. Describe the accounting/record keeping system used by your organization (i.e., manual, computer software, etc.). Indicate whether it complies with applicable OMB circulars governing financial management and audits.

9. Give a brief job description of the overall duties of the staff assigned or management team assigned to manage the program during each phase, a description of related experience and how the project will be implemented and structured. If staff has not been hired, provide a job description for each vacant position. If a third party (consultants) will be involved in management, describe their roles in implementing the project.

10. Provide a copy of the proposed management and maintenance plan for the project. This plan must describe all aspects of the site management plan, including the current and proposed Resident Selection Policies. The plan should also describe the preventive, routine and emergency maintenance procedures for the entire site.

**EXHIBIT 10
PAST PERFORMANCE**

Indicate if you received other PBV grants or other Federal, State, local or private financial assistance in the past. If yes, briefly describe the program and project(s) and include:

1. Project Title

2. Project Amount

3. Project Status

4. Project achievement and if there were any problems encountered.

5. Explain any delays encountered and the reasons for the delays.

6. Identify any federal audit finding(s) from your previous federal audit and explain the status of the finding(s). Also, explain what your organization is doing to eliminate or reconcile the finding(s).

**EXHIBIT 11
APPLICANT INFORMATION**

In order to receive PBV grants or loans, the applicant must be an eligible entity under HUD regulations, 24 CFR 570.204 (Appendix B). For all non-government agencies, the following documents must be attached to this exhibit.

- _____ Articles of Incorporation
- _____ By-Laws
- _____ IRS Exemption under Section 501(c)
- _____ List of current Board of Directors and evidence that the board members are volunteers
- _____ Most current financial and program audit
- _____ Board of Director composition
- _____ FOR CBDO’S ONLY: CBDO Eligibility Form which is attached to this exhibit.

**COMMUNITY BASED DEVELOPMENT ORGANIZATIONS (CBDO's)
(Optional only for CBDO Entities)
ELIGIBILITY FORM**

CBDO Eligibility

An applicant must meet the following criteria in order to qualify as a CBDO and receive PBV funds. Check the appropriate "yes" or "no" blank for each item. Documentation is required to be submitted.

Yes	No	
_____	_____	Is an association or corporation organized under state or local laws to engage in community activities. (Attach copy of Articles of Incorporation).
_____	_____	Has, as its primary purpose, the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area for persons of low or moderate income.
_____	_____	Either be a non-profit or for profit, provided any monetary profits is only incidental to its operations and not inuring to the benefit of any member, founder, contributor or individual.
_____	_____	Has a tax exemption ruling from the Internal Revenue Service under Section 501(c) of the Internal Revenue Code of 1986. (Attach copy of ruling from IRS).
_____	_____	Maintains at least 51 percent (51%) of its governing body's membership for low or moderate income residents of its geographic area of operation.
_____	_____	Has a primary purpose or capacity to carry out neighborhood revitalization, community economic development or energy conservation project that address one or more critical needs for persons of low or moderate income.
_____	_____	Is not a public body (including the County of Kaua'i) or an instrumentality of a public body and does not permit more than 1/3 of its governing body to be appointed by, or to consist of, elected or other public officials or employees of an ineligible entity. (Attach copy of organization's by-laws or charter which shall include provisions prohibiting conflict of interest by its governing board, officers, employees and agents).
_____	_____	Requires that members of its governing body be

nominated and approved by the general membership of organizational.
(Attach a current list of Board of Director's including address, telephone number, term of office and occupation).

_____ Has standards of financial accountability that conforms to OMB Circular No. A-110 (Rev.) "Standards for Financial Management Systems." (Attach current financial audit report).

_____ Is not subject to requirements under which its assets revert to the recipient upon dissolution.

_____ Is free to contract for goods and services from vendors of its own choosing.

_____ Is an entity organized pursuant to Section 301(d) of the Small Business Investment Act of 1958.

_____ Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended.

_____ Is a Community Housing Development Organization (CHDO), under 24 CFR 92.2, Designated as a CHDO by the HOME Investment Partnership program.

EXHIBIT 12
CERTIFICATION AND AUTHORIZATION

1. To the best of my knowledge, the statements in this application are true and correct.
(Application is not complete without an authorized signature)

2. I hereby authorize the Kaua‘i County Housing Agency to obtain further information and to verify any statements made as it deems necessary.

3. The applicant will comply with and certify all PBV program regulations, policies, guidelines and requirements as set forth in this application.

4. The applicant certifies that they have read and understand that compliance with all aspects of Exhibit 8 (Compliance with Federal Overlay Statutes), is required if the project is selected.

5. The applicant assures the county that it will provide sufficient funds to cover any cost overrun to complete the project and where required by its by-laws, the Board of Directors have duly passed a resolution authorizing its authorized official to file this application and provide further information to the County.

6. I certify that the applicant has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management, and completion of the project described in this application.

7. I certify that the applicant will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

8. I certify that the applicant will give the County and the Comptroller General of the United States, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

9. I certify that the applicant will comply with the conflict of interest provisions at 24 CFR 85.36 and 84.42, and 24 CFR Part 85 related to the establishment of safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict or interest, or personal gain.

10. I certify that the applicant will comply with the uniform administrative requirements in accordance with OMB Circular A-110 “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations” as implemented at 24 CFR Part 570 §570.502.
11. I certify that the applicant will comply with the requirements and standards of OMB Circular A-122 “Cost Principles for Non-Profit Organizations”.
12. I certify that the applicant will perform the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, “Audits of States, Local Governments, and Non-Profit Organizations”.
13. I certify that the applicant will comply with all Federal statutes, related amendments, and implementing regulations relating to nondiscrimination, fair housing and equal opportunity including, but not limited to: (a) Title VI of the Civil Rights Act of 1964, as amended; (b) Fair Housing Act; (c) Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259); (d) Section 109 of Title I of the Housing and Community Development Act of 1974, as amended; (e) Age Discrimination Act of 1975, as amended; (f) any other nondiscrimination provisions in the specific statute under which application for Federal assistance is being made; and (g) the requirements of any other nondiscrimination statute which may apply.
14. I certify that the applicant will comply with all Federal statutes, related amendments, and implementing regulations relating to handicapped accessibility including, but not limited to: (a) Architectural Barriers Act of 1968, as amended; and (b) Americans with Disabilities Act; Section 504 of the Rehabilitation Act of 1973.
15. I certify that the applicant will comply with all Federal statutes, related amendments, and implementing regulations relating to employment and contracting including, but not limited to: (a) Equal Employment Opportunity, Executive Order 11246, as amended; and (b) Section 3 of the Housing and Urban Development Act of 1968.
16. I certify that the applicant will comply, if applicable, with flood insurance requirements of Section 202 of the Flood Disaster Protection Act of 1973.
17. I certify that the applicant will comply, as applicable, with the provisions of the (a) Davis-Bacon Act; (b) the Contract Work Hours and Safety Standards Act; (c) the Copeland (Anti-

Kickback) Act; and (d) Fair Labor Standards Act of 1938, as amended regarding labor standards for federally assisted construction sub-agreements.

18. I certify that the applicant will comply with the requirements found at 24 CFR Part 5 regarding debarred, suspended and ineligible contractors and sub-recipients.
19. I certify that the applicant will comply, or has already complied, with the requirements of the Uniform Relocation Assistance Act, Section 104(d) which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs.
20. I certify that the applicant will comply with environmental standard which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environment Policy Act of 1969 and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972; (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended; (g) protection of underground sources of drinking water under the Safe Drinking Water act of 1975, as amended; and (h) protection of endangered species under the Endangered Species Act of 1973, as amended.
21. I certify that the applicant will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1968, EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974.
22. I certify that the applicant will comply with the Lead-Based Paint Poisoning Prevention Act which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
23. I certify that the applicant will comply, as applicable, with the provisions of the Hatch Act which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
24. I certify that the applicant will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program. In cases where

County, State, and/or Federal laws, rules and regulations address certain issues, the most stringent ruling shall apply.

25. I certify that I am authorized on behalf of _____
(name of applicant) to submit this application; to carry out the proposed project/activity pursuant to its charter and by-laws; and comply with the standards for private non-profit entities established by HUD and the County of Kaua‘i. (Please submit resolution authorizing filing and submittal).

Signature of Authorized Certifying Official and Title

Applicant Organization

Date Submitted

RULES OF PRACTICE AND PROCEDURES FOR THE PROJECT BASED ASSISTANCE PROGRAM

A. GENERAL APPLICABILITY

These rules and regulations are adopted under the Hawai'i Administrative Procedures Act, Chapter 91, Hawai'i Revised Statutes, pursuant to Chapter 2, Article 5, Section 2, and are intended to set forth the essential elements to implement the Housing Choice Voucher Section 8 Program as established in Title 24 of the Code of Federal Regulations, Parts 1, 5, 8, 882, 888, and 982. Nothing in these rules shall supersede the provisions of CFR Parts 1, 5, 8, 882, 888, and 982 or the County of Kaua'i HCV Administrative Plan.

B. DEFINITIONS

The following definitions apply to assistance subject to Part 983, in addition to the definitions in 24 CFR 982.4.

1. Agreement to Enter into Housing Assistance Payment Contract (HUD Form 52531-A/B). A written document that serves as a statement of intent by KCHA that it will, upon completion of rehabilitation or construction and occupancy by an eligible family, provide housing assistance payment over a specified period. In order to obtaining financing, the owner may use the Agreement as a pledge or security for the rehabilitation loan. The Agreement includes, among other provisions, work items, dates for the beginning and completion of the work, and the amount of the rent to be paid to the owner after rehabilitation or construction.
2. Displaced Person. For the purpose of this program, the term displaced person means a person (household, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted under this program.
3. Existing. Properties that require less than a total of \$1,000 in improvements per subsidized unit in order to make the unit compliant with Housing Quality Standards (HQS) or to complete other major building systems or configuration changes as noted in 24 CFR 983.8. The prorated amount for common area improvements must be counted as part of the total cost.
4. Funding source. The ACC funding authority from which the HAP contract is to be funded. Each funding increment identified in the ACC is a separate, potential funding source.
5. Housing Assistance Payment Contract (HAP Contract). A written agreement between KCHA and an owner for the purpose of providing housing assistance payments under the Voucher Program to the owner on behalf of an eligible family.

6. New Construction. Properties that are *proposed* for construction. No construction activities may occur prior to KCHA approval of all construction and project specifications.
7. Percent limit. The applicable maximum number of budgeted units for a Housing Authority Housing Choice Voucher Program that may be project-based.
8. Project-based Voucher (PBV) program. An HCV program administered by KCHA pursuant to 24 CFR Part 983.
9. Rehabilitation. Properties that require \$1,000 or more in improvements per subsidized unit in order to make the unit HQS compliant or to complete other major building systems or configuration changes as noted in 24 CFR 938.8. The prorated amount for common area improvements must be counted as part of the total cost.
10. Repair or replacement of a major building system or component. The complete electrical wiring of a unit; the installation of new plumbing supply or waste pipes in a unit; the installation of a new heating distribution system, including piping and ductwork, or the installation of a new boiler or furnace; the installation of a new roof; or the replacement or major repair of exterior structural elements which are essential to achieve a stable general condition with no threat of further deterioration.
11. State certified appraiser. Any individual who satisfies the requirements for certification as a certified general appraiser in a State that has adopted criteria that currently meet or exceed the minimum certification criteria issued by the Appraiser Qualifications Board of the Appraisal Foundation.
12. Twenty (20) percent limit. Twenty percent (20%) of the total number of budgeted units for KCHA's Section 8 Housing Choice Voucher program.

C. GENERAL APPLICABILITY AND SCOPE

1. Program Set-Aside

The number of project based voucher units that will be made available for the Project Based Voucher (PBV) Program will not exceed twenty percent (20%) of the total number of budgeted voucher units for the KCHA HCV Program. Up to twenty percent (20%) of any new funding increments may also be designated for project-based assistance provided that the funding is not designated for any other special purpose under the HCV Program.

KCHA will notify the Hawai'i HUD Field Office in writing of its intent to attach assistance to housing units. Before implementing a PBV program, KCHA must submit the following information to the local HUD Field Office for review:

- a. The total number of units for which KCHA is to attach assistance;
- b. The number of budgeted voucher units for KCHA; and
- c. The number of vouchers units available to be project based.

2. Eligible Housing Units

KCHA will provide project based assistance for new construction, rehabilitation and existing housing based on the criteria established further in this plan.

A housing unit will be considered an existing unit for purposes of the project-based voucher program, if, at the time of selection of the project, the unit requires a maximum expenditure of less than \$1,000 per assisted unit to comply with the Federal Housing Quality Standards (HQS).

A housing unit will be considered a rehabilitation unit if the unit requires a minimum of more than \$1,000 per assisted unit to comply with HQS.

All proposed sites for rehabilitation and new construction must meet the site and neighborhood standards as defined in 24 CFR 983.6. Ineligible properties include the following:

- a. Housing for which the construction or rehabilitation is started before execution of the PBV agreement.
- b. Shared housing, nursing homes, and facilities providing continual psychiatric, medical, nursing services, board and care, or intermediate care;
- c. Properties within the grounds of penal, reformatory, medical, mental and similar public or private institutions;
- d. Properties located in the Coastal Barrier Resource Systems designated under the Coastal Barrier Resources Act;
- e. Properties located in areas having special flood hazards unless, it is located in an area participating in the National Flood Insurance Program;
- f. College or other school dormitories; or
- g. A manufactured home.

Other federal requirements to determine eligibility of units include the following: prohibition from using PBV in units with other assistance under the U.S. Housing Act of 1937 within five years prior to PBV; minimizing displacement as defined in 24CFR983.10; Equal Opportunity and environmental requirements defined in 24CFR983.11 and Uniform Federal Accessibility Standards (UFAS) as defined in 24 CFR Section 8.23,

3. Income Mix

Successful applicants must execute a Housing Assistance Payment contract (HAP Contract) with KCHA for a term of ten (10) years. Execution of such an agreement allows the owner to reserve up to twenty five percent (25%) of a subject building's total units for eligible program participants or, in the case of an elderly/disabled community, up to 100% of a subject building's total units for eligible program participation.

D. PUBLIC NOTICE AND INVITATION TO OWNERS

KCHA will advertise, at least annually and if PBV voucher units are available, in a newspaper of general circulation within the County of Kaua'i that KCHA will accept applications for assistance under a PBV Program (24 CFR 983) for specific projects.

The advertisement will be published at least once a week for three consecutive weeks and will state the following:

1. Application Deadline (at least 30 days after the last published date of advertisement);
2. The total estimated number of units to be selected for assistance;
3. Only applications submitted in response to the advertisement will be considered.

Pursuant to 24 CFR, Section 983.51(e), the Housing Authority may select units to which assistance is to be attached, without advertising and without applying the selection factors otherwise required, if attachment of project-based assistance would further the purpose of the sale of a public housing project to a resident management corporation under Section 21 of the U.S. Housing Act of 1937 (42 U.S. C. 11437s).

E. APPLICATION REQUIREMENTS AND EVALUATION CRITERIA

The following procedures will be followed by KCHA in accepting and screening owner applications submitted for PBV.

1. Application Submission Deadline

Owner applications will be accepted until the published deadline at the Kaua‘i County Housing Agency, Pi‘ikoi Building, 4444 Rice Street, Suite 330, Lihue, Kaua‘i, Hawai‘i 96766. KCHA will date and time stamp all applications upon receipt. Applications received after the published deadline date will not be accepted. Postmark dates are not acceptable.

2. Application Format

Applicants responding to the notification must submit an application in the form prescribed by KCHA.

3. Incomplete Application

If a supporting required document is not under the control of the applicant and cannot be obtained within the filing deadline, the applicant must include a written explanation in the application detailing the cause of the delay and the anticipated date the document will be delivered. KCHA will review the information provided and accept the application, but classify it as non-responsive pending receipt of the document. In no case will documentation be accepted more than ten (10) days after the final deadline.

If, after KCHA’s review, an application is found to be non-responsive or non-compliant with the written selection criteria and procedures, or HUD program regulations, it will be identified as deficient and will be returned to the applicant with notification listing the deficiencies. KCHA will give the applicant ten (10) working days to correct the deficiency. The applicant will not be further considered until the missing information is submitted.

In cases where the application meets the minimum information requirements, but is defective through typographical or minor calculation errors, the application will be processed.

KCHA reserves the right to reject applications at any time for misinformation, errors, or omission of any kind, no matter how far they have been processed.

4. Application Requirements

The Application will list the property requirements for both rehabilitated and new construction projects, including the site and neighborhood, standards (983.6), zoning requirements, eligible/ineligible properties (983.7), per unit minimum cost factor (rehab only; 938.8), Fair Market Rent (FMR) limitations (882.714), and other Federal Requirements (983.11).

The Application will require that applications from owners must meet the requirements listed above and must contain the following information:

- a. The identity of the owner and other project principals including:
 1. A list of the owner(s) and other project principals and the names of officers and principal members, shareholders, investors, and other parties having a substantial interest;
 2. Certification showing that the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs;
 3. A disclosure of any possible conflict of interest by any of these parties that would be a violation of the Agreement or the HAP contract;
 4. Information on the qualifications and experience of the principal participants, including a listing of all housing developments with which the principal participants have participated within the last five years.
 5. Information concerning any participant who is not known at the time of the owner's submission must be provided to KCHA as soon as the participant is known.

- b. A written description of the housing to be subsidized through this application, including:
 1. A written description of the project site and neighborhood, including the address(es), for the proposed existing or rehabilitated properties;
 2. A written description of the proposed site, the site plan and neighborhood for proposed new construction;
 3. A written description of the units prior to and after all construction activities.
 4. A list of units categorized by size (square footage);
 5. Unit bedroom count for all units;
 6. Unit bathroom count for all units;
 7. Sketches of any proposed new construction or renovation;
 8. Complete construction specifications for all proposed new construction or rehabilitation;

9. A written description of all construction or rehabilitation activities, including exterior site improvements;
 10. Listing of amenities, facilities and services near the site;
 11. Estimated date of rehabilitation or construction completion; and
 12. Estimated date of tenancy occupancy.
- c. Evidence of site control. A deed or other legal document that establishes that the applicant has sufficient ownership rights to the site and all property thereon.
 - d. Complete Financing Plan. A written description of how the applicant intends to finance all facets of the proposed project.
 - e. Evidence of Zoning Compliance. Written documentation that all proposed rehabilitation or new construction meets zoning requirements is required. Or, if rezoning or a variance is necessary, the application must include written documentation from the controlling municipality that the action is likely to be approved within 30 days of an award of subsidy.
 - f. List of Current Rents and Proposed Contract Rents for All Units. The list should detail all services and utilities that are included in each rent. If the current and proposed rent amounts differ, a written statement explaining the disparity should be included.
 - g. Utility Analysis for All Units. Each analysis should show a list of owner paid utilities, a list of tenant paid utilities, the documented usage history for all utilities and the proposed utility allocation for each unit.
 - h. Required Owner's Certifications.
 1. Proposed term of the HAP Contract.
 2. Proposed management and maintenance plan. This plan must describe all aspects of the site management plan, including the current and proposed Resident Selection Policies. The plan should also describe the preventive, routine and emergency maintenance procedures for the entire site.
 3. Evidence of financing or lender interest and the proposed terms of financing.

- i. Complete Relocation Plan. If necessary, the plan should explain all anticipated relocation activities including:
 1. The number of families to be relocated;
 2. A written description of the site(s) which will be used for the temporary relocation of tenants, including the address(es);
 3. The agency who will execute the plan;
 4. The total relocation cost;
 5. The sources of funds for all relocation activities;
 6. The estimated length of temporary displacement; and
 7. The proposed terms of tenancy upon the re-occupancy of the rehabilitated unit.

5. Application Review Panel

If there are no KCHA-owned or controlled applicants, the KCHA Director, their designee or a Project Based Voucher Program Selection Panel appointed by the KCHA Director will review, evaluate, rank, and select the applications according to the approved unit selection policy.

6. Application Review

Before selecting units, KCHA will determine that each application is responsive to and in compliance with KCHA's written selection criteria and procedures, and in conformity with HUD program regulation and requirements, including the following items:

- a. Evidence of site control.
- b. Certification that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- c. Proposed initial gross rents must be within the fair market rent limitation as described in 24 CFR 882.714 of the regulations.
- d. Property must meet eligibility requirements under 24 CFR 983.7 (Eligible and ineligible properties and HA-owned units), 24 CFR 983.11 (Other Federal Requirements) and 24 CFR 983.6 (Site and Neighborhood Standards).

- e. Property will be rehabilitated or constructed with other than assistance under the U.S. Housing Act of 1937 in accordance with 24 CFR 983.9.
- f. No rehabilitation or construction has begun (as evidenced by KCHA inspection).
- g. FOR REHAB ONLY: Property meets the \$1,000 per assisted unit requirement under 24 CFR 983.8 of the regulations.

If the property meets this requirement, KCHA will determine the specific work items needed to bring each unit to be assisted up to the HQS as described in 24 CFR 983.5, other repairs needed to meet the \$1,000 requirement, and in the case of projects of five or more units, any work items necessary to meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973.

- h. FOR NEW CONSTRUCTION ONLY: For projects of four or more units, the HA will determine whether any work items necessary to meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Amendments Act of 1988 will be completed.
- i. The number of current tenants (for Rehab projects) that are low-income families. KCHA may not select a unit, or enter into an Agreement with respect to a unit, if the unit is occupied by persons who are not eligible for participation in the program.

If an application does not meet the requirements as indicated above, it will be designated as non-responsive and a notice to that effect, identifying the disqualifying factor, will be sent to the applicant.

Applications that meet the requirements will be evaluated and ranked by KCHA. A ranking list will be prepared according to points awarded to each application. KCHA may, at its discretion, select one or more of the applications submitted, or none of the applications submitted.

FOR NEW CONSTRUCTION PROJECTS ONLY: KCHA may provide PBV assistance only in accordance with HUD subsidy layering regulations (24 CFR 4.13) and other requirements. The subsidy layering review is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance payment subsidy under the PVB program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits. KCHA may not enter an Agreement or HAP Contract until HUD or an independent entity approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. The applications will be

submitted to the HUD Field Office with a certification stating that the unit(s) was selected in accordance with KCHA’s approved unit selection policy. KCHA’s submission will not exceed the number of uncommitted units for which KCHA is authorized to designate and project-based assistance in a connection with new construction. If the number of units contained in applications that KCHA has determined to be eligible for further processing exceeds the number for which KCHA is authorized to designate as project-based assistance, KCHA may forward only the top-ranked applications.

7. Ranking and Selection Factors

Following are the review criteria with associated point values that will be used by KCHA in the evaluation process of applications received under the PBV program.

<u>Evaluation Criteria</u>	<u>Points</u>
The Proposed housing serves a target population in order or priority: elderly; disabled; large families.	20
The application preserves and rehabilitates historic properties or develops new affordable housing through new construction.	20
The application submitted demonstrates a thorough, In-depth, well-planned project meeting all federal requirements and other eligibility criteria.	20
The applicant’s qualifications are appropriate for the project under consideration and firm financial commitments are adequately documented.	20
Rental subsidy is necessary for the viability of the project is consistent with Section 8 requirements and the degree to which supportive services will be provided to the project.	20
TOTAL MAXIMUM POINTS	100

There is no minimum passing score, nor a specific maximum score. Projects will be ranked by score and the highest ranked projects will undergo further review by KCHA. The selected projects must comply with all requirements set forth in this plan and all application HUD regulations.

Prior to selecting the units for project based assistance, KCHA will make a determination that the application is responsive and in compliance with all selection criteria and is otherwise in compliance with HUD program regulations and requirements.

F. REHABILITATION WORK AND NEW CONSTRUCTION REQUIREMENTS

1. The owner will be required to prepare work write ups, construction specifications and plans upon requests as determined appropriate by KCHA for rehabilitation and new construction projects. In addition, new construction projects require certification by a design architect that the proposed new construction reflected in the working drawings and specifications complies with housing quality standards, local codes and ordinances and zoning requirements.
2. The owner is responsible for selecting a responsible contractor for rehabilitation and new construction and said contractor must provide KCHA with a non-debarment certification. An agreement to enter in a Housing Assistance Payment (AHAP) Contract will be executed upon satisfactory completion of all requirements identified above. Upon execution of the HAP, the construction period shall commence. The construction period shall be determined in accordance with the approved application and entered into the AHAP agreement.
3. KCHA must conduct periodic inspections during construction or rehabilitation to ensure that work is proceeding on schedule and is being accomplished in accordance with the terms of the Agreement.
4. The owner must obtain prior approval from KCHA for any changes from the work specified in the Agreement that would alter the design or the quality of the required new construction or rehabilitation.
3. At least sixty (60) days before the scheduled completion of the new construction or rehabilitation, the owner must notify KCHA of any units expected to be vacant on the anticipated effective date of the HAP Contract.
4. Upon completion of construction, the owner must provide KCHA with a certificate of occupancy and an owner certification - pursuant to 24 CFR 983.104. KCHA will perform a final inspection prior to acceptance of the units and notify the owner of any deficiencies that may exist. The owner will be allotted a time extension if warranted or may reject any units that do not meet program requirements. If deficiencies are not cured in the agreed upon time or the owner fails to complete the work within the timeframe identified in the AHAP agreement, KCHA may adjust the number of units to be placed under contract or not proceed with the execution of the HAP contract.

G. HOUSING ASSISTANCE PAYMENTS CONTRACT

Upon acceptance of the units by KCHA, a Housing Assistance Payments (HAP) contract for PBV will be executed in the format prescribed by HUD (52530-A).

KCHA will execute all PBV HAP contracts for a period of not less than one (1) year and no more than five (5) years, subject to future availability of funding under the ACC with HUD. In addition, the HAP contract will permit an extension to the HAP contract based on a determination by KCHA that an extension is necessary to achieve long-term affordability of the housing.

1. Initial Rent to Owner. The initial rent to owner for a unit may not exceed the reasonable rent as determined by KCHA in accordance with 24 CFR 983.256. The initial gross rent may not exceed the Fair Market Rent (FMR) or FMR Exception Rent limit on the date the Agreement is executed. The HAP contract will provide for an annual review of the contract rent amounts.
2. Adjustments to Contract Rent. Adjustments of rents will be subject to the annual adjustment factor provided that the rents charged for the PBV units are comparable to unassisted units in the rental market. Special rent adjustments above the annual adjustment factor shall also be considered if it is determined that the rent continues to be reasonable. The owner shall be responsible for providing KCHA with market comparability data for any special rent increase that is requested.
3. KCHA will provide for vacancy payment under the PBV contract for up to 60 days provided that the vacancy is not the fault of the owner and the owner has taken every reasonable action to minimize the likelihood and extent of vacancies.
4. HOME. For units assisted under the HOME Program, rents are subject to requirements of the HOME Program (24 CFR 92.252).
5. Correction to Rent. At any time during the life of the HAP Contract, KCHA may revise the rent to owner to correct any errors in establishing or adjusting rent to owner in accordance with HUD requirements. KCHA may recover any excess payment from the owner.
6. Other fees and charges. The cost of meals or supportive services may not be included in the rent to owner, and the value of meals or supportive services may not be included in the calculation of reasonable rent. The lease may not require the tenant or family members to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenants in the premises.

H. TENANT SELECTION

The owner is responsible for the screening and selection of tenants in accordance with the written selection criteria approved as part of the original application for the PBV program. The owner must promptly notify KCHA in writing of the rejection of a family and the grounds for such decision.

If the owner rejects an applicant family who believes the rejection was unlawful discrimination, KCHA will assist the family or refer the family to the local Fair Housing Center or the HUD Field Office.

I. WAIT LIST

Tenants residing in units selected for the PBV program who otherwise qualify for HCV assistance will be placed on the KCHA HCV waiting list. Owners may also refer applicants to the waiting list based on the KCHA waiting list policies and selection criteria.

KCHA will maintain a single HCV waiting list for all tenant based and project based assistance. Applicants will be offered project-based assistance as they reach the top of the list and units are available. If an applicant rejects a PBV unit, they will remain in their same place on the waiting list for tenant-based assistance.

J. OCCUPANCY

Owners must lease all assisted units to eligible families. Failure to do so will result in a reduction of the units under contract or other legal remedies including suspension or debarment from HUD programs. If the unit is occupied by an eligible family (including a single person) and KCHA selects the unit, the family must be afforded the opportunity to lease that unit or another appropriately sized, project-based assisted unit in the project without requiring the family to be placed on the waiting list. KCHA may not select a unit, or enter into an Agreement with respect to a unit, if the unit is occupied by persons who are not eligible for participation in the program.

K. MOVE WITH CONTINUED ASSISTANCE

After one year of occupancy in a PBV unit, a tenant may move. KCHA will convert PBV tenants wishing to move to HCV participants by providing them with the next available tenant-based housing voucher. Housing Assistance payments will continue on the PBV unit until the tenant vacates the PBV unit.

L. FAMILY BRIEFING

When a family is selected for a PBV unit, KCHA must provide the family with information concerning the tenant rent and any applicable utility allowance and a copy of the lead hazard information pamphlet, as required by part 35, subpart A of 24 CFR 983. The family must also, either in group or individual sessions, be provided with a full explanation of the following:

1. Family and owner responsibilities under the lease and HAP contract;

2. Information on Federal, State and local equal opportunity laws;
3. The fact that the subsidy is tied to the unit, that the family must occupy a unit considered or rehabilitated under the program, and that a family that moves from the unit does not have any right to continued assistance;
4. The likelihood of the family receiving a voucher after the HAP contract expires.
5. The family's options under the program, if the family is required to move because of a change in family size or composition;

The information on KCHA procedures for conducting informal hearings for participants, including a description of the circumstances in which KCHA is required to provide the opportunity for an informal hearing (24 CFR 983.207), and of the procedures for requesting a hearing.

In addition, audiovisual aids and sample documents may be utilized as needed.

Each family must participate in this family briefing prior to the receipt of project based assistance. Failure to participate shall be grounds for disqualification from the program.

M. MAINTENANCE, OPERATION AND INSPECTIONS

1. Maintenance and Operation. The owner must provide all the services, maintenance and utilities as agreed under the HAP contract, subject to abatement of housing assistance payments or other applicable remedies if the owner fails to meet these obligations.
2. Periodic Inspections. In addition to the inspections required prior to the execution of the HAP contract, KCHA must inspect each dwelling unit under HAP contract at least annually and at such other times as may be necessary to assure that the owner is meeting the obligations to maintain the unit in decent, safe and sanitary conditions and to provide the agreed upon utilities and other services. KCHA will take into account complaints and any other information coming to its attention in scheduling inspections.
3. Units not decent, safe and sanitary. If KCHA notifies the owner that the unit(s) under HAP contract are not being maintained in decent, safe and sanitary condition and the owner fails to take corrective action within the time prescribed in the notice, KCHA may exercise any of its rights or remedies under the HAP contract, including abatement of housing assistance payments, termination of the HAP contract on the affected unit(s) and termination of assistance to the family in accordance with 24 CFR 982.552.

N. CONTINUED ASSISTANCE

1. To be eligible for the Project Based Voucher Program, the participant shall occupy the unit under contract and assistance.
2. KCHA shall administer the PBV program in accordance with all provisions under the County of Kaua'i HCV Administrative Plan, including issuing of monthly HAP payments, annual re-examinations of household composition and income and annual inspection of all units to assure compliance with Housing Quality Standards (HQS).

O. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. KCHA will only offer an informal review to applicants for whom assistance is being denied. A request for an informal review must be made in writing and delivered to KCHA either in person, facsimile, email or by first class mail, by the close of the business day, no later than 10 business days from the date of KCHA's denial of assistance. KCHA will schedule and send written notice of the informal review within 10 business days of the family's request.

Informal reviews are not required for:

- 1) Discretionary administrative determinations by KCHA;
- 2) General policy issues or class grievances;
- 3) A determination of unit size under KCHA subsidy standards;
- 4) The KCHA determination not to approve an extension or suspension of a voucher term;
- 5) KCHA determination not to grant approval of tenancy;
- 6) KCHA determination that a unit is not in compliance with HQS;
- 7) KCHA determination that the unit is not in accordance with HQS because of the family size or composition.

P. INFORMAL HEARINGS

Informal hearings are provided for program participants. A participant is defined as a family that has been admitted to the PBV Program and is currently assisted in the program.

KCHA will only offer an informal hearing to participants who dispute the determination of annual or adjusted income, the determination of the appropriate utility allowance amount, the determination of the family unit size, and a determination to terminate assistance. A request for an informal hearing must be made in writing and delivered to KCHA either in person, facsimile, email or by first class mail, by the close of the business day, no later than 10 business days from the date of KCHA's decision or notice to terminate assistance. KCHA will schedule and send written notice of the informal hearing within 10 business days of the family's request.

Informal hearings are not required for:

- 1) Discretionary administrative determinations by KCHA;
- 2) General policy issues or class grievances;
- 3) Establishment of the KCHA schedule of utility allowances for families on the program;
- 4) The KCHA determination not to approve an extension or suspension of a voucher term;
- 5) KCHA determination not to approve a unit or tenancy;
- 6) KCHA determination that a unit is not in compliance with HQS;
- 7) KCHA determination that the unit is not in accordance with HQS because of the family size or composition;
- 8) A determination by KCHA to exercise or not to exercise any right or remedy against an owner under a HAP contract.

Q. EQUAL OPPORTUNITY REQUIREMENTS

Participation in this program requires compliance with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063 and all rules, regulations, and requirements issued pursuant thereto.

R. SEVERABILITY

If any rule, section, sentence, clause or phrase of the rules and regulations or their application to any person or circumstances or property is held to be unconstitutional or invalid, the remaining portions of these rules and regulations or the application of these rules and regulations to other persons or circumstances or property shall not be affected. KCHA hereby declares that it would have adopted these rules and regulations, and each and every

rule, section, sentence, clause or phrase thereof, irrespective of the fact that any one or more other rules, sections, sentences, clauses, or phrases is declared unconstitutional or invalid.

[Code of Federal Regulations]
[Title 24, Volume 4, Parts 700 to 1699]
[Revised as of April 1, 2000]
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[Page 596-601]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER IX--OFFICE OF ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 982--SECTION 8 TENANT BASED ASSISTANCE: HOUSING CHOICE VOUCHER PROGRAM--Table of Contents

Subpart I--Dwelling Unit: Housing Quality Standards, Subsidy Standards, Inspection and Maintenance

Sec. 982.401 Housing quality standards (HQS).

(a) Performance and acceptability requirements.

(1) This section states the housing quality standards (HQS) for housing assisted in the programs.

(2)(i) The HQS consist of:

(A) Performance requirements; and

(B) Acceptability criteria or HUD approved variations in the acceptability criteria. (ii) This section states performance and acceptability criteria for these key aspects of housing quality:

(A) Sanitary facilities;

(B) Food preparation and refuse disposal;

(C) Space and security;

(D) Thermal environment;

(E) Illumination and electricity;

(F) Structure and materials;

(G) Interior air quality;

(H) Water supply;

(I) Lead-based paint;

(J) Access;

(K) Site and neighborhood;

(L) Sanitary condition; and

(M) Smoke detectors.

(3) All program housing must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.

(4)(i) In addition to meeting HQS performance requirements, the housing must meet the acceptability criteria stated in this section, unless variations are approved by HUD.

(ii) HUD may approve acceptability criteria variations for the following purposes:

(A) Variations which apply standards in local housing codes or other codes adopted by the PHA; or

(B) Variations because of local climatic or geographic conditions.

(iii) Acceptability criteria variations may only be approved by HUD pursuant to paragraph

(a)(4)(ii) of this section if such variations either:

(A) Meet or exceed the performance requirements; or

(B) Significantly expand affordable housing opportunities for families assisted under the program.

(iv) HUD will not approve any acceptability criteria variation if HUD believes that such variation is likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

(b) Sanitary facilities--(1) Performance requirements. The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy. (2) Acceptability criteria. (i) The bathroom must be located in a separate private room and have a flush toilet in proper operating condition. (ii) The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water. (iii) The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water. (iv) The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

(c) Food preparation and refuse disposal--(1) Performance requirement. (i) The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner. (ii) There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g, garbage cans). (2) Acceptability criteria. (i) The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.

(ii) The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system. (iii) The dwelling unit must have space for the storage, preparation, and serving of food. (iv) There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

(d) Space and security--(1) Performance requirement. The dwelling unit must provide adequate space and security for the family. (2) Acceptability criteria. (i) At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom. (ii) The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room. (iii) Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire. (iv) The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

(e) Thermal environment--(1) Performance requirement. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body. (2) Acceptability criteria. (i) There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate. (ii) The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

(f) Illumination and electricity--(1) Performance requirement. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire. (2) Acceptability criteria. (i) There must be at least one window in the living room and in each sleeping room. (ii) The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition. (iii) The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

(g) Structure and materials--(1) Performance requirement. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment. (2) Acceptability criteria. (i) Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage. (ii) The roof must be structurally sound and weathertight. (iii) The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation. (iv) The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable. (v) Elevators must be working and safe.

(h) Interior air quality--(1) Performance requirement. The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants. (2) Acceptability criteria. (i) The

dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel, gas, dust, and other harmful pollutants. (ii) There must be adequate air circulation in the dwelling unit. (iii) Bathroom areas must have one openable window or other adequate exhaust ventilation. (iv) Any room used for sleeping must have at least one window. If the window is designed to be openable, the window must work.

(i) Water supply--(1) Performance requirement. The water supply must be free from contamination. (2) Acceptability criteria. The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

(j) Lead-based paint performance requirement. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead - Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, M, and R of this title apply to units assisted under this part.

(k) Access performance requirement. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

(l) Site and Neighborhood--(1) Performance requirement. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. (2) Acceptability criteria. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

(m) Sanitary condition--(1) Performance requirement. The dwelling unit and its equipment must be in sanitary condition. (2) Acceptability criteria. The dwelling unit and its equipment must be free of vermin and rodent infestation.

(n) Smoke detectors performance requirement--(1) Except as provided in paragraph (n)(2) of this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, - smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards). (2) For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

(j) Lead-based paint performance requirement—

(1) Purpose and applicability. (i) The purpose of paragraph (j) of this section is to implement section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. Paragraph (j) of this section is issued under 24 CFR 35.24 (b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.

(ii) The requirements of paragraph (j) of this section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.

(2) Definitions. Chewable surface. Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork. Component. An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall. Defective paint surface. A surface on which the paint is cracking, scaling, chipping, peeling, or loose. Elevated blood lead level (EBL). Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.

HEPA means a high efficiency particle accumulator as used in lead abatement vacuum cleaners. Lead-based paint. A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm²), or 0.5 percent by weight or 5000 parts per million (PPM).

(3) Requirements for pre-1978 units with children under 6. (i) If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph (j)(6) of this section. (ii) The HA may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph (j)(2) of this section. For purposes of this section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. (iii) Treatment of defective paint surfaces required under this section must be completed within 30 calendar days of HA notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30 day period, treatment as required by paragraph (j)(6) of this section may be delayed for a reasonable time.

(iv) The requirements in this paragraph (j)(3) apply to:

(A) All painted interior surfaces within the unit (including ceilings but excluding furniture); (B) The entrance and hallway providing access to a unit in a multi-unit building; and (C) Exterior

surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).

(4) Additional requirements for pre-1978 units with children under 6 with an EBL. (i) In addition to the requirements of paragraph (j)(3) of this section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated. (ii) Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph (j)(6) of this section is required, and treatment shall be completed within the time limits in paragraph (j)(3) of this section. (iii) The requirements in paragraph (j)(4) of this section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age: (A) Within the unit; (B) The entrance and hallway providing access to a unit in a multi-unit building; and (C) Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).

(5) Treatment of chewable surfaces without testing. In lieu of the procedures set forth in paragraph (j)(4) of this section, the HA may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph (j)(6) of this section.

(6) Treatment methods and requirements. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements: (i) A defective paint surface shall be treated if the total area of defective paint on a component is: (A) More than 10 square feet on an exterior wall; (B) More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls; or (C) More than 10 percent of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, window sills, baseboards and trim. (ii) Acceptable methods of treatment are: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydroblasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joints and edges sealed and caulked as needed to prevent the escape of lead contaminated dust. (iii) Prohibited methods of removal are: open flame burning or torching; machine sanding or grinding without a HEPA exhaust; uncontained hydroblasting or high pressure wash; and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces. (iv) During exterior treatment soil and playground equipment must be protected from contamination. (v) All treatment procedures

must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution. (vi) Waste and debris must be disposed of in accordance with all applicable Federal, state and local laws.

(7) Tenant protection. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.

(8) Owner information responsibilities. Prior to execution of the HAP contract, the owner must inform the PHA and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.

(9) HA data collection and recordkeeping responsibilities. (i) The HA must attempt to obtain annually from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, the HA must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint the HA must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this section, the family must be issued a voucher to move. (ii) The PHA must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the HA must keep the test results indefinitely and, if applicable, the owner certification of treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces in the units have been treated. If records establish that certain chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this section, such chewable surfaces do not have to be tested or treated at any subsequent time.