

	Community Action of Central TX
Application Completeness Check for 2026 HSAB Funding	Rental Assistance
Amount Requested	\$15,000
Questions	
Are all questions answered?	Yes
Is the application signed? (this is a certification)	Yes
Does the program have measurable outcomes?	Yes
Is the agency a Human Services Agency?	Yes
Is the agency overseen by a Board of Directors?	Yes
Required Attachments	
BUDGETS	
1. Program budget for current fiscal year	Yes
2. Program budget proposed for next fiscal year	Yes
3. Budget showing the exact uses of the HSAB funding, to be included in the contract	Yes
BOARD OF DIRECTORS INFORMATION	
4. Board of Directors membership roster	Yes
5. Board of Directors City of Residence	Yes
6. Board of Directors Meeting Attendance Record	Yes
7. Board of Directors membership criteria	Yes
ORGANIZATION INFORMATION	
8. Current IRS Form 990, pages 1 and 2 (not required for churches)	Yes
9. Non-discrimination policy statement	Yes
PROGRAM INFORMATION	
10. Final Performance Report for 2024 Funding (if funded)	NA
11. Letters of support for the program - how many	4 letters
12. Policies and Procedures for the proposed Program, if available	Yes

City of San Marcos Human Services Grants
FY2026 Application

I. SUMMARY INFORMATION

Please spell out organization name and program name completely, without acronyms.

Applicant Organization: Community Action, Inc. of Central Texas

Contact Name: Douglas Mudd Telephone: [REDACTED] X 332

Contact E-Mail Address: [REDACTED] Website: www.communityaction.com

Mailing Address: PO Box 748 San Marcos, Texas 78667-0748

San Marcos Service Address for this Program: 215 S. Reimer Ave. Suite 130 San Marcos, Texas 78666

Who is authorized to execute program documents? (Name, Title) Douglas Mudd, Executive Director

Program Name: Community Services Housing Program

Amount of Funds Requested: \$15,000

What percentage of the cost of this program is requested as funding through this application? 4.6%

II. QUESTIONS

All questions must be answered. Please type your answers. Application evaluations will be based on, but not necessarily limited to the criteria stated in each section.

OVERVIEW

1. Summarize the program for which funding is being requested, the services it provides, and the clients it serves.

Community Action, Inc. of Central Texas (CAICT) is requesting funding support from the City of San Marcos to partially fund a full-time Case Manager position for its 24-month Tenant-Based Rental Assistance (TBRA) Program, serving the area's most vulnerable families. This program, funded by the Texas Department of Housing and Community Affairs (TDHCA) HOME Program, provides long-term rental assistance and wraparound case management services to 20 low-income households, with the goal of helping each family achieve self-sufficiency and long-term housing stability.

The TBRA program is designed to assist individuals and families who are homeless or at risk of homelessness, including veterans, survivors of domestic violence, people with disabilities or substance use disorders, individuals living with HIV, and those transitioning from incarceration. Through personalized case management, families receive not only rental assistance but also help navigating supportive services such as employment counseling, childcare through Head Start, vocational training classes through Adult Ed program, behavioral health resources, and other stabilizing services that address barriers to housing.

While CAICT has secured over \$100,000 in state TBRA funding, these funds are restricted to direct rental support and allow only limited administrative reimbursement. To implement the full scope of services envisioned for this program, CAICT is seeking HSAB funding to cover 20% of the Case Manager's salary. This investment will unlock

the full value of the TDHCA grant and ensure that eligible San Marcos families can access the housing support and case management services needed to break the cycle of housing instability. This proposal represents a strategic opportunity for the City of San Marcos to leverage local funding to bring substantial state and private dollars into the community, with measurable outcomes in housing stability and family self-sufficiency.

COMMUNITY NEED AND JUSTIFICATION –15 POINTS

Evaluation: documentation and justification of the need for the program in the City of San Marcos.

1. Describe in detail the need for this program in San Marcos.

The City of San Marcos and the broader Hays County region are facing a severe and growing housing crisis. Rising housing costs and a sharp increase in homelessness have placed a growing number of households at risk of displacement or long-term housing instability.

According to the Texas Homeless Network's Point-in-Time (PIT) Count data, Hays County experienced a 30% increase in unsheltered homelessness and a 340% increase in sheltered homelessness from 2020 to 2024. These figures reflect a significant escalation in the number of individuals and families unable to secure stable housing. Housing costs have risen dramatically in the same timeframe. The U.S. Department of Housing and Urban Development reports that the median rent for a two-bedroom apartment in Hays County has increased by over 41% since 2020. Additionally, data from the Texas A&M Real Estate Research Center show that the median home sale price rose by more than 34% between 2020 and 2023.

These housing pressures are contributing to a growing affordability gap. The 2019–2023 American Community Survey (ACS) shows that 56.66% of renter-occupied households in Hays County are cost-burdened—meaning they spend 30% or more of their income on housing—compared to 46.89% nationally. This indicates a substantially higher level of housing insecurity in our area.

While rental assistance funding—such as that provided through the Texas Department of Housing and Community Affairs—is vital, it alone is not sufficient. Service providers across the county, including members of the Hays County Homeless Coalition, consistently identify supportive services as a critical and underfunded need. In particular, case management is essential to help clients overcome the root causes of housing instability, such as job loss, health issues, or lack of access to benefits.

This project will fill that gap by providing personalized, one-on-one case management to help clients not only access rental assistance but also achieve long-term housing stability. By funding 20% of a case management position, the City of San Marcos can play a strategic role in strengthening our community's response to the housing crisis—at a fraction (4.6%) of the total project cost.

2. Has the need for this program been increasing in recent years?

Yes, the need has been increasing significantly in recent years. From 2020 to 2024, Hays County saw a 30% rise in unsheltered homelessness and a 340% increase in sheltered homelessness, according to the Texas Homeless Network. At the same time, median rent for a two-bedroom apartment rose by over 41%, and home sale prices increased by more than 34%, putting stable housing further out of reach for many residents.

IMPLEMENTATION –15 POINTS

Evaluation:

- *The application demonstrates that resources needed to manage the proposed program are available and ready.*
- *Applicant has clearly defined objectives focusing on results and measurable outcomes vs. only program activities descriptions and numbers served.*
- *Past performance of programs funded by Human Services Grants has met expectations.*

1. Are all resources in place to be able to implement this program? If not, what is missing?
Yes, Community Action has already initiated the rental assistance (TBRA) program in January 2025 and began serving residents in March 2025. We currently are providing case management and rental assistance services to 8 families and expect to be serving 12-15 by the end of this year.
2. What specific, measurable outcomes or results do you hope to achieve with this program? We expect to provide housing and case management services to 20 families or more by the end of 2026. For current Year 1 families, we expect to see the following:
 - 50% will achieve stable housing no longer needing rental assistance by the end of 2026.
 - 50% will demonstrate a reduction in their debt to income ratio by end of 2026.
 - 75% will demonstrate one or more achievements in their self-sufficiency goals as identified on their individual self-sufficiency plan by end of 2026. (Self-sufficiency goals may include securing gainful employment, enrolling in classes, taking steps toward improving mental health, managing substance abuse, increasing financial savings, increasing knowledge of financial literacy skills including budgeting, debt management, credit management, and financial planning.)
3. If funding is not available at the requested amount, what is the minimum Human Services Grant funding needed to be able to run this program?
\$12,000.

IMPACT AND COST EFFECTIVENESS –15 POINTS

Evaluation:

- *impact on the identified need*
- *implementation costs compared to impact*
- *use of available resources (financial, staff, volunteer)*
- *impact compared to other applicants*

1. Programs can provide value by deeply impacting the lives of a few, with effects that may ripple through generations, or by providing smaller but meaningful impact to a larger group. Describe in detail the impact this program will have on the identified need and on San Marcos residents.

The City of San Marcos has identified affordable housing as a critical community need. Stable housing—particularly over the long term—serves as the essential foundation for individuals and families to improve their quality of life.

Without housing security, it becomes exceedingly difficult to address other urgent needs such as health, employment, education, and family stability.

Our proposed 24-month Tenant-Based Rental Assistance (TBRA) program aims to provide this vital housing stability for families experiencing financial crisis. Just as important as the rental support is the one-on-one case management each household will receive. Families facing extreme financial hardship often carry not only the burden of unmet basic needs, but also the emotional stress and uncertainty that can accompany a housing crisis. Our Case Manager will provide compassionate, individualized support—assuring clients they are not alone, and helping restore a sense of hope and control over their circumstances.

Beyond emotional support, the Case Manager will offer expert guidance and a deep knowledge of local resources. Through personalized assessments and goal-setting, the Case Manager will connect clients with Community Action’s array of free programs—such as job training, financial education, and family support—as well as with services and organizations throughout the broader San Marcos community. This tailored, relationship-based approach ensures that each household receives the right mix of support, encouragement, and resources to move toward lasting stability and a renewed sense of belonging.

2. Briefly describe other funding sources, volunteers, or in-kind donations that will be used with this program.

Community Action is requesting from the City of San Marcos only 4.6% of the total cost of the TBRA program. Rental assistance funding will come through the Texas Department of Housing and Community Affairs (TDHCA) with an estimated total of \$264,000 (20 households x \$1100 [avg mo. rent] x 12mos.) The Case Manager position will include funding from First Presbyterian Church (\$25,000), Community Services Block Grant (\$20,094), and COSM (\$11,264) for a total of \$43,534.

3. How many total annual unduplicated direct clients is this program expected to serve? What percentage will be San Marcos residents? A total of 20 or more families will be served in this program with 18 of them (90%) being San Marcos residents. Currently all 8 (100%) of TBRA clients are San Marcos residents.

COMMUNITY SUPPORT – 15 POINTS

Evaluation:

- *A minimum of three letters of reference that indicate strong local support for the program and the agency’s ability to implement it as described in the application. Letters must be in support of the specific program requesting funding, not the agency as a whole. Letters will preferably be from San Marcos residents as well as direct clients of the program.*
- *Evidence that volunteers play a vital role in the program or agency’s operation.*
- *Evidence that board members are actively involved in and supportive of the agency*

1. What actions do Board members take to support the programs of the agency?

The role of the Community Action's Board of Directors is to secure and use all available local, state, federal and private resources to eliminate poverty and to enable low-income individuals and families to attain the means and to secure the opportunities needed to become fully self-sufficient. The Board of Directors has the legal and financial responsibility to enter into legally binding agreements with any Federal, State, or local agency or with any private organization for the purpose of running programs or providing services. The Board of Directors appoints the Executive Director who will manage the day-to-day operation of the corporation. The board determines overall program plans and priorities for the Corporation and grant final approval of all programs proposals and budgets. The board plays an active role in setting the tone and direction of the agency.

2. Briefly describe the number and role of volunteers in the program or agency's operation.

Over the past year, Community Action, Inc. of Central Texas has engaged a diverse group of volunteers who play a meaningful role in supporting our programs and operations. Twenty-four volunteers have contributed their time in our Adult Education and Head Start classrooms, supporting instruction and engaging with students. Our Senior Citizens Program benefits from 6 to 7 regular volunteers each week, including a dedicated group of five who consistently assist with Food Bank distribution every Tuesday. Additionally, 16 college students volunteered at our Senior Citizen Center during the winter and spring semesters, contributing 4 to 6 hours per week to support program activities. Our 15-member Board of Directors also volunteers their time, meeting every other month to provide strategic guidance and oversight, each dedicating 2 to 3 hours per meeting. Volunteers are an essential part of our agency, helping to expand our capacity, build community connections, and strengthen the services we provide.

COUNCIL PRIORITIES - 30 POINTS

1. How long has this program served San Marcos residents? (10 points if at least 2 years)

While the TBRA program is completing its first year of implementation, Community Action, Inc. of Central Texas brings decades of experience serving San Marcos residents with programs similar in scope and purpose. The TBRA initiative is administered under the Texas Department of Housing and Community Affairs (TDHCA), which also governs several other programs our agency has successfully operated for years.

These include homelessness prevention, mortgage assistance, utility assistance through the Comprehensive Energy Assistance Program (CEAP), and self-sufficiency services through the Community Services Block Grant (CSBG) Transition Out of Poverty program. Each of these programs, like TBRA, supports housing stability and economic mobility for low-income families in our community.

Our long-standing partnership with TDHCA and our proven track record in delivering housing-focused services ensure that, despite TBRA being a newer initiative, it is built upon a strong foundation of experience, infrastructure, and community trust in San Marcos.

2. Does the agency have an office in San Marcos? (10 points if it does)

Yes.

3. Describe how this funding will create an increase in services or an increase in the number of people served. (10 points if creates an increase)

This funding will directly result in an increase in the number of households served by enabling Community Action, Inc. of Central Texas to administer its Tenant-Based Rental Assistance (TBRA) program in San Marcos. While TDHCA provides substantial rental assistance funding, those funds cannot be accessed or distributed without dedicated staff to manage the program. The TBRA program requires intensive case management, compliance oversight, and individualized support services to ensure clients not only receive rental assistance but also move toward long-term housing stability and self-sufficiency.

By partially funding a full-time Case Manager, this grant makes it possible to deliver those critical services. Without this position, our agency simply would not have the capacity to implement the TBRA program—meaning that up to 20 vulnerable families would go unserved, despite the availability of over \$100,000 in rental assistance.

In short, this funding does not just enhance service delivery—it unlocks access to essential housing resources that would otherwise go unused, creating a measurable increase in both services and the number of San Marcos residents supported.

RISK - 10 POINTS

1. How many years experience does the agency have in implementing a program of this size and complexity? (5 points if more than 5 years) 60 years.
2. What percentage of the program's funding is non-City? (5 points if at least 50%) 95%

III. FUNDING RESTRICTIONS

By signing this application I certify the following to be true:

1. All Human Services Grant funding will be spent on San Marcos residents, except for school-based programs, in which case it may be spent within the San Marcos Consolidated Independent School District boundary.
2. Funding requested is not more than 50% of the total funding for the agency.
3. Funding will not be used to fund more than 20% of a full time position.
4. Agency has been in existence for at least 2 years. (This can include serving communities other than San Marcos.)

SUBMITTAL APPROVED BY:



Signature

7/21/2025

Date

Doug Mudd

Printed Name

Executive Director

Title

COMMUNITY ACTION, INC. OF CENTRAL TEXAS		
Current TBRA Case Manager Program Budget		
		Total
Categories	Other Sources	BUDGET
Personnel		
Program Manager	\$43,534.00	\$43,534.00
40 hrs/wk - 52 wks @20.93		\$0.00
Total Personnel Costs	\$43,534.00	\$43,534.00
Fringe Benefits	\$12,824.00	\$12,824.00
Total Personnel with Fringe	\$56,358.00	\$56,358.00
Occupancy Costs		
Rent / Lease	\$2,936.00	\$2,936.00
Total Occupancy Costs	\$2,936.00	\$2,936.00
Other General Costs		
Long-Term Rental Assistance	\$267,000.00	\$267,000.00
Total Other General Costs	\$267,000.00	\$267,000.00
Grand Total	\$326,294.00	\$326,294.00

COMMUNITY ACTION, INC. OF CENTRAL TEXAS			
			F
Proposed FY 2025-2026 TBRA Case Manager Program Budget			
			Total
Categories	Other Sources	CITY OF SM	BUDGET
Personnel			
Program Manager	\$34,834.00	\$8,700.00	\$43,534.00
40 hrs/wk - 52 wks @20.93			\$0.00
Total Personnel Costs	\$34,834.00	\$8,700.00	\$43,534.00
Fringe Benefits	\$10,260.00	\$2,564.00	\$12,824.00
Total Personnel with Fringe	\$45,094.00	\$11,264.00	\$56,358.00
Occupancy Costs			
Rent / Lease	\$2,200.00	\$736.00	\$2,936.00
Total Occupancy Costs	\$1,525.00	\$736.00	\$2,936.00
Other General Costs			
Long-Term Rental Assistance	\$264,000.00	\$3,000.00	\$267,000.00
Total Other General Costs	\$264,000.00	\$3,000.00	\$267,000.00
Grand Total	\$309,094.00	\$15,000.00	\$326,294.00

COMMUNITY ACTION, INC. OF CENTRAL TEXAS

Proposed FY 2026 TBRA Program Budget

Program Activity	City General Funds
Salaries	\$8,700.00
Fringe Benefits	\$2,564.00
Occupancy Cost: Rent/Lease	\$736.00
Contractual	
Travel	
Other: Moving Costs for Elderly	\$3000.00
Project Total	\$15,000.00

Board Roster

[illegible]

BOARD OF DIRECTORS

ATTENDANCE RECORD

NAME OF AGENCY: _

Commun

DAT

18-Jul-25

BOARD PRESIDENT:

Diane
Insley

PREPARED
BY:

Doug Mudd

Board Meeting Attendance

Board Member's Name		Documentation on File (Yes or No)	09/19/2024	11/21/2024	01/16/2025	03/27/2025	05/15/2025	07/17/2025
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PUBLIC OFFICIALS OR REPRESENTATIVES

Juan Mendoza	01/2015	Yes	P	P				
Angie Gonzalez-Sanchez	May-25	Yes					P	
Wayne Thompson	07/2015	Yes	P	P	P	P	P	P
Barbara Shelton	11/2019	Yes	P	P				
Alyssa Garza	1/1/2022	Yes	P		P			
Judge Brett Bray	3/21/2024	Yes					P	
Rusty Horne	3/27/2025	Yes				P	P	

REPRESENTATIVES OF Neighborhoods/Community

Jeremy Sutton	Mar-23	Yes	P	P	P	P	P	P
Steven Hernandez	Nov-22	Yes	P		P	P	P	
Myra Vassian	Sep-22	Yes	P		P	P		P
Marissa Reyna	Nov. 23	Yes	P					
Cierra Garcia	Nov-24	Yes		P				
Karen Lovin	Mar-25	Yes				P		P

REPRESENTATIVES OF PRIVATE GROUPS AND INTERESTS

Gloria P. Martinez-Ramos	Nov-20	yes		P		P		P
Diane Insley	5/2017	Yes	P	P	P	P	P	
Elizabeth Raxter	03/2018	Yes						
David Sergi	5/15/2025	Yes					P	
Deborah Villalpando	07/2019	Yes	P	P			P	P
Clarena Larrotta	07/2019	Yes	P		P		P	P
Overall In Attendance			11	8	7	8	10	7



COMMUNITY ACTION, INC. OF CENTRAL TEXAS

CONSTITUTION AND BY-LAWS

The following is an excerpt from Community Action's Board of Directors Bylaws that includes membership criteria:

Section 2- Membership

A. Tripartite

The corporation shall be governed by a Board of Directors composed of fifteen (15) Directors who reside in Hays, Caldwell or Blanco Counties. There shall be a tripartite composition of the Board of Directors to reflect equal representation of elected Public Officials, representatives of low-income individuals and families, and private entities. Membership will include at least one Director with a background and expertise in accounting or fiscal management; one with a background in early childhood development and one who is a licensed attorney.

1. One third of the Directors shall be elected public officials, holding office on the date of selection, or their representatives. If the number of such elected officials reasonably available and willing to serve on the board is less than 1/3 of the membership of the Board, appointive public officials or their representatives may be counted in meeting the 1/3 requirement.
2. One third of the Directors shall be representatives of low-income individuals and families in the neighborhood served and who reside in the neighborhood represented by the member. Board members that represent low-income neighborhoods must be democratically selected whether virtual, in-person or in combination and be truly representative of current residents of the CSBG service area. The following democratic selection processes may be used:
 - a) selection and elections, either within neighborhoods or within the community as a whole; at a meeting or conference, to which all neighborhood residents, and especially those who are poor, are openly invited;
 - b) selection of representatives to a community-wide board by members of neighborhood or sub-area boards who are themselves selected by neighborhood or area residents;
 - c) selection, on a small area basis (such as a city block); or
 - d) selection of representatives by existing organizations whose membership is predominantly composed of poor persons.One of the five members will be a Head Start Parent that is elected by the Head Start Policy Council.
3. One third of the Directors shall be officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served. The Board may choose either individuals or organization(s) that are asked to designate a representative to fill the private sector.

4. Officers. The officers of the corporation shall consist of the President, Vice-President and Secretary and such other officers, if any, as the board of directors may determine from time to time. No director shall hold more than one office at the same time.

B. Criteria for Selection

1. The prospective Director must have expressed interest in assisting disadvantaged citizens.
2. The prospective Director must be willing and able to actively participate in Board activities and committees.
3. Every Director who is selected to represent a specific geographic area within the community must reside within the area which s/he represents. This requirement of residency shall apply to:
 - a. All representatives of the target area;
 - b. Those public officials (or their representatives) who represent specific political subdivisions, wards or districts;
 - c. Representatives of private community groups which are organized on a geographic basis.

C. Term of Office

1. The term of office for public officials, or their representatives, shall be five consecutive years, but no longer than a total of ten years as long as the public official remains in elected office. In the event that the public official no longer holds elected office the director will serve on the board until their elected service ends and a suitable replacement is found.
2. With the exception of the Head Start Policy council representatives, the term of office for low-income individuals and families and representatives of private organizations shall be five consecutive years, but no more than a total of ten years. The term for the Head Start Policy council board member will be one year for up to three consecutive one-year terms.
3. Term of office begins on the date of the official seating on the Board of Directors.

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022**Open to Public Inspection****A** For the **2022** calendar year, or tax year beginning **11/01/22**, and ending **10/31/23****B** Check if applicable:

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization**COMMUNITY ACTION, INC.
OF CENTRAL TEXAS**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

P.O. BOX 748

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

SAN MARCOS**TX 78667****D** Employer identification number**74-1541726****G** Gross receipts \$ **15,918,088****F** Name and address of principal officer:**DOUGLAS MUDD****P.O. BOX 748****SAN MARCOS****TX 78667****H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **N/A****H(c)** Group exemption number**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation: **1965** **M** State of legal domicile: **TX****Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O			
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	Number of voting members of the governing body (Part VI, line 1a)	12	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	12	
	5	Total number of individuals employed in calendar year 2022 (Part V, line 2a)	400	
	6	Total number of volunteers (estimate if necessary)	552	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	
	b	Net unrelated business taxable income from Form 990-T, Part I, line 11	0	
Revenue	8	Contributions and grants (Part VIII, line 1h)	16,371,356	15,819,433
	9	Program service revenue (Part VIII, line 2g)	108,516	98,432
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	168	223
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	12,000	0
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	16,492,040	15,918,088
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,174,364
14		Benefits paid to or for members (Part IX, column (A), line 4)		0
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	10,426,067	10,876,188
16a		Professional fundraising fees (Part IX, column (A), line 11e)		0
b		Total fundraising expenses (Part IX, column (D), line 25)	0	
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	4,098,025	4,179,882
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	16,698,456	16,187,282	
19	Revenue less expenses. Subtract line 18 from line 12	-206,416	-269,194	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	3,860,884	3,919,367
	21	Total liabilities (Part X, line 26)	2,752,027	3,079,704
	22	Net assets or fund balances. Subtract line 21 from line 20	1,108,857	839,663

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date	
	DOUGLAS MUDD		EXECUTIVE DIRECTOR	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date
	DEBORAH F. FRASER			09/10/24
	Firm's name		Firm's EIN	
	ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.		74-2332623	
Firm's address		Phone no.		
941 WEST BYRD BLVD, STE 101 UNIVERSAL CITY, TX 78148				

May the IRS discuss this return with the preparer shown above? See instructions

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2022)

DAA

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III



1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **8,365,895** including grants of \$) (Revenue \$)**SEE SCHEDULE O**4b (Code:) (Expenses \$ **2,145,638** including grants of \$ **1,131,212**) (Revenue \$)**SEE SCHEDULE O**4c (Code:) (Expenses \$ **2,766,253** including grants of \$) (Revenue \$)

COMMUNITY ACTION, INC.'S ADULT EDUCATION PROGRAM PROVIDES SERVICES IN THE TEN COUNTIES SURROUNDING TRAVIS COUNTY. ITS CORE SERVICES INCLUDE HIGH SCHOOL EQUIVALENCY (HSE) PREPARATION, ENGLISH AS A SECOND LANGUAGE (ESL), AND JOB TRAINING NECESSARY FOR TRANSITIONING INTO EMPLOYMENT, CAREER ADVANCEMENT, AND LIFELONG LEARNING. IT PROVIDES SERVICES TO ADULTS WITH LIMITED MASTERY OF BASIC EDUCATIONAL SKILLS; ADULTS WHO DO NOT HAVE A SECONDARY SCHOOL DIPLOMA; OR WHO ARE UNABLE TO SPEAK, READ OR WRITE THE ENGLISH LANGUAGE. THE PROGRAM OFFERS COLLEGE PREPARATION CLASSES TO ASSIST THOSE WHO WISH TO PURSUE AN ADVANCED DEGREE. DAY AND EVENING CLASSES ARE AVAILABLE IN THE RURAL CAPITAL WORKFORCE AREA. COMPUTER LITERACY INSTRUCTION IS OFFERED INTERMITTENTLY AT DESIGNATED SITES.

4d Other program services (Describe on Schedule O.)

(Expenses \$ **1,840,087** including grants of \$) (Revenue \$)4e Total program service expenses **15,117,873**

EQUAL OPPORTUNITY and NON-DISCRIMINATION

Title VII of the Civil Rights Act of 1964

As part of the agency's equal employment opportunity policy, Community Action, Inc. will also take affirmative action as called for by Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and the Vietnam Era Veterans Readjustment Act of 1974 and Executive Orders to ensure that minority group individuals, females, disabled veterans, recently separated veterans, other protected veterans, Armed Forces service medal veterans, and qualified disabled persons are introduced into our workforce and considered for promotional opportunities.

In support of Executive Order 11246, we pledge to take affirmative action steps designed to ensure non-discrimination and equal employment opportunity for all individuals, regardless of race, color, creed, national origin, sex, or religion. Regarding Sections 503 and 504 of the Rehabilitation Act of 1973 and Title IV of the Viet Nam Veterans Readjustment Assistance Act of 1974, we also make the same affirmative action pledge and support to all disabled individuals, disabled Veterans, and Veterans of the Viet Nam Era.

Title VI of the Civil Rights Act of 1964

In support of Title VI of the Civil Rights Act of 1964 Community Action Inc. will afford persons with limited English proficiency equal opportunity for employment within the agency and consideration for promotional opportunities. The agency will not deny persons with limited English proficiency equal access to employment that such persons qualify.

Americans with Disabilities Act (ADA) and Reasonable Accommodation

Community Action, Inc. is committed to the fair and equal employment of individuals with disabilities under the ADA. It is Community Action, Inc.'s policy to provide reasonable accommodation to qualified individuals with disabilities unless the accommodation would impose an undue hardship on the agency. Community Action, Inc. prohibits any harassment of, or discriminatory treatment of, employees or applicants based on a disability or because an employee has requested reasonable accommodation.

In accordance with the ADA, reasonable accommodations will be provided to qualified individuals with disabilities to enable them to perform the essential functions of their jobs or to enjoy the equal benefits and privileges of employment. An employee or applicant with a disability may request an accommodation from the HR department and should specify what accommodation is needed to perform the job and submit supporting documentation explaining the basis for the requested accommodation, to the extent permitted and in accordance with applicable law. The agency then will review and analyze the request, including engaging in an interactive process with the employee or applicant, to identify if such an accommodation can be made, or if any other possible accommodations are appropriate. If requested, the employee is responsible for providing medical documentation regarding the disability and possible accommodations. All information obtained concerning the medical condition or history of an

applicant or employee will be treated as confidential information, maintained in separate medical files, and disclosed only as permitted by law.

It is the policy of Community Action, Inc. to prohibit harassment or discrimination based on disability or because an employee has requested reasonable accommodation. Community Action, Inc. prohibits retaliation against employees for exercising their rights under the ADA or other applicable civil rights laws. Employees should use the procedures described in the Anti-Harassment Policy to report any harassment, discrimination, or retaliation they have experienced or witnessed.

July 18, 2025

To the Members of the Human Services Advisory Board,

I am writing to express my strong support for the grant application submitted by Community Action, Inc. of Central Texas (CAICT) requesting \$15,000 in funding through the City of San Marcos. This funding will support a housing case manager who will assist residents in accessing rental assistance through the Texas Department of Housing and Community Affairs (TDHCA).

As the Chief Executive Officer of the Hays-Caldwell Women's Center (HCWC), I have had the privilege of working alongside CAICT for many years. Their organization has been a vital partner in supporting vulnerable populations in our region. Most notably, CAICT's Head Start early childhood education services have had a meaningful impact on the families we serve—especially those working to rebuild their lives after experiencing domestic violence, dating violence, sexual assault, or child abuse.

Furthermore, CAICT partners with HCWC by providing emergency rental assistance to survivors transitioning out of Marla's Place, our long-term housing program for women and children. This one-time financial support has been instrumental in helping families move into or remain in permanent housing, ensuring that the progress they've made toward safety, healing, and stability is not lost. Their continued commitment to supporting our clients during this crucial transition reflects the depth of their partnership and their understanding of the long-term needs of survivors.

CAICT's dedication to addressing the root causes of poverty and housing instability aligns closely with HCWC's mission. Their proposal to implement long-term Tenant-Based Rental Assistance (TBRA) with funding from TDHCA—potentially offering up to 24 months of rental support—shows a deep understanding of what our community needs: not just temporary relief, but long-term, stable solutions. Their model integrates case management and wraparound services, which are critical in helping individuals and families overcome complex challenges.

In closing, I wholeheartedly endorse CAICT's funding request. Their collaborative spirit, proven track record, and strategic use of leveraged resources make them an ideal candidate for support. I urge you to give their application your full consideration, confident that this investment will directly benefit some of the most vulnerable residents in our community.

Sincerely,



Melissa Rodriguez, HCWC - Chief Executive Officer



July 18, 2025

Dear Review Committee,

I am writing to express our enthusiastic support for Community Action, Inc. of Central Texas (CAICT) to receive grant funding for Housing case management services through the City of San Marcos. As a valued partner of Southside Community Center, CAICT has consistently demonstrated dedication and effectiveness in addressing the needs of our community, including utility assistance, senior citizen services, adult education, a variety of health services, early childhood education, and others.

Community Action has discovered a source of funding for rental assistance through Texas Department of Housing and Community Affairs (TDHCA). One of the primary challenges, however, is the administrative funding barrier imposed by the program, which limits support beyond direct housing assistance. CAICT is actively exploring avenues, including grants, to continue funding a Case Manager position essential for administering the TBRA program effectively. Overcoming this administrative hurdle will unlock vital long-term rental assistance funding for our region, thereby enhancing our capacity to serve those in need.

Through our collective experiences in housing assistance efforts, we have learned the significance of complementing direct assistance with supportive services. It is not merely about providing temporary relief but empowering individuals towards lasting stability. Over the last year, our Southside Case Management team has collaborated closely with CAICT to deliver housing and emergency services assistance to the residents of the City of San Marcos. This collaborative approach maximizes resources and facilitates a more comprehensive pathway towards self-sufficiency for our residents.

CAICT's dedication to addressing housing insecurity, coupled with their strategic vision and collaborative spirit, makes them an ideal candidate for grant funding from the City of San Marcos CDBG Program. We wholeheartedly endorse their proposal and believe that supporting their efforts will yield significant benefits for our community.

Thank you for considering our recommendation. Should you require any further information or clarification, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Deborah Villalpando".

Deborah Villalpando
Executive Director
Southside Community Center



[Southsidecommunitycenter.org](https://southsidecommunitycenter.org)



518 S. Guadalupe St
San Marcos, TX 78666

To Whom It May Concern,

My name is Marlene M, and I am a single mom of four school-age children. I'm writing this letter to share how much the rental assistance program has helped me and my family.

We had to leave our home because of domestic violence. It was one of the hardest things I've ever done, but I knew I had to protect my children and give us a fresh start. Since then, I've been doing my best to care for them, working limited hours so I can be there when they need me.

Getting help from this rental assistance program was a true blessing. We just received our first month of assistance, and it already feels like a huge weight has been lifted off my shoulders. I no longer have to worry about how I'll pay rent and still buy food, clothes, and school supplies for my kids. This help means we can stay in a safe and stable home.

This program is giving us a chance to breathe and focus on healing and rebuilding. I'm so thankful for the support. It gives me hope that I can keep moving forward and work toward a better future for me and my children.

Thank you so much for giving families like mine a second chance.

Sincerely,

Marlene M.

A handwritten signature in black ink that reads "Marlene Maldonado". The script is cursive and fluid, with the first name "Marlene" and last name "Maldonado" clearly distinguishable.

To Whom It May Concern,

My name is Debra Ronshausen, and I live in a retirement apartment complex here in San Marcos Texas. I am writing to share how much the rental assistance program has helped me and changed my life.

I live on a very small disability check each month, and before I received help, I was struggling just to make rent. I would often have to choose between paying rent or buying medicine and food. It was a very hard time for me, and I felt very stressed and worried all the time.

Thanks to this program, I received two months of rent assistance. That help gave me the breathing room I needed. I was able to pay for my medication, get some healthy groceries, and finally rest a little easier knowing I had a safe place to live.

This program truly helped me feel stable again. I don't feel as scared about losing my home. I am so grateful for the support, and I hope this program continues to help others like me. Sometimes all someone needs is a little help to get back on track.

Thank you from the bottom of my heart.

Sincerely,

Debra Ronshausen.

A handwritten signature in cursive script that reads "Debra Ronshausen". The signature is written in dark ink and is positioned below the printed name.

To Whom It May Concern,

My name is Yolanda Guel, and I just wanted to take a moment to say thank you for starting the process to help me with rental assistance. It truly means the world to me.

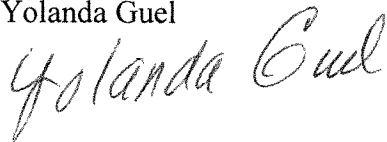
I'm an older woman living alone and have been having a really hard time keeping up with my rent and bills. I live with a disability and am only able to work limited hours. Even with that, I still fall behind. On top of rent, I have utility bills, medications I need to take regularly, and credit card debt that I'm trying to pay down bit by bit.

Just knowing that help is on the way gives me a sense of peace I haven't felt in a long time. This program is going to make it possible for me to keep a roof over my head and still afford the basic things I need to stay healthy and safe. I am so grateful for your time, your kindness, and this opportunity.

Thank you again for helping me take this first step. I look forward to what's ahead.

With heartfelt thanks,

Yolanda Guel

A handwritten signature in cursive script that reads "Yolanda Guel". The signature is written in dark ink and is positioned below the printed name.



Community Action, Inc.
of Central Texas

— DEVELOPING OPPORTUNITIES —

TBRA ADMINISTRATIVE PLAN

NOVEMBER 2024



EQUAL HOUSING
OPPORTUNITY

A. INTRODUCTION AND PURPOSE

The purpose of the Administrative Plan is to establish the Community Action Inc. of Central Texas (CAICT) policies for carrying out HOME Tenant Based Rental Assistance (TBRA) in a manner consistent with federal requirements.

CAICT is responsible for complying with all changes in U.S. Department of Housing and Urban Development (HUD) regulations pertaining to CAICT's TBRA program. If such changes conflict with this plan, HUD regulations will have precedence, and CAICT will revise this plan accordingly. On an ongoing basis, CAICT may make minor, non-substantive modifications to the Administrative Plan in order to clarify existing policies and procedures and/or to correct editing errors.

CAICT'S SERVICE AREA INCLUDES THE FOLLOWING COUNTIES:
HAYS, CALDWELL, AND BLANCO COUNTIES.

The original plan and any proposed changes must be approved by CAICT's Executive Director.

B. FAIR HOUSING AND EQUAL OPPORTUNITY

a. Nondiscrimination

It is CAICT's policy to fully comply with federal, state, and local non-discrimination laws and with the rules and regulations which govern Fair Housing and Equal Opportunity in housing and employment.

CAICT will not deny any household or individual the equal opportunity to apply for or receive assistance under CAICT's TBRA program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability, sexual orientation, gender identity, prior arrest or conviction, or status as a victim of domestic violence.

b. Reasonable Accommodations for Persons with Disabilities

CAICT's policies and practices will make reasonable accommodations for persons with disabilities to ensure that they may fully access and use CAICT's TBRA benefits. Applicants and participants may telephone CAICT to request accommodations at any time. This policy is intended to afford persons with disabilities equal opportunity to obtain the same results and gain the same benefits as those who do not have disabilities, and is applicable to all situations described in this plan.

Reasonable accommodation will be made only after applicants or participants with a disability request a change to CAICT's generally applicable policies or practices.

A household contacting CAICT to request an accommodation will be provided with instructions as to the type of documentation to submit in support of the request. CAICT will review all requests, reach out to the individual's health provider for clarification or additional information if needed, and make a determination to approve or deny based on the information provided. In order for CAICT to approve a reasonable accommodation, there must be an identifiable relationship between the requested accommodation and the individual's disability. CAICT may deny the request if it will cause undue financial or administrative burden, or will change the fundamental nature of the program. Applicants and participants will be notified by mail or phone.

CAICT will provide reasonable search time and extensions to households with disabled persons so that they may locate housing to meet their needs. Reasonable search time will be determined by CAICT, but shall not be unlimited.

Household disability must be verified with a Verification of Disability Form (available at CAICT or on the TBRA webpage.)

C. IMPROVING ACCESS TO SERVICES FOR INDIVIDUALS WITH LIMITED ENGLISH PROFICIENCY (LEP)

- CAICT provides language access services to limited-English proficient individuals.
- Currently, CAICT translates notices and forms into Spanish, identified as the most common foreign language of CAICT's clients. Additionally, CAICT employs bilingual staff members who are able to assist clients as needed.
- Should applicants or participants need other language services, CAICT will work to secure those services on an as needed basis which not affect an applicant's position on the waitlist or qualification for services

D. VIOLENCE AGAINST WOMEN ACT (VAWA)

a. Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

The Violence Against Women Reauthorization Act of 2013 (VAWA) provides: "An applicant for or tenant of housing assisted under a covered housing program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy." An incident or actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as a serious or repeated violation of a lease by, or good cause for terminating assistance to, the victim or threatened victim.

HUD's final rule to implement expanded VAWA protections including requirements to develop an emergency transfer plan and provide notice of VAWA rights to applicants and participants.

Tenancy or occupancy rights may not be denied solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if the criminal activity is engaged in by a member of the tenant's household or any guest or other person under the tenant's control and the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking. An affiliated individual is a spouse, parent, sibling, or child of that individual or an individual to whom that individual stands in loco parentis, or any individual, tenant or lawful occupant living in the household of that individual.

VAWA does not limit otherwise available authority to evict or terminate assistance to a tenant for any violation of a lease not premised on the act of violence in question against the tenant or an affiliated person, so long as the victim is not subject to a more demanding standard than other tenants. Nor does VAWA limit the authority to terminate assistance to or evict a tenant if it is demonstrated that an actual and imminent threat to other tenants or individuals employed at or providing services to the property would be present if the assistance is not terminated or the tenant is not evicted and no other actions could be taken to reduce or eliminate the threat.

VAWA also does not supersede any provision of Federal, State, or local law that provides greater protections for victims of domestic violence, dating violence, sexual assault, or stalking.

b. Definitions of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

- **DOMESTIC VIOLENCE:** Includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- **SPOUSE OR INTIMATE PARTNER OF THE VICTIM:** includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.
- **SEXUAL ASSAULT:** means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.
- **STALKING:** Engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
 - fear for the person's individual safety or the safety of others; or
 - suffer substantial emotional distress

- **DATING VIOLENCE:** Violence committed by a person:
 - Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
 - Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship;
 - The type of the relationship; and
 - The frequency of interaction between the persons involved in the relationship

c. Victim Documentation

When a participant household is facing termination of assistance or an applicant household is facing denial of assistance because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or individual affiliated with the participant claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault, or stalking, CAICT will require the individual to submit documentation affirming that claim.

CAICT will accept one of four methods for certification of a claim:

1. A completed Form HUD-5382 (available on the CAICT's website); or
2. A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency; or
3. A document signed by the victim and by an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional, or a mental health professional ("professional"), from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred.
4. At the discretion of CAICT, a statement or other evidence provided by the victim.

If the documentation submitted contains conflicting information (including certification forms from two or more members of a household each claiming to be a victim and naming the other(s) as a perpetrator). CAICT may require submission of third-party documentation (as described in the last three bullets above) within 30 days of the date that CAICT requested third-party documentation.

The required certification and supporting documentation must be submitted to CAICT within 14 business days after CAICT issues its written request. The 14-day deadline may be extended at CAICT's discretion. If the individual does not provide the required certification and supporting documentation within 14 calendar days, or the approved extension period (including 30-day period allowed to submit required third-party documentation.) CAICT does not have to provide VAWA protections and may proceed with the planned denial or termination of assistance.

d. Terminating or Denying Assistance to a Domestic Violence
Offender or Removing the Offender from the Household

VAWA does not provide protections for offenders. CAICT may terminate CAICT HOME TBRA to the abuser or perpetrator or remove him or her from the CAICT household. In terminating an abuser or perpetrator from the household, CAICT will follow the procedures in the Administrative Plan and will not take away the right so eligible tenants or otherwise punish the remaining tenants. In addition, a landlord may bifurcate a lease in order to evict or remove a tenant or lawful occupant of the housing who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting or removing, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing.

e. Emergency Move

CAICT may grant a request for prior approval to move within the service area (defined above), even if there is a violation of the lease. Individuals qualifying as victims of domestic violence in accordance with applicable federal code are eligible for assistance under the Emergency Transfer Plan if their written emergency transfer request includes either:

- A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if he or she were to remain in the assisted unit; OR
- A statement that the tenant was a sexual assault victim and that the assault occurred on the premises during the 90-day calendar period preceding the tenant's request for an emergency transfer.

f. Confidentiality Requirements

All information provided to CAICT regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of such violence, assault, or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure is:

- Requested or consented to in writing by the individual in a time-limited release,
 - Required for use in a proceeding or hearing regarding denial or termination of CAICT HOME TBRA, or
 - Is otherwise required by applicable law.
- Disclosure of information contained in CAICT records is also subject to confidentiality requirements under Federal and State social services laws and regulations.

E. APPLICATION PROCESS, LOTTERY, WAITLIST

a. Application Format

CAICT uses the Texas Department of Housing and Community Affairs (TDHA) application form and supplemental forms that solicit information regarding eligibility criteria, including:

- Proof of all income and assets
- Proof of citizenship or qualifying immigration status for every household member
- Documentation of allowable expenses; and
- Any other information that CAICT deems necessary to determine program eligibility in conformance with applicable statutes, regulations, and HUD notices.

An applicant household must complete the CAICT HOME TBRA application form and submit it to CAICT. If an applicant household misrepresents the information on which eligibility or household share of the rent is established, CAICT may deny or terminate CAICT HOME TBRA housing assistance.

b. Application Period

- At CAICT's discretion, when funding is available, CAICT will set an application period of at least 30 days during which households may submit applications on the form established by CAICT.
- CAICT will disseminate notice of the application period, including on CAICT's website.
- CAICT may also work with other agencies to solicit applications from clients in known need of rental assistance.
- Applicant households can mail or drop off applications to 36 E. Twohig, Ste. B2, email the TBRA Program Administrator, or fax to [REDACTED]
- A household may submit no more than one application per period.

c. Lottery

After an application period closes, CAICT will create a household waitlist. CAICT will randomly assign all applications received during that application period a number in compliance with 10 TAC §20.9. CAICT will review all applications in order of assigned number. All applicants will receive written notification of their placement on the waitlist and next steps within thirty days of the close of the application period.

CAICT's contract requires that at least 1 in 4 HOME TBRA participants has an income that lies at or below 30% Area Median Income. Therefore, CAICT reserves the right to weight very low-income households to ensure compliance with TDHCA.

Applicants who have submitted incorrect or incomplete information will have an opportunity to correct or supplement their application within 10 days of notice by CAICT identifying any missing information or documentation that must be submitted. If the application remains incomplete after 10 days, the household will be deemed ineligible and

the application denied, unless an extension of the 10-day waiting period is granted by CAICT for good cause.

If a household is determined to be ineligible, CAICT will send a written denial notice to the household at the last address known to CAICT.

If found ineligible, applicant households have the right to have the decision reviewed by administrative review. The right to administrative review is set forth in the denial notice.

d. Placement on the Waitlist

CAICT coupons will be issued in order of assigned number to applicant households that meet the eligibility criteria, until coupons are no longer available. CAICT will maintain the waitlist of applicant households eligible for HOME TBRA funds when the number of households exceeds the number of coupons available.

Applicant households will be placed onto the waitlist in order of their assigned number and will be selected from the waitlist in that order to receive HOME TBRA coupons that become available, for so long as funding remains available. Once placed on the waitlist, a household will retain its placement unless it is selected or removed.

CAICT will organize the waitlist to indicate the following:

- Applicant Name
- Family/Unit Size
- Date and time of application receipt
- Application Number
- Qualification for any preferences for which the family may be eligible

CAICT will not deny admission to its TBRA program for any household that qualifies. Qualified households will be placed on the waitlist if funding is unavailable or tied to other program participants.

e. Removal of Applicants from the Waitlist

- Applicant households who are found ineligible for CAICT HOME TBRA will be removed from the waitlist, including those who may have initially qualified for CAICT HOME TBRA but whose circumstances subsequently changed.
- Applicants who do not respond to periodic written requests from CAICT for updated household information will be removed from the waitlist.
- Households will also be removed from the waitlist if letters from CAICT are returned as undeliverable.
- Applicants on the waitlist are responsible for maintaining current information with CAICT including income and household composition.
- CAICT will give an applicant household written notice of its final decision to deny CAICT HOME TBRA participation. The notice will include the reason for denial and advise the household of the right to request a review of the decision.

f. Selection of Applicants from the Waitlist

As funding and coupons become available, CAICT reviews applications and submitted documentation of households on the waitlist, seeks verification where necessary, and offers eligible applicant households participation in CAICT HOME TBRA. Eligible applicant households will be selected for participation in CAICT HOME TBRA in order of their assigned number, regardless of household size. When there is insufficient funding available for the first applicant household on the waitlist, CAICT will not consider any other applicant household on the waiting list until funding becomes available for the first applicant household.

g. Applicant Household Separations

If an applicant household separates into two or more otherwise eligible household units prior to execution of the lease and CAICT HOME TBRA Rental Assistance Contract, CAICT will decide on a case-by-case basis which of the household units will be considered the applicant household and remain eligible to receive CAICT HOME TBRA rental assistance. If the second resulting household unit also qualifies for CAICT HOME TBRA rental assistance, that household may apply to be placed on the waitlist.

CAICT will consider factors including, but not limited to:

- Which household member applied as head of household
- Which household unit retains any children, disabled members, or members over 62 years of age
- Role of domestic violence in the separation
- Role of criminal activity in the separation
- Recommendations of social service agencies, including state and local children's service agencies, or qualified professionals

Documentation of these factors is the responsibility of the applicant households. If either or both households do not provide the documentation, they may be removed from the waitlist and denied a coupon for failure to supply information requested by CAICT

F. CAICT HOME TBRA ELIGIBILITY

a. Eligibility

To be eligible for CAICT HOME TBRA, a household must meet the following eligibility requirements:

- The household's adjusted income must not exceed 80% of area median income as set forth by HUD; and
- At least one member of the applicant household must be either a citizen or noncitizen with a qualifying immigration status under Section 1436a of Title 42 of the United States Code

b. Participant Household Separations

If a household receiving CAICT HOME TBRA rental assistance separates, CAICT will decide on a case-by-case basis which of the resulting household units will continue to receive CAICT HOME TBRA rental assistance. If the second resulting household unit qualifies for CAICT HOME TBRA rental assistance, that household may apply to be placed on the waitlist for CAICT HOME TBRA rental assistance.

CAICT will consider factors including, but not limited to:

- Which household member applied as head of household;
- Which household unit retains any children, disabled members, or members over the age of 62;
- Role of domestic violence in the separation
- Role of criminal activity or incarceration in the separation; and
- Recommendations of social service agencies, including state and local children's service agencies, or qualified professionals.

c. Live-In Aides and Attendants

- For the purpose of determining unit size, one live-in aide to reside in the assisted unit to care for a household member who is disabled or elderly will be counted as a household member.
- CAICT will approve live-in aides determined to be essential to the care and well-being of a household member, if the aide is not responsible for the support of, and would not be living in the unit except to provide care for, assisted household member(s). Written verification of (including the hours of care) is required from a reliable, knowledgeable professional such as a doctor, social worker, or caseworker.
- Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide description above.
- Although counted when determining unit size, a live-in aide is not otherwise treated as a household member. Income and immigration status of a live-in aide is not considered in determining a household's CAICT HOME TBRA eligibility or rental assistance amount. Live-in aides may not receive CAICT HOME TBRA rental assistance for the assisted unit as a result of household separation or death of a household member.
- CAICT will approve live-in aides as a reasonable accommodation to make CAICT HOME TBRA accessible to and usable by household members with disabilities. Approval of live-in aides as a reasonable accommodation will be in accordance with 24 CFR Part 8.

d. Household Absence from the Assisted Unit

Household absence from the unit is defined as the entire household not residing in the assisted unit. The absence of some household members is not considered a "Household Absence from the Unit."

Household Absence

An entire household may not be absent from the assisted unit for a period of more than 180 days in a 12-month period in any circumstance and for any reason. After 90 consecutive days of absence, assistance will terminate unless the household establishes that:

- The absence from the assisted unit was due to exceptional circumstances beyond the household's control, such as hospitalization;
- The household intends to return to the assisted unit within 180 days of departure; and
- The household is not maintaining an alternate residence.

Individual Absence

Any individual who is absent from the assisted unit for more than 90 consecutive days will not be counted as household member unless such individual is absent due to hospitalization, military deployment, or other good cause as determined by CAICT on a case-by-case basis, and is reasonably expected to return within 180 days. A household member who is away at school but intends to live with the household in the assisted unit during school recesses is considered a household member. A child who resides in the assisted unit with his or her parent for at least 183 days of the year pursuant to a joint custody agreement or order is counted as a household member, provided that such parent is also a household member. A foster child who is placed and resides in the assisted unit for more than 183 days of the year is counted as a household member.

e. Income

A household's income determines eligibility for CAICT HOME TBRA and is also used to calculate the household contribution amount and the CAICT HOME TBRA rental assistance amount. CAICT will use the policies and methods described in this section to ensure that only eligible households receive CAICT HOME TBRA rental assistance and that no household pays more or less than its obligation under state and federal regulations.

INCOME LIMITS - A household's adjusted income at the time of initial eligibility determination and upon acceptance as a CAICT HOME TBRA participant cannot exceed 80% of Area Median Income. A household must re-verify income prior to acceptance as a CAICT HOME TBRA participant if more than six months have elapsed since CAICT determined the household to be income eligible.

ANNUAL INCOME - All income which is received by, issued on behalf of, or derived from assets accessible by any household member.

ADJUSTED INCOME means a household's annual income minus the following deductions:

1. \$480 for each dependent
2. \$400 for any elderly or disabled household member
3. Sum of the following, if in excess of 3% of the household's annual income:
 - a. Unreimbursed medical expenses of any elderly or disabled household member, and

- b. Unreimbursed reasonable attendant care and auxiliary apparatus expenses for disabled household members enabling any household member to be employed (not exceeding earned income received by household members 18 years or older who are able to work because of such attendant care or auxiliary apparatus).
4. Households will be required to submit a written certification as to whether any expenses have been or will be reimbursed
5. Reasonable child care expenses necessary to enable household member to work or pursue an education, not in excess of employment income included in annual income.

INCOME FROM FULL-TIME STUDENTS - CAICT will not include in annual income the earnings in excess of \$480 for each full-time student 18 years and older. However, financial aid amounts exceeding tuition must be included in annual income with the exception of financial aid paid to a student over 23 with dependent children, or to full-time student residing with his or her parents.

INCOME OF TEMPORARILY ABSENT FAMILY MEMBERS - Income of household members who are temporarily absent is counted, except for full-time students who have documented their absence from the household. This includes the income (pay and allowances) of household members serving in the military, except hazardous duty pay when exposed to hostile fire is excluded.

AVERAGING INCOME- CAICT will use available information to average anticipated income from all known sources when the sources are expected to change during the year. Rounding of Income and Deductions- Generally CAICT will round to the nearest whole dollar at the final calculation for each income/deduction source. CAICT will follow all directions from income sources such as Social Security, which provides direction on how to round income.

EARNED INCOME DISALLOWANCE- CAICT will disallow the increase in annual income provided by the regulations covering the self-sufficiency incentive for disabled household members. The disallowance of increases in income as a result of employment of persons with disabilities will not apply for the purposes of admission to the program.

f. Citizenship/Eligible Immigration Status

- In order to receive assistance, at least one household member must be a U.S. citizen or a noncitizen with a qualifying immigration status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD in 24 CFR Part 5.
- For the citizenship/eligible immigration requirement, the status of each member of the household is considered individually. Households that include eligible and ineligible individuals is considered individually.
- Households that include eligible and ineligible individuals based on immigration status will be given notice that their assistance will be pro-rated by multiplying the CAICT HOME TBRA rental assistance amount by a fraction, the denominator of which is the total number of household members and the numerator of which is the total number of household members who are ineligible for CAICT HOME TBRA

based upon immigration status, and that they may request a review conference or administrative hearing if they contest this determination.

- Household members who are neither citizens nor eligible immigrants may contest CAICT's determination of their citizenship status through INS and/or CAICT's administrative appeals process
- Assistance for noncitizen students or their noncitizen spouses and children is prohibited

g. Mandatory Social Security Numbers

- Applicants and participants must disclose and verify social security numbers for all household members.
- Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.
- Failure to correct a social security number submitted to CAICT that cannot be verified in the federal registry is grounds for denial or termination of CAICT HOME TBRA.
- Persons who have not been issued a social security number, including ineligible immigrants, must sign a certification that they have never been issued a number.
- Persons who disclose their social security number but cannot provide verification must sign a certification and provide verification within 60 days. Elderly or disabled persons must provide verification within 120 days.
- Applicants without social security cards may provide other acceptable forms of documentation that identify the social security number, including: Earnings statements or payroll stubs; Bank statements; IRS Form 1099; Unemployment benefit letters; Court records

h. Privacy Rights

- CAICT's policy regarding the release of information is in accordance with state and local laws.
- CAICT's practices and procedures are designed to safeguard the privacy of CAICT HOME TBRA applicants and participants. All applicant and participant paper files will be stored in a secure location, which is only accessible by authorized staff. Access to information stored electronically will be limited to employees with proper authorization.
- CAICT staff will not discuss household information contained in files unless there is a business reason to do so. Inappropriate discussion of household information or improper disclosure of household information by staff will result in disciplinary action.

G. VERIFICATION

a. Verification Factors and Required Documentation

- It is the obligation of CAICT to obtain complete information regarding applicants and thoroughly document the methods by which it has verified all pertinent information in the applicant's file.
- CAICT requires verification of all factors affecting CAICT HOME TBRA program eligibility, such as household composition, household income and assets, citizenship/eligible immigration status, receipt of federal benefits, and other items related to program eligibility, before an applicant household is issued a CAICT HOME TBRA coupon.
- All program participants must also comply with the verification process during recertification.
- For applicants, verification of U.S. citizenship/eligible immigration status occurs at the same time as verification of other factors of eligibility. Upon request, CAICT may grant an extension of 30 days for households to submit evidence of eligible immigration status prior to denying an application.
- For purposes of application reviews and coupon issuance: Income documents are only valid for 60 days from the time they are received by CAICT. Therefore, if more than 60 days have passed since the date of submission to CAICT, CAICT will not issue a coupon until income information is re-verified.
- For coupon holders and coupon term extensions: CAICT HOME TBRA coupon holders may be required to re-verify income at CAICT's request. Income must be re-verified before providing CAICT HOME TBRA if more than six months have elapsed since CAICT determined that an applicant household was income-eligible.
- For purposes of recertification: Income documents are only valid for 120 days from the time they are received by CAICT. Therefore, if more than 120 days have passed between date of submission to CAICT, CAICT will not recertify a household until income information is re-verified.

b. Third-Party Verification

- CAICT will first rely on its own data sources, as well as state and federal sources to determine a participant household's continued eligibility for CAICT HOME TBRA assistance.
 - CAICT may also request an applicant or program participant to submit documentation of income issued by an appropriate third party. Such documentation must be submitted by the applicant or program participant within 10 calendar days of the request unless additional time is requested and granted for good cause.
1. Additionally, a third party (ex. Employer, Social Security Administration) may be contacted directly to provide documentation of eligibility factors.

H. BRIEFINGS, HOUSEHOLD OBLIGATIONS, AND SELF-SUFFICIENCY

a. Briefings and Household Obligations

i. Briefing

Upon selection of the household from the waiting list, CAICT will conduct a briefing with the head of household. Individuals with a disability may have a proxy attend the briefing session on their behalf if proper documentation is provided indicating the inability to attend and naming the proxy. If warranted, CAICT may also conduct individual briefings for households with a disabled head of household or spouse at their home upon request by the household, and if CAICT staff determines it is required for reasonable accommodation.

The briefing will cover the following general topics:

- How CAICT HOME TBRA works;
- Household responsibilities;
- Creating a Self-Sufficiency Plan
- How the household can lease a unit;
- Recertification;
- Moves;
- Grounds for termination; and
- Right of Review
- CAICT will take affirmative steps to make interpreters available when briefing LEP individuals
- All applicants attending a briefing will receive the CAICT HOME TBRA Applicant Briefing Book explaining program requirements
- Applicants who miss more than two briefing sessions will have their applications rejected. CAICT will not issue a CAICT HOME TBRA coupon to a household unless the household representative has attended the briefing and signed the coupon.

ii. Household Obligations

The following are obligations of participants under the program. Violation of one or more of these obligations is grounds for denial or termination of assistance under CAICT HOME TBRA.

THE HOUSEHOLD MUST:

- Supply any information that CAICT, HUD, or TDHCA determines is necessary to the administration of the program;
- Supply any information regarding household income and composition requested by CAICT for use in any annual or interim recertification;
- Disclose and verify social security numbers of applicants and household members;
- Timely pay the household share of the rent, and any utilities for which the household is responsible, this includes but is not limited to maintaining status in any utility assistance program which makes these payments possible;

- Complete measurable goals on self-sufficiency plan before annual recertification
- Know and comply with the conditions of the lease and CAICT HOME TBRA program requirements;
- Allow Housing Quality Standard (HQS) inspectors to access the unit at reasonable times and after reasonable notice;
- Timely correct any HQS breach caused by the household;
- Notify CAICT and the owner before the household moves out of the unit, or terminates the lease on notice to the owner;
- Promptly notify CAICT in writing of an absence of the household from the assisted unit, as well as the absence of any individual household member, expected to last more than 90 days;
- Add any guest residing in the assisted unit for more than 90 days during a year as a member of the household and report to CAICT as a change in household composition
- Inform CAICT if an individual who is ineligible for CAICT HOME TBRA due to immigration status is residing in the assisted unit;
- Promptly notify CAICT when an owner takes action to evict the household, give CAICT a copy of any eviction notice;
- Use the assisted unit as the household's sole residence;
- Inform CAICT of any changes in household composition within 30 days of such changes occurring;
- Notify CAICT of any change in household income at the annual recertification. Participants may, but are not required to, report changes in household income prior to recertification;
- Cooperate fully with annual recertification, as well as any reviews conducted before the next recertification based on reported changes in household income or composition;
- Continue to include at least one member who is a U.S. citizen or qualified immigrant; and
- Comply with all CAICT HOME TBRA program requirements

THE HOUSEHOLD MUST NOT:

- Commit any serious or repeated violation of the lease;
- Assign the lease, sublet the assisted unit, rent out a room in the unit, or transfer the unit;
- Own or have any interest in the unit;
- Receive CAICT HOME TBRA rental assistance while residing in a unit owned by a parent, child, grandparent, sister, or brother of any household member without CAICT approval;
- Commit fraud, bribery, or any other corrupt or criminal act in connection with this or any federal housing program;
- Receive CAICT HOME TBRA while receiving another housing subsidy for the same unit or for a different unit, under any duplicative (as determined by HUD) federal, state, or local housing assistance program;
- Engage in profit-making activities in the unit, unless such activities are legal, approved by the owner, or permitted under the lease and incidental to primary use of the unit for residence by members of the household;

- Engage in drug-related criminal activity, violent criminal activity, other criminal activity, or alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises; or
- Intentionally or negligently damage, or permit a guest to damage, the unit or premises beyond normal wear and tear.

iii. Self-Sufficiency Plans

In order to initially qualify and maintain eligibility on CAICT HOME TBRA program, the program participant must complete and make progress toward a self-sufficiency plan.

The goal of the self-sufficiency plan is for the family to secure permanent housing. Permanent housing is defined as permanent subsidized housing or market rate depending upon individual circumstances.

Self-Sufficiency Plans *may include*:

- Mental health care
- Job training
- Household finance
- Substance abuse counseling
- Securing day care to enable a household member to work
- Apply for and maintain placement on Section 8 Housing Choice Voucher Program

CAICT will document the following for the household's Self-Sufficiency Plan:

- Description of household need
- Identify services to assist household
- Describe how needs will be met
- Timeframe for completion
- Record attendance to required training

A household must participate in and make progress toward its Self-Sufficiency Plan in order to qualify for annual recertification.

I. ISSUANCE OF COUPONS, UNIT SIZE, AND RENT STANDARD AMOUNTS

a. CAICT HOME TBRA Coupon Issuance

When funding is available, and after the household has been certified eligible and briefed on program requirements, CAICT issues a CAICT HOME TBRA coupon to the household. The coupon represents a contractual agreement between CAICT and the household, specifying the rights and responsibilities of each party, and is the household's authorization to search for an eligible unit. It also specifies the standard unit size

assigned to the household. A coupon does not constitute admission to the program, and a coupon-holder is not considered a program participant until such time as a lease and RAC become effective.

b. Coupon Term, Suspensions and Extensions

The initial coupon term will be 120 calendar days.

CAICT may grant extensions to certain coupon holders in documented special circumstances, including filing a housing discrimination complaint. CAICT may also grant extensions to all coupon holders in appropriate circumstances, based, for example, on market conditions. CAICT will also grant extensions as needed as reasonable accommodation to make the program accessible to and usable by a person with disabilities. A household may need to re-verify income before a coupon extension is granted.

CAICT will suspend the coupon term (i.e. stop the clock) if the applicant has provided a Request for Unit Approval (RUA) until the time that CAICT approves or denies the request. The applicant's search time will be extended for a period of time equal to the number of days elapsed between the submission of the RUA and denial of the request.

If the coupon term has expired before the household receives unit approval, the household may submit a new application for CAICT HOME TBRA if CAICT reopens the application period. CAICT is not required to notify a household that its coupon has expired.

c. Unit Size and CAICT HOME TBRA Rent Standard Amounts

At issuance, the CAICT HOME TBRA coupon will specify the household's unit size on which the household's rent standard amount or initial maximum rent will be based. The household may select any unit at or below the household's rent standard amount that would not be overcrowded according to HUD HQS definition, which allots at least one bedroom/living space for every two persons.

CAICT HOME TBRA rent standard amounts are based on unit size.

CAICT will set the CAICT HOME TBRA rent standard amount for each unit size at an amount that is between 95-110% of the Fair Market Rent applicable in its service area, as published annually by HUD. The CAICT HOME TBRA rent standard amounts will remain the same until such time as the CAICT determines that a different percentage of FMR is warranted. CAICT will publish CAICT HOME TBRA rent standard amounts on CAICT's website and in the CAICT HOME TBRA Applicant Briefing Book.

Determining Unit Size on Coupon

The unit size on the CAICT HOME TBRA coupon will be determined based upon the total number of household members intending to reside in the assisted unit. Generally, standard unit sizes provide for the smallest number of bedrooms needed to accommodate a household without overcrowding. CAICT does not determine who will share a bedroom/sleeping room.

Households may choose an apartment smaller or larger than the unit size on their coupon, as long as the assisted unit will not be overcrowded. The table below sets forth standard unit sizes by household size.

Size of Household	Unit Size
1	0-1
2	1
3 or 4	2
5 or 6	3
7 or 8	4
9 or 10	5
11 or 12	6

For purposes of determining a household's unit size:

1. In the case of documented pregnancy of a household member, the unborn child will be counted as a household member;
2. Any single live-in aide approved by CAICT to reside in the assisted unit to care for a household member who is disabled or 62 years of age or older will be counted as a household member;
3. A child who resides in the assisted unit with his or her parent for at least 183 days of the year pursuant to a joint custody agreement or order will be counted as a household member, provided that such parent is a household member;
4. A foster child who is placed and will reside in the assisted unit for more than 183 days of the year will be counted as a household member;
5. A household member who is away at school but intends to live with the household in the assisted unit during school recesses will be counted as a household member;
6. An individual who will be absent from the assisted unit for more than 90 consecutive days will not be counted as a household member unless such individual is absent due to hospitalization, military deployment, or other good cause as determined by CAICT on a case-by-case basis, and is reasonably expected to return within 180 days; and
7. If a household member is disabled, CAICT may increase the unit size it assigns to the household as a reasonable accommodation for the disabled household member.

J. HOUSING QUALITY STANDARDS

CAICT is required by federal legislation and HUD regulations to ensure that each assisted unit occupied by a household participating in CAICT HOME TBRA is "decent, safe and sanitary." To meet this requirement, CAICT will conduct a Housing Quality Standard inspection prior to providing CAICT HOME TBRA assistance and at least annually to ensure continued compliance with HQS throughout the term of assisted tenancy. Inspected units will receive a designation of "pass" or "fail."

a. Physical Standards

In order to pass a HQS inspection, a unit must meet standards on the following components:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Interior air quality;
- Water supply;
- Lead-based paint;
- Access;
- Site and neighborhood;
- Sanitary condition; and
- Smoke and Carbon Monoxide detectors

Bedrooms and Unit Layout

At a minimum, a dwelling unit must have a living room, a kitchen area and a bathroom. (Single Room Occupancy Units are exempt from this requirement). The unit must also have at least one living/sleeping room for every two household members.

- A studio apartment is considered a living/sleeping room
- Each living/sleeping room must also have:
 - Two working outlets; or one working outlet and one working light fixture; and
 - A window if the room is used primarily for sleeping
- Unit Size is based on the number of legal bedrooms; sleeping quarters that are not technically bedrooms do not count as bedrooms in determining unit size and rent standard amount.

Kitchen

A kitchen area must be used primarily for the preparation and storage of food. It must have the following items:

- Oven and a stove with top burners. All burners must be working, and all knobs to turn the burners on and off must be present (Single Room Occupancy Units excepted);
- A refrigerator of appropriate size, based on the number of household members. For example, countertop or compact-type refrigerators are insufficient for a family of four. The refrigerator must also maintain a temperature low enough to keep food from spoiling, and the freezer space must be present and in working condition;
- Storage: the kitchen must have space for storage, preparation and serving of food; and
- Kitchen Sink: a kitchen sink must provide running hot and cold water from the faucet and have a properly working drain.

Bathroom

The bathroom must be contained within the unit and have the following characteristics:

- An enclosed and operating toilet facility;
- A shower or tub with running hot and cold water;
- A permanently-installed washbasin (bathroom sink);

- One permanent light fixture in working condition; and
- A window or alternative adequate ventilation.

Other Rooms Used for Living

Other rooms used for living are defined broadly, and include bedrooms, dining room, entrance hall, and corridor. If any of these areas are used primarily for sleeping, they must have a window, and two working outlets or one working outlet plus one working permanent light fixture.

b. Specific Apartment Items

Windows

The windows should not show any signs of severe deterioration. The presence of any of the conditions listed below requires a failure rating. Severe deterioration means:

- Missing or broken panes;
- Dangerously loose, cracked panes (which present a cutting hazard);
- Windows that will not close;
- Windows that, when closed, do not form a reasonably tight seal and allow the outside elements to enter; or
- Broken window balance

Doors

All exterior doors must be lockable, have no holes and have all trim intact. All interior doors must have handles, contain no holes and have all trim intact.

Walls and Ceilings

Walls and ceilings may not show any signs of being structurally unsound or hazardous. The presence of any condition below is an automatic HQS failure. Unsound or hazardous means:

- Severe bulging, buckling, or leaning; or
- Large cracks or holes allowing drafts or rodents to enter; or
- Loose sections of plaster in danger of falling; or
- Presence of severe mold

Floors

In order to pass inspection, floors must not show any signs of being structurally unsound or hazardous. The presence of any condition below will result in an automatic HQS failure.

- Severe buckling or major movements under walking stress;
- Large sections of damaged or missing flooring (two square feet or more where floor beams are visible); or
- Large cracks or holes allowing drafts or rodents to enter

Electrical

A unit must be free of electrical hazards and meet the following criteria:

- Kitchen – One working electric outlet and one permanently installed light fixture.
- Bathroom – One permanent light fixture. An outlet may be present, but is not required. An outlet cannot be substituted for an overhead light fixture.
- Living Room and Bedroom – Two operating electrical dual outlets, or one operating dual outlet and one permanent overhead or wall mounted light fixture.

Electrical hazards that cause an automatic HQS failure include the following:

- Exposed, uninsulated, frayed wires;
- Missing switch covers;
- Overloaded circuits;
- Improper wire connections to outlets;
- Light fixtures hanging from electric wire with no other firm support; and
- Illegal wiring from building source to the tenant's unit.

Heating

The heating must have a direct or indirect heat source as defined below:

- Direct – each room used for living must have a radiator, hot air register, or a facility for baseboard heat.
- Indirect – If there is no heat source present in the room, heat must be able to enter the room from an adjacent heated room.

Plumbing

- The kitchen and bathroom must have hot and cold running water;
- The unit should be free from major plumbing leaks; and
- The plumbing must be free from major corrosion that results in serious or persistent levels of rust in the water.

Access

- The unit must have its own entrance;
- Steps numbering six or more to any entrance in the building must also have a handrail at least three feet high;
- Doors and windows that are accessible from the outside must have legal, working locks; and
- Double cylinder locks are considered an automatic HQS failure and a hazardous condition. Apartments or buildings with double cylinder locks are automatic failures.

Exits

- The unit must have an unblocked, acceptable, alternative means of egress in case of fire (ex. Fire escapes, fire exit);
- Illegal window gates (gates that are located in the front of fire escape windows and are locked with combination locks or key padlocks) are illegal and an automatic HQS failure

- Legal window gates are located in front of fire escape windows and allow easy exit in case of emergency. These types of gates do not have locks, but have a mechanical level that can be lifted and the gate pulled back in case of an emergency. Gates with a quick release system are permissible.

Sanitary

- The unit must be free of severe infestation of vermin or roaches; and
- Sanitary facilities must be in proper operating condition and adequate for personal cleanliness and disposal of human and animal waste

Smoke Detectors

- A smoke detector is required in every unit, except where exempted by local law. Building owners are responsible for installing the detectors in accordance with the law, while tenants are responsible for maintaining them in working order. The detector is to be located in the hall of the unit near the bedrooms and on every floor if the dwelling has multiple floors. The detector may be battery or hard-wire operated;
- If the detector is present, but is inoperable (due to the need for a battery or if the tenant has removed the smoke detector for cooking purposes), the failure will be considered a tenant-based deficiency;
- If a hearing-impaired person is occupying the dwelling unit, the detectors must have an alarm system designed for hearing-impaired persons as specified in the National Fire Protection Association Standards.

Lead-Based Paint

Federal lead-based paint requirements applying to CAICT HOME TBRA are codified at 24 CFR Part 35, subparts A, B, M, and R.

xiii. Emergency Conditions

CAICT may determine certain HQS defects to be emergencies. The owner must repair these defects within 24 hours. The following list provides examples of the type of household defects CAICT considers emergency HQS failures. Depending on their severity, other conditions may be cited as emergency HQS failures requiring 24-hour correction period including:

- Gas leaks
- Smoking/Sparking electrical outlets or wiring; or
- Building in imminent danger of collapse
-

Tenant-Caused Defects

CAICT distinguishes between tenant-caused and owner-caused HQS defects on the inspection report provided to both tenant and owner. Unless provided for in the lease agreement, owners are not responsible for the correction of HQS defects that are tenant-based. The following list provides examples of defects that CAICT will consider to be caused by the tenant/participant. CAICT reserves the right to make a determination of the cause of any deficiency following an inspection and discussion with both the owner and the tenant.

Examples of tenant-caused failures include:

- No electricity when the tenant is responsible for payment of utilities;
- No gas to the unit when the tenant is responsible for this utility;
- A fire escape blocked or exit blocked by tenant;
- The heavy accumulation of refuse or debris in the unit;
- No battery in the smoke detector or the smoke detector is inoperable;
- Not providing HQS inspector with access to a specific room in the assisted unit

c. The Inspection Process

General Policies

There are six types of HQS inspections:

1. Initial inspection prior to entering into an RAC with an owner
2. Annual inspection
3. Special inspection (occupancy checks, complaints, hazardous situations)
4. Re-inspections to confirm that deficiencies have been corrected
5. Verification Inspection
6. Quality control inspection

Inspections will be scheduled in accordance with 24 CFR Part 982 and this administrative plan. Additionally, inspections may be scheduled at the request of HUD, an applicant, TDHCA, a participant, an owner/managing agent, or any other interested party. CAICT HOME TBRA will provide reasonable notice to both tenant and owner of the scheduled inspection date. For occupied units, the tenant is responsible for providing access to the unit. Except in emergency situations, CAICT will provide reasonable notice of any inspection and a reasonable opportunity for the owner and household to reschedule an inspection. If two scheduled HQS inspections of occupied units are missed, CAICT may terminate the household from CAICT HOME TBRA for failure to uphold program obligations. For initial inspections of vacant units, owners are responsible for providing access and failure to do so may result in a cancellation of the Request for Unit Approval.

HQS inspectors will document on the appropriate form all defects that may cause the unit to fail to meet HQS standards, and will indicate whether those failures are deemed to be caused by the owner or the tenant, or both. HUD requires that CAICT verify that HQS failure items have been repaired. A re-inspection of a unit with HQS failures is not a regulatory requirement, provided that CAICT can obtain verification through alternative means. As defined herein, CAICT will require re-inspections for emergency items, for tenant-caused failures, and other times at CAICT's discretion and/or at the request of the owner or tenant; however CAICT will verify nonemergency, owner-caused failures through certifications signed by both the owner and tenant. CAICT reserves the right require re-inspection or to accept self-certification of emergency own-caused failures.

If the unit fails its HQS inspection, notification of the failure and a list of the defects will be provided to the tenant and the owner, and a copy will go into the tenant's file. A failure letter from CAICT will provide the owner (or tenant, if the defect is tenant-caused) with the date by which repairs must be made, and inform the owner or tenant to notify CAICT

(in writing or by phone) that the defects have been corrected. The failure letter will also notify the owner that a RAC will be abated in accordance with CAICT policies if repairs are not completed within 24 hours in the case of emergency failures, or 25 days in the case of routine, non-emergency failures.

Initial Inspections for New Program Units

CAICT will schedule inspections upon submission of a complete RUA. CAICT will notify the owner and program applicant if the unit passes HQS inspection. An initial inspection that passes HQS will be valid for one year. However, CAICT reserves the right to conduct a second inspection if the period between the initial inspection and execution of the RAC exceeds 60 days.

If the unit does not pass inspection, CAICT will notify the owner of the defects. CAICT will notify the program applicant of the failure, giving the applicant the option of searching for an alternate unit or waiting for the deficiency to be resolved, if the owner indicates that the defect will be corrected within a reasonable time. It is the owner's responsibility to notify CAICT that the failure has been corrected and ask CAICT to conduct a re-inspection. CAICT will notify the owner and program applicant if the unit passed the re-inspection.

Access to vacant units for the initial inspection is the responsibility of the owner. If an owner misses two appointments, CAICT has the option of revoking the RUA and issuing a new coupon to the program applicant.

Annual Inspections

CAICT must conduct an HQS inspection of each unit subject to a CAICT HOME TBRA RAC at least annually. CAICT will schedule renewal inspections and send the household and owner an HQS Notice of Mandatory Annual Inspection at least 10 days prior to the inspection. If the tenant cannot be present during the inspection, s/he must reschedule the appointment with CAICT so that the inspection is completed within two weeks of the original date. A tenant will not be allowed more than one opportunity to reschedule an inspection without providing documentation of good cause to CAICT. Two missed inspection appointments by the household will be considered an HQS failure and violation of household obligations under the program. CAICT has the option of terminating the CAICT HOME TBRA.

If the unit does not pass inspection, CAICT will notify the owner and tenant in writing of the defects and the 25-day requirement to make the repairs, or 24 hours if emergency failures are involved. CAICT will inform the owner and tenant that CAICT HOME TBRA housing assistance payments will be suspended the first of the next month if the defect has not been corrected within the appropriate timeframe. It is the owner's responsibility to notify CAICT that an HQS failure has been corrected.

Special Inspections

Tenants, owners, and interested third parties may report HQS complaints to CAICT. CAICT will attempt to inform the owner of the reported failure conditions and then attempt to confirm with the tenant if conditions have been corrected. CAICT will attempt to conduct an inspection if the reported failure conditions are not confirmed as corrected by the tenant. If CAICT fails to gain access, the tenant will be notified to contact CAICT and arrange an inspection should the failure conditions remain.

CAICT recommends that tenants immediately report hazardous situations to CAICT. An HQS complaint inspection will be considered critical if the defect creates an immediately hazardous situation. Inspections by CAICT may be used to verify the existence or correction of an emergency hazard. If the defect endangers the household's health or safety, the owner will be required to make the repair within 24 hours. In these instances, CAICT will provide the owner and tenant of written notification of the emergency and the 24-hour correction requirement. CAICT will also notify the tenant and the owner of the possible suspension of CAICT HOME TBRA rental assistance payments if the repairs are not made. Payment suspensions will be effective the first of the month following the correction period.

In cases where life-threatening HQS failure exists, the household may be eligible for emergency rehousing. CAICT may issue a new coupon for the household to find alternative housing if the repairs on the current assisted unit have not been made within a reasonable period of time.

CAICT has the right to terminate a RAC if another federal, state, or local authority or agency inspects a unit and certifies that is unsafe for the household.

d. Abatement of Rent and Termination of RAC or CAICT HOME TBRA Participation Based on HQS Failure

For owner-caused non-emergency failures in occupied units, owners will be given the option of certifying in writing that defects have been corrected. A CAICT provided certification must be signed by both the tenant and owner and submitted via mail, fax, or email within 25 days of the failed inspection to avoid abatement on the first of the month following the 25-day correction period or termination of the RAC and HRA HOME TBRA payments will occur.

If the owner does not correct failures within 25 days, CAICT may abate CAICT HOME TBRA rental assistance payments. The abatement will take effect the first of the month following the 25-day correction period and will continue until all HQS deficiencies have been corrected and verified via a self-certification or verification inspection by CAICT.

If the owner has made repairs, but is unable to obtain the signature of the tenant on the certification form, the owner may request a verification inspection. CAICT will make reasonable attempts to re-inspect the unit before the 25th day; however, payment will not be abated if the inspection cannot take place before the 25th day. The items are verified corrected as of the date indicated by the owner. If the unit does not pass the scheduled

verification inspection, retroactive abatement will take place after CAICT notifies the owner of the failed inspection.

Non-certifiable items (ex. Emergency failures and tenant-caused failures) will continue to be automatically re-inspected by CAICT within 24 hours, and tenant-caused failures within 25 days. For an initial/vacant unit, it is the owner's responsibility to notify CAICT that corrections have been made and to request a second inspection.

If a unit fails a second inspection for emergency failures, CAICT may abate CAICT HOME TBRA rental assistance payments on the first of the month following the initial 24-hour correction period. The owner must notify CAICT and provide documentation of corrections in order for a third inspection to occur. If the unit then passes, CAICT will make any retroactive payments to the date the repairs were documented, so long as notification of repair occurs within 60 days of the repair.

If a vacant unit fails the verification re-inspection, CAICT will deny the RUA. CAICT reserves the right to re-inspect for any self-certified failure items for verification purposes. Additionally, CAICT will randomly re-inspect at least 25% of all self-certified failure items for quality assurance purposes. If a random quality assurance re-inspection reveals that self-certified item is not corrected, the unit will fail inspection.

Self-Certification is not acceptable for the following failures:

- Tenant-caused failures
- If a tenant dispute that the defect has been corrected
- Vacant Units
- Initial Inspections

CAICT reserves the right to accept self-certification for emergency failures.

Owner-Caused Failures

When an owner fails to correct an HQS failure within the specified period, CAICT will either abate HRA HOME TBRA payments in their entirety until such time as the owner remedies the HQS failure as determined by CAICT, or terminate the RAC and cease CAICT HOME TBRA payments.

CAICT will provide the owner with written notice that CAICT HOME TBRA rental assistance payments will be abated effective the first of the month following the correction period or that CAICT is terminating the RAC and CAICT HOME TBRA assistance payments. A copy of the notice will also be sent to the tenant. The notice of abatement state that the tenant is not responsible for CAICT's portion of the abated rent. The abatement will continue until all HQS deficiencies have been corrected and verified via receipt of self-certification of HQS corrections or by re-inspection by CAICT. It is the owner's responsibility to notify CAICT that deficiencies have been corrected. If CAICT abates CAICT HOME TBRA payments or terminates the RAC, CAICT will allow the household to move.

Tenant-Caused Failures

When the tenant causes an HQS failure, CAICT will provide the tenant with a notice of the defect and the required timeframe to correct the defect.

If the household causes a hazardous HQS failure requiring immediate correction, the household must correct the defect within no more than 24 hours at the household's expense. For other household-causes defects, the household must correct the defect within no more than 25 calendar days. If CAICT does not receive notification that defects have been corrected within the above timeframe, CAICT will terminate the tenant's participation in CAICT HOME TBRA on the first of the month following the correction period.

K. RENT REASONABLENESS DETERMINATIONS

a. General Policy

CAICT will not approve a lease until it has been determined that the rent is reasonable and, for the household's first year in the unit, rent (including heat and hot water) does not exceed the applicable rent standard amount. Furthermore, the contract rent must be reasonable during the whole course of the assisted tenancy in the CAICT HOME TBRA program. The term "reasonable" means that the owner's proposed rent is within a range of rents that appropriately reflects the market conditions of a particular service area/neighborhood, considering all of the relevant factors specified in 24 CFR §982.507 and listed below. In all cases, the rent paid to the owner may not exceed the rent charged by the owner for comparable unassisted units on the premises.

b. When and How Rent Reasonableness Determinations Are Made

Rent reasonableness determinations are made when CAICT reviews an initial or renewal lease.

CAICT will determine that the proposed rent:

- Is reasonable in relation to rents for similar units in the private market; and
- Does not exceed rents charged by the owner for comparable, unassisted units

CAICT's reasonable rent determination will consider:

- Overall conditions of the unit;
- Utilities provided by the owner;
- Location of the unit;
- Rental market conditions;
- Number of bedrooms;
- Facilities; and
- Age of building/structure;

Each participant file will contain documentation that a rent reasonableness review has been conducted for the assisted tenancy.

c. Rent Reasonableness Methodology

For all units, CAICT will review rent reasonableness by:

- Reviewing the rental information provided by the owner in the CAICT HOME TBRA Landlord Package and information in the RUA, and
- Comparing the requested rent amounts with rents for comparable, unassisted units located on the premises, using a rent roll or leases provided by the owner.
- If the information above is unavailable or inconclusive, CAICT will obtain information on comparable, unassisted units in the local market from online sources, newspaper listings, and any other independently verifiable source of information.

Owners must provide to CAICT any information requested by CAICT on rents charged by the owner for other units on the premises or elsewhere. If the owner does not comply with CAICT requests for information, the RUA will be rejected and the owner will be notified in writing with a copy to the household.

d. Rent increases in Renewal Leases

After the initial year, renewal leases providing for rent increases may be approved by CAICT, even if the new rent will exceed the household's current rent standard amount, so long as the rent increase is legal and the new rent remains reasonable under the standards set forth in 24 CFR §982.507

L. CALCULATING HOUSEHOLD CONTRIBUTION TO RENT AND CAICT HOME TBRA RENT STANDARD AMOUNT

a. Calculating Total Monthly Household Contribution to Rent

A household's total monthly contribution to rent is the sum of the following:

The highest of the following amounts, rounded to the nearest dollar:

- 30% of the household's adjusted income, divided by 12;
- 10% of the household's annual income, divided by 12
- PLUS the amount, if any, by which the rent exceeds the applicable rent standard amount, after the household's first year in the assisted unit;
- PLUS the amount, if any by which the CAICT HOME TBRA rental assistance amount has been reduced because of a household member's ineligibility based on immigration status.

b. Minimum Monthly Household Contribution to Rent

The minimum household contribution to rent under CAICT HOME TBRA is 10% of gross monthly income

c. CAICT HOME TBRA Rent Standard Amount

The CAICT HOME TBRA rent standard amount is the maximum rent (including utilities) that CAICT will approve for a household's first in an assisted unit. CAICT sets the rent standard based on unit size and fair market rent for the unit's location per HUD and TDHCA.

Increase in CAICT HOME TBRA Rent Standard Amount

If the CAICT HOME TBRA rent standard amount is increased, the household's RAC will be modified at the annual recertification to reflect the new rent standard amount.

Decrease in Payment Standard

A decrease in the CAICT HOME TBRA rent standard amount will not be applied to a household during the RAC term, and the household rent standard amount will remain the same for purposes of calculating the CAICT HOME TBRA rental assistance amount the household's next annual recertification.

Change in Household Size

If the household size changes during the RAC term, CAICT will not assign a new unit size and change the household's rent standard amount until the household's next annual recertification. The tenant will be required to provide documentation of a decrease in household size, such as a utility bill or lease verifying the former household member's new address. If other documentation is not available, CAICT will use its discretion in assessing whether alternative documentation can be used to show that the former household member no longer resides in the subsidized unit.

Application of Rent Standard Amount

The rent standard amount for a household's assigned unit size that is in effect when the RAC is executed is used in calculating the household contribution.

M. GENERAL LEASING POLICIES AND RENTAL ASSISTANCE CONTRACT

a. Initial Steps in the Leasing Process

When a household finds a suitable unit and the owner is willing to lease the unit under CAICT HOME TBRA, the following documents must be submitted to CAICT, prior to the expiration of the coupon:

- A completed Landlord Package, including a completed CAICT HOME TBRA Request for Unit Approval (RUA);
- A copy of the proposed lease, including HUD-prescribed CAICT HOME TBRA Lease Addendum;

Both the owner and coupon holder must sign the RUA, and the household may not submit more than one RUA at a time.

CAICT will review the proposed lease and the RUA to determine whether they can be approved. The following factors are considered:

- Whether the unit meets HUD's Housing Quality Standards (HQS);
- Whether the rent is reasonable;
- Whether the proposed lease complies with HUD and TDHCA requirements; and
- Whether the owner is approvable and there are not conflicts of interest

Initial Household Share of Rent

For the household's first year in the assisted unit, the rent may not exceed the household's rent standard amount. A proposed lease providing for rent in excess of the household's rent standard amount in the initial year will not be approved.

Disapproval of the Request for Unit Approval

If CAICT determines that the RUA cannot be approved, the owner and the household will be notified in writing unless verbal notification will suffice based on the reason for the disapproval.

When the RUA is disapproved, CAICT will provide the household with a new CAICT HOME TBRA coupon with a revised expiration date, along with a new Landlord Package and RUA form, so that the household can resume its search for eligible housing.

Screening of Applicants for Household Behavior or Suitability

Placing a household on the waiting list or selecting a household for participation in CAICT HOME TBRA is not a representation by CAICT to prospective owners about the household's expected behavior or suitability for tenancy. Tenant screening and selection are the responsibility of the owner.

b. The Lease and Lease Addendum

Form of Lease

All proposed private leases submitted for CAICT HOME TBRA must comply with federal, state, and local law, include the HUD-required CAICT HOME TBRA Lease Addendum as an attachment, and be reviewed and approved by CAICT staff.

THE LEASE MUST CONTAIN:

- The name of the owner and tenant;
- The address of the unit rented (including apartment or duplex numbers as applicable)
- The term of the lease (initial and any provisions for renewal);
- The amount of the monthly rent to owner; and
- Specifications concerning which utilities and appliances are to be supplied by the owner and which are to be supplied by the household.

THE LEASE MUST NOT CONTAIN ANY OF THE FOLLOWING TERMS:

- *Agreement to be sued* - Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease
- *Treatment of property* - Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an

agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with applicable law.

- *Excusing owner from responsibility* - Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether or intentional or negligent.
- *Waiver of Notice* - Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant
- *Waiver of Legal Proceedings* - Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
- *Waiver of a jury trial* - Agreement by the tenant to waive any right to a trial by jury.
- *Waiver of right to appeal court decision* - Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
- *Tenant chargeable with cost of legal actions regardless of outcome* - Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Initial Lease Term

Initial lease terms in the CAICT HOME TBRA program will be for a period of 12 months.

Lease Renewal

Prior to termination of the lease and RAC, CAICT will send the owner a CAICT HOME TBRA Request for Lease Renewal form. A completed CAICT HOME TBRA Request for Lease Renewal, along with a proposed renewal lease and CAICT HOME TBRA Lease Addendum must be returned to CAICT at least 60 days in advance of the lease expiration date to avoid a break in CAICT HOME TBRA Rental Assistance payments. Owners who do not respond will receive a CAICT HOME TBRA Nonreceipt of Request for Lease Renewal prior to the lease expiration date as a reminder.

The assisted unit must also pass an annual HQS inspection. Both the owner and participant/tenant will receive HQS Notice of Mandatory Annual Inspection.

If the owner is seeking a rent increase in the proposed renewal lease, CAICT will confirm that the increased rent is legal and reasonable. If CAICT approves the proposed lease, it will send the owner a CAICT HOME TBRA Lease Renewal Approval with a renewal RAC. The owner must sign and return the RAC with a fully executed copy of the CAICT-approved renewal lease and the CAICT HOME TBRA Lease Addendum. CAICT will then send a fully executed copy of the renewal RAC to the owner. CAICT will send the participant/tenant a renewal Rent Breakdown. CAICT HOME TBRA Rental Assistance Payments will then be issued pursuant to the renewal RAC.

If CAICT does not approve a proposed renewal lease, the owner will receive a CAICT HOME TBRA Rejection of Request for Lease Renewal. If the basis for rejecting the Request for Lease Renewal is not corrected, or if the owner fails to submit a Request for Lease Renewal or refuses to offer the tenant a renewal lease, CAICT will send the owner a Notice of Intent to Discontinue CAICT HOME TBRA Rental Assistance Payments Due to Owner Noncompliance. The participant/tenant will receive a CAICT HOME TBRA Notice of Required Move Due to Pending Lease Expiration, informing the household how to request a new CAICT HOME TBRA Coupon in order to move and retain CAICT HOME TBRA payments after the lease for the current assisted unit expires.

Termination or Refusal to Renew Lease

An owner may not terminate the lease or refuse to renew the lease of a household participating in CAICT HOME TBRA, except for:

- Serious or repeated violation of the terms and conditions of the lease;
- Violation of applicable Federal, State, or local law; or
- Other good cause, not including an increase in the tenant's income or refusal of the tenant to purchase the housing.

The owner must provide the tenant and CAICT with written notice specifying the grounds for the action at least 30 days before the termination of tenancy. 24 CFR §92.253(c).

Changes in Lease

If a tenant and owner mutually agree to alter the current lease agreement, any changes must be in writing, dated, and signed by both parties. The owner must provide a copy of the updated lease to CAICT.

CAICT will approve any mutually agreed upon changes in a lease, as long as the lease still complies with HUD requirements.

A new RUA, lease, and RAC are required for:

- Changes in tenant/owner-supplied utilities
- Changes governing the term of the lease; and
- Moving to a new unit in the same building or complex. Prior approval from CAICT and a new Landlord Package and HQS inspection are required.

Separate Agreements

The owner is prohibited from demanding, requesting, or receiving any amount above the rent and security deposit specified in the RAC. Any appliance, service or other item that is routinely provided to unassisted tenants or permanently installed in the unit may not be placed under a separate agreement and must be included in the approved lease. CAICT approval of a reasonable and customary additional charge or fee may only be requested for optional amenities.

Violation of this provision may result in the owner being barred from further participation in any CAICT rental assistance programs. Before disqualifying an owner, CAICT will provide notice and an opportunity to object in writing.

All separate agreements for special items or services must be attached to the proposed lease and approved by CAICT. Approved additional costs and fees will be identified in the RUA. If agreements are executed at a later date, they must be approved by CAICT and attached to the lease.

A tenant's failure to perform under a separate agreement has no effect on the tenant's rights under the lease, and cannot be a cause for eviction.

If the tenant and owner agree on charges for an optional additional item, as long as those changes are reasonable and not a substitute for a higher rent, CAICT will permit them.

Security Deposits

If the owner requires a security deposit to rent the unit, CAICT can assist the household with a security deposit that does not exceed one month's rent. CAICT will determine the inclusion of security deposits based upon funding availability and household need.

c. Rental Assistance Contracts (RAC)

A RAC will be executed after the following events:

1. Tenant is issued a coupon;
2. Tenant locates a unit prior to coupon expiration;
3. Rent reasonability test is conducted and rent is determined eligible
4. Landlord package and proposed lease are approved and owner has been validated to receive payments
5. Unit passes HQS inspection
6. Household income has been reverified, if more than six months have elapsed since CAICT determined the household to be income eligible.

The RAC and lease MUST be executed simultaneously.

CAICT HOME TBRA rental assistance payments will be made to the owner, in accordance with the terms of the RAC, during the lease term while the household is residing in the assisted unit. The term of the RAC will terminate upon termination of the lease and may not exceed 24 months, but may be renewed depending upon other tenant eligibility factors.

Overpayments

In accordance with the terms of all RACs, if CAICT determines that the owner is not entitled to any part of the CAICT HOME TBRA rental assistance payment, CAICT may exercise rights and remedies including deducting the amount of overpayment from any amounts due the owner (including amounts due under any other RAC), recovering payments suspending future payments, or terminating the contract. CAICT may seek additional relief by judicial order or action, including specific performance, other injunctive relief, or order for damages.

Examples of overpayment that may occur include:

- Payments made when a unit is under abatement because of HQS violations, or a RAC has been terminated for HQS violations;

- Payments made for a unit vacated with or without the knowledge of the owner. This policy does not apply to CAICT HOME TBRA rental assistance payments for the month of the move-out. CAICT may recoup any amount due for the period that a tenant did not reside in the CAICT HOME TBRA-assisted unit;
- Payments made mistakenly twice in one month because of record-keeping or other error; and
- Change of ownership

In all these examples, the owner would be owe CAICT the portion of the CAICT HOME TBRA rental assistance payment to which he/she is not entitled.

Termination of RAC and Payment

CAICT HOME TBRA Rental Assistance payments pursuant to a RAC terminate if:

- The lease is terminated by the owner, in accordance with the terms of the lease;
- The lease terminates and is not renewed;
- The RACE terminates;
- CAICT terminates assistance for the household; or
- Funding for CAICT HOME TBRA program is no longer available.

If an owner has commenced the process to evict the tenant, and if the household continues to reside in the unit, CAICT must continue to make payments to the owner in accordance with the RAC until the owner has obtained a judicial determination allowing the owner to evict the tenant. CAICT will continue such payments until the household is evicted from the unit or moves out. Payments will be pro-rated to eviction date.

d. Household Move Out

If the household moves out of the unit, CAICT may not make any payments to the owner for any month after the month when the household moves out. The owner may keep the payment for the month during which the household moves out.

Violation of Space Standards

If CAICT determines that the unit no longer meets HQS because of an increase in household size or change in household composition, CAICT may issue the household a new CAICT HOME TBRA coupon to enable it to find an acceptable unit. If the household locates an acceptable unit available for rental by the household, CAICT must terminate the original RAC, with notification to the household and owner. The RAC terminates at the end of the month that follows the month in which notification is given, and CAICT HOME TBRA payments must terminate by the end of the month when the household moves from such unit.

N. OWNERS

a. Definition of Owner

An owner is defined as any person or entity legally authorized to lease the assisted unit. A principal or interested party in a partnership or cooperation will be considered an owner, if authorization to act on behalf of the partnership, corporation, etc. is provided.

Proof of ownership is required for participation in the program and must be submitted in the following form:

- If the property is managed by an agent and payments are made to a management company, a copy of the management agreement; and
- A copy of the recorded deed or shareholder agreement and W-9: Request for Taxpayer Identification Number & Certification

b. Disapproval of Owner

CAICT will not approve a CAICT HOME TBRA tenancy if HUD or another party has informed CAICT that the owner is debarred, suspended, or subject to limited denial of participation, or if the owner has been disqualified by CAICT. An owner who demands, requests, or receives any amount above what is set forth in the RAC and lease will be barred from further participation in any CAICT rental assistance program. Before placing an owner on a disqualification list, CAICT will provide notice to the owner and an opportunity for the owner to object in writing.

CAICT MUST ALSO NOT APPROVE A CAICT HOME TBRA TENANCY UNDER THE FOLLOWING CIRCUMSTANCES:

- The federal government has instituted an administrative or judicial action against the owner for a violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending;
- A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements;
- The owner is a parent, child, grandparent, grandchild, sister, or brother of any CAICT HOME TBRA household member. CAICT will waive this restriction as a reasonable accommodation for a household member who is a person with a disability.
- CAICT may use its discretion to deny a CAICT HOME TBRA tenancy under the following circumstances:
 - Violations of obligations under one or more CAICT HOME TBRA RACs, ex. Refusal to renew leases of CAICT HOME TBRA participants in violation of 24 CFR §92.253(c).
 - History of Housing Maintenance violations;
 - Acts of fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
 - Participation in any drug-related criminal activity or any violent criminal activity;
 - Current or previous practice of non-compliance with HQS and/or state and local housing codes or with applicable housing standards for units leased under any other federal housing program;
 - Current or prior history of refusing to evict other assisted tenants for activity by the tenant, any member of the household, a guest, or another person under the control

of any member of the household that: threatens the right to peaceful enjoyment of the premises by other residents; threatens the health or safety of residents, CAICT employees, or owner employees; threatens the neighbors' health or safety, or neighbors' right to peaceful enjoyment of their residences; or engages in drug-related criminal activity or violent criminal activity;

- Current or prior history of engaging in or threatening abusive or violent behavior toward CAICT personnel; and
- Failure to pay state or local real estate taxes, fines, or assessments.

Any owner who has entered into a legal agreement with CAICT to pay outstanding obligations may be approved for participation in CAICT HOME TBRA. This decision will be made by CAICT on a case-by-case basis.

c. Change in Ownership

A prior owner must obtain CAICT's written consent before a RAC may be assigned to a new owner. The new owner must agree in writing, in a form acceptable to CAICT, to comply with all terms and conditions of the RAC. CAICT may deny approval of assignment of the RAC to the new owner for any of the reasons listed above.

CAICT will process a change of ownership only if the request is accompanied by proper documentation of ownership of the property in question (copy of the deed or title) and proper documentation of the sale agreement, as well as Form W-9 and Electronic Funds Transfer (EFT) Form.

CAICT must receive written request by the old owner or new owner in order to change the RAC payee and/or the address to which the payment is to be sent.

O. ANNUAL AND INTERIM RECERTIFICATIONS

a. Annual Recertification

Subject to the availability of funding, CAICT will recertify a household for continued participation in CAICT HOME TBRA if the household's adjusted income does not exceed 80% of the AMI, at least one household member is a citizen or qualifying noncitizen, and the household continues to reside in the assisted unit.

A household's eligibility for recertification is conditioned on the household's timely cooperation with any requests by CAICT for household information and documentation.

CAICT conducts annual recertifications of:

- Eligibility
- Income
- Household composition
- Progress toward self-sufficiency

Generally, at least 90-120 days in advance of the scheduled annual recertification date. CAICT will send a recertification package to the head of household. The recertification package will also identify supplemental forms that some households may need complete, which will be available online or by calling CAICT at the number provided. The participant may also call CAICT for additional information or assistance or to request an in-person recertification appointment. The participant must complete the recertification package and any supplemental forms required and provide the requested verification. In general, verification documents should be dated no more than 60 days prior to the date the recertification package is returned. In cases where income and asset information is reported quarterly or semi-annually by a third party, the most recent statement will be acceptable.

The entire package, including all required third-party verifications, must be returned to CAICT on or before the return date printed on the package. If CAICT has not received the completed package including all necessary forms and documentation by the due date, CAICT will send the tenant a CAICT HOME TBRA Recertification Request for Additional Information. Participants will be given 15 calendar days from the date of the request to complete re-certification.

If the participant notifies CAICT that he/she is having difficulty obtaining necessary documentation from third parties, CAICT will assist the participant by attempting to verify information through various means.

CAICT will analyze and verify all information included in the recertification package and send the participant a Recertification Information form with updated household information based upon a CAICT-approved renewal lease, and will notify both the tenant and the owner of the new rent amount to be paid by the tenant and new CAICT HOME TBRA rental assistance payment to be made to the owner and effective dates thereof in the CAICT HOME TBRA Renewal Rent Breakdown and renewal RAC.

If the household fails to complete the Recertification Package, CAICT will issue a Notice of Intent to Terminate Participation in the CAICT HOME TBRA, which provides information concerning appeal procedures to contest the decision.

b. Interim Recertification

Participants are required to report all changes in their household composition within 30 days of the change. Participants may elect to report changes in household income at any time prior to annual recertification. When a participant reports a change to CAICT, the date of the notification will be noted and the participant will be advised on how to verify the change.

An interim recertification will be conducted for all changes in household composition or decreases in household income reported prior to the annual recertification. CAICT may elect to conduct an interim certification when informed of an increase in household income.

CAICT will not reduce the household's share of the rent when the household reports a loss of, or reduction in, public assistance benefits due to fraud or failure to participate in a self-sufficiency or work activity.

If the household reports a decrease in household income, CAICT will recalculate the household share and the CAICT HOME TBRA rental assistance amount as part of the interim recertification. If the household reports an increase in household income, CAICT may recalculate the household share and the CAICT HOME TBRA rental assistance amount at the interim recertification but is not required to do so until the next annual recertification.

c. Recalculating Household Share and CAICT HOME TBRA Rental Assistance Amount

CAICT will notify household and the owner of any changes in the tenant share of the rent and the CAICT HOME TBRA rental assistance amount, as follows:

Increases in Tenant Share of Rent

Increases in the household's share of rent will become effective the first day of the month following a full 30-day notice, provided that changes were reported by the next annual recertification following the increase in household income. If there has been misrepresentation of income by the tenant, or if the tenant caused a delay in the recertification process, CAICT may make rent changes effective on the first day of the month following completion of the recertification (no 30-day notice provided).

Decreases in Tenant Share of Rent

Decreases in the tenant share of rent will become effective on the anniversary date of the annual recertification or the first day of the month following the date any interim change was reported, provided said change was reported in a timely manner. If the household causes a delay so that the recertification is not complete by the anniversary date, the rent change will be effective the first day of the following month after the recertification.

Changes in Household Composition Prior to Recertification

Participants must report any changes in household composition to CAICT within 30 days of such changes occurring. When informed of such changes prior to the household's annual recertification, CAICT will conduct an interim recertification to determine the household's continued eligibility and whether the change in household composition results in an HQS failure.

In general, household members are added as a result of marriage, domestic partnership, birth, or reunification with minor children. If a unit does not meet HQS standards due to an increase in household size, the household is responsible for remedying the failure, including requesting approval to move to a new unit. CAICT may grant the household approval to move and issue a new coupon with an increased unit size, if CAICT HOME TBRA funding is available. If the change in household size does not result in an HQS violation, a new unit size will not be assigned until the household's next annual recertification.

If CAICT denies a household's request for prior approval to move because an HQS violation resulted from an addition (other than by marriage, domestic partnership, birth, or reunification with minor children) that was not approved by CAICT, CAICT will issue a CAICT HOME TBRA Notice of Denial of Request for Prior Approval to Move. The household will be terminated if it fails to correct the HQS violation. Households must report an absence of the household from the assisted unit, as well as the absence of any individual household member, that is expected to last more than 90 days and, where practicable, receive prior approval for the absence.

A guest may not reside in an assisted unit for more than 90 days during a year unless such guest is added to the household as a member. To add such guest as a member of the household, the participant must notify CAICT of the change in household composition and CAICT will conduct an interim recertification. If the household does not seek to add a guest as a member of the household, CAICT may ask the household to provide verification that the guest is not residing permanently in the assisted unit.

CAICT maintains the right to terminate assistance to a household for failure to timely report a change in household composition.

Participant Household Separations

If an assisted household participating in CAICT HOME TBRA separates into two or more otherwise eligible households, CAICT will decide on a case-by-case basis which of the household units will continue to receive such assistance. CAICT has broad discretion in determining which resulting household unit will continue to participate in CAICT HOME TBRA, but under no circumstances will more than one of the resulting household units continue to participate.

Consideration will be given to factors, including, but not limited to:

Which household member was designated as head of household on the CAICT HOME TBRA Application;

- Which household unit retains any children, members with disabilities, or member of 62 years of age or older;
- The role of domestic violence in the household separation;
- The role of criminal activity or incarceration in the household separation; and
- Recommendations of social service agencies, including state and local children's service agencies, or qualified professionals

Either household may retain the coupon if there is mutual consent or a court-stipulated determination as to which household retains assistance.

P. MOVING WITH CONTINUED CAICT HOME TBRA ASSISTANCE AND PORTABILITY

a. Moves

A household participating in CAICT HOME TBRA may not move to a new unit and maintain eligibility for CAICT HOME TBRA except with prior approval of CAICT.

CAICT may grant such approval and issue a new coupon to the household on the following grounds:

- The household is overcrowded in the assisted unit
- CAICT abates CAICT HOME TBRA rental assistance payments to the assisted unit or terminates the RAC because the owner fails to maintain the assisted unit in accordance with HQS and fails to remedy any HQS failure for which the owner is responsible within the period specified by CAICT.
- The lease for the assisted unit has terminated by mutual agreement of the household and the owner, and the owner signs a release of the lease and RAC;
- The owner has obtained a court judgment or other process allowing the owner to evict the household;
- The owner fails or refuses to offer the household a renewal lease or CAICT rejects the CAICT HOME TBRA Request for Lease Renewal, and CAICT sends the household a CAICT HOME TBRA Notice of Required Move Due to Pending Lease Expiration;
- The need for the move is a direct result of a documented health and safety concern or other good cause, as determined by CAICT on a case-by-case basis.

In accordance with VAWA and the Emergency Transfer Plan, victims of domestic violence, dating violence, sexual assault, or stalking may make an emergency request for prior approval to move and maintain CAICT HOME TBRA eligibility and to obtain assistance in locating another available, safe dwelling unit.

If CAICT does not grant a participant's request for prior approval to move, it will issue a CAICT HOME TBRA Notice of Denial of Request for Prior Approval to Move, which provides information concerning appeal procedures to contest the denial.

Move Procedures

Households that are eligible to move will be issued a move package that contains a CAICT HOME TBRA Applicant Briefing Book, a CAICT HOME TBRA Coupon with a reassigned unit size, a RUA, and a CAICT HOME TBRA Landlord Package. The household may then conduct a search for new housing. While searching for a new unit, the household may remain in the current assisted unit for so long as the owner permits.

When the household moves out of an assisted unit, the CAICT HOME TBRA rental assistance payments for that unit cease as of the month after the month that the household moves out of that unit. The owner may keep the CAICT HOME TBRA rental assistance payment issues for the month during which the household moves out of the assisted unit.

Once CAICT has approved the lease for the new unit, CAICT will recalculate the CAICT HOME TBRA rental assistance amount and the household's monthly share of the rent. Assistance will begin on the new unit on the effective date of the lease and RAC. The household will be recertified upon an approved move to a new unit, and the annual recertification cycle will coincide with the new lease term.

If an approved move is delayed or cancelled, the household must notify CAICT immediately so that current and future owner accounts can be properly credited. Per federal regulations, it is a violation of household obligations to legally occupy two units and CAICT will consider this grounds for termination from CAICT HOME TBRA.

b. Portability

Portability is a term used to describe a household's ability to rent a dwelling unit outside CAICT's jurisdiction and continue to receive assistance. A CAICT HOME TBRA participant is not permitted to move with assistance outside of CAICT's service area.

Q. DENIAL OR TERMINATION OF ASSISTANCE

CAICT may deny or terminate CAICT HOME TBRA for a household because of the household's action or failure to act, failure to meet eligibility requirements, or insufficiency of CAICT HOME TBRA funding. CAICT will provide households with a written description of the household's obligations under CAICT HOME TBRA, the grounds for denying or terminating CAICT HOME TBRA, and CAICT's procedures for informal agency review conferences, administrative hearings, and additional appeals.

a. Forms of Denial/Termination of CAICT HOME TBRA

Denial of CAICT HOME TBRA for an applicant may include any or all of the following:

- Denying an application for failure to provide requested documentation and supplemental information within the time allowed;
- Denying an application because the household misrepresented household income or composition or failed to supply true and complete information;
- Denying an application based on CAICT's determination that the application household fails to meet CAICT HOME TBRA eligibility requirements;
- Determining that a household member is ineligible for CAICT HOME TBRA on the grounds of immigration status;
- Removing a household from the waitlist because it no longer satisfies eligibility requirements or fails to timely or adequately respond to a request for additional documentation;
- Denying an application because the household voluntarily withdrew its CAICT HOME TBRA application by signing and submitting to CAICT a statement of application withdrawal;
- Denying an application because the head of household failed to attend a briefing session and sign a CAICT HOME TBRA Coupon.
- Expiration or rescission of a CAICT HOME TBRA Coupon.
- Termination of CAICT HOME TBRA for a participant may include:
- Terminating CAICT HOME TBRA rental assistance payments under current RAC;

- Determining after an annual or interim recertification that a participant household no longer meets CAICT HOME TBRA eligibility requirements;

b. Grounds for Denial/Termination of CAICT HOME TBRA

CAICT may deny CAICT HOME TBRA to an applicant or terminate CAICT HOME TBRA for a participant under any of the following circumstances:

- The household fails to meet all CAICT HOME TBRA eligibility requirements;
- Any member of the household fails to disclose and verify Social Security numbers and execute consent forms for obtaining information in accordance with 24 CFR Part 5;
- An applicant household on the waitlist fails to timely or adequately respond to a request from CAICT to provide additional documentation regarding the household's income and composition and to establish that the household continues to meet CAICT HOME TBRA eligibility requirements;
- Any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with this or any federal housing program;
- Sufficient CAICT HOME TBRA funding is unavailable;
- The household income exceeds 80% AMI at annual recertification;
- No current member of the household is a citizen or qualifying noncitizen;
- The CAICT HOME TBRA rental assistance amount has been zero for six months;
- The sole member of the household participating in CAICT HOME TBRA dies;
- CAICT determines that a household member knowingly permitted another individual who is not eligible for CAICT HOME TBRA due to immigration status to reside on a permanent basis in the assisted unit, and the ineligible individual was not considered in calculating the prorated CAICT HOME TBRA rental assistance amount. Such households will also be barred from submitting a new CAICT HOME TBRA application for not less than 24 months;
- The household fails to grant access to its assisted unit for an HQS inspection;
- The household violated tenant responsibilities under the lease;
- The household is absent from the assisted unit for more than a total of 180 days in a 12-month period in any circumstance and for any reason;
- The household is absent from the assisted unit for 90 consecutive days, unless the household establishes that: (1) the absence was due to exceptional circumstances beyond the household's control, such as hospitalization, (2) the household intends to return to the assisted unit within 180 days of departure, and (3) the household is not maintaining an alternative residence;
- Any member of the household engages in drug-related criminal activity, violent criminal activity, other criminal activity, or alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of other residents;
- The household has engaged in or threatened abusive or violent behavior toward CAICT personnel. This includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. "Threatening" refers to oral or written threats and physical gestures or use of animals as weapons that communicate an intent to abuse or commit violence;

- The household has misrepresented income, household composition, or any other reported information on or accompanying the CAICT HOME TBRA application, recertification, or other official communication with CAICT;
- The household has failed to timely report a change in household composition or absence from the assisted unit;
- The household has violated one of the household obligations listed in the CAICT HOME TBRA Coupon, CAICT HOME TBRA Applicant Briefing Book, or CAICT HOME TBRA Administrative Plan;
- The household has failed to provide information and documentation requested by CAICT;
- The household has failed to: attend a scheduled briefing with CAICT and sign the CAICT HOME TBRA coupon or attend a mandatory conference scheduled by CAICT
- A household member has engaged in activity that may threaten the health or safety of the owner, property management staff, or persons performing the contract administration function or responsibility on behalf of CAICT, including a CAICT employee or contractor or agent;
- The household has vacated the assisted unit without notifying CAICT;
- The household is responsible for remedying an HQS failure and fails to make required repairs or take other corrective action within the period specified by CAICT;
- The household fails to complete an approved move after the owner of the assisted unit fails to renew a lease.
- The household failed to make progress on and/or document progress on its self-sufficiency plan

c. Notice of Intent to Terminate Participation in CAICT HOME TBRA

If CAICT decides to terminate the household's participation in CAICT HOME TBRA for grounds other than a lack of available funding, CAICT must give the household a written notice of intent to terminate, with reasons, as well as notify the household of its right to an informal agency review conference.

Terminations will allow a minimum of 30 days' notice, with the following exception:

- Death of sole household member. The termination will be effective the end of the month of the date of death, as confirmed by the Social Security Administration or death certificate. CAICT will not make CAICT HOME TBRA rental assistance payments beyond this date.
- Insufficient funding. The termination will be effective as of the date that funding is no longer available. A notice of termination will be sent to the affected household

d. CAICT Discretion

In deciding whether to deny admission or terminate participation in CAICT HOME TBRA because of an action or failure to act by household members, CAICT has discretion to consider all of the circumstances in each case including the seriousness of the circumstances. Such acts include, but are not limited to:

- Failure to occupy a unit as a primary residence after execution of a Rental Assistance Contract
- Failure to attend a conference

- Failure to utilize the coupon within the time allowed

CAICT will use its discretion in reviewing the extent of participation or culpability of individual household members and the length of time since the violation occurred. CAICT may also review the household's more recent history and record of compliance and the effects of that denial of program admission or termination of assistance may have on other household members who were not involved in the action or failure to act.

CAICT may impose, as a condition of continued assistance for other household members, a requirement that household members who participated in, or were culpable for the action or failure to act, will not reside in the unit. CAICT may then permit the other household members to continue in the program.

e. Lease Violations

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease;
- If the owner notifies the household of termination of tenancy for a serious or repeated lease violation and the household moves from the unit prior to completion of court action; and CAICT determines based on available evidence that the cause of the move is a serious or repeated violation of the lease;
- If the household fails to provide access to the unit for the owner or management agent, or fails to make necessary repairs for which the tenant is responsible, so that HQS deficiencies can be cured as required;
- If there are police reports, neighborhood complaints, or other third party information that has been verified by CAICT; and
- If the household fails to pay its share of the rent on time and/or pay utilities for the household is responsible as stipulated by the lease. Non-payment of rent is considered a serious violation of the lease. A court order of eviction for non-payment is not required for CAICT to terminate assistance. If an owner provides sufficient documentation of non-payment of rent, CAICT will consider termination of assistance for the participant.

f. Termination of Tenancy by Owner

The owner may only evict the tenant by court action. During the term of the lease (the initial term or any extension thereafter), the owner may only terminate the tenancy because of:

- Serious or repeated violations of the lease;
- Disturbance of neighbors;
- Destruction of property;
- Living or housekeeping habits that cause damage to the unit or premises;
- Violation of federal, state, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises; or
- Other good cause

An owner may not refuse to renew the lease of a household participating in CAICT HOME TBRA except for serious or repeated violation of the terms and conditions of the lease,

violation of applicable law, or other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of the tenancy. TDHCA specifies that landlords cannot discriminate against tenants for being recipients of federal housing assistance.

g. Procedures for Noncitizens

Applicant or participant households in which no members are either U.S. citizens or eligible immigrants are not eligible for assistance and must have their assistance terminated. CAICT will verify all household members who declare eligible immigration status, using a federal database. Assistance may not be terminated while verification of a participant household member's eligible immigration status is pending.

If the household or any household member claimed eligible immigration status and the U.S. Citizenship and Immigration Services (USCIS) primary and secondary verifications failed to document the status, the household may make an appeal to the USCIS and request a CAICT administrative review. After CAICT has made a determination of ineligibility, the household will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

h. Missed Appointments and Deadlines

It is a household's obligation to supply information, documentation and certification as needed for CAICT to fulfill its responsibilities. CAICT schedules appointments and sets deadlines in order to obtain the required information. An applicant or participant who fails to keep an appointment or to supply information required by a deadline without notifying the agency may be sent a notice of denial or termination of assistance for failure to provide required information.

Appointments may be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for admission;
- Verification procedures
- Coupon issuance and briefings;
- HQS inspections;
- Recertification; and
- Conferences and Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are: medical emergency, household emergency, and any other reason that CAICT deems appropriate. These reasons are only acceptable if CAICT is notified in a timely manner.

R. AGENCY REVIEW CONFERENCES

All applicants who have been denied assistance and participants who face termination of assistance for grounds other than a lack of available funding may seek review of CAICT's decision by requesting an agency review conference. A program applicant or participant may also seek review of a decision by CAICT affecting eligibility. Or the amount of assistance, removal from a waitlist, and denial of a request to move. Determination of, or

change to, the CAICT HOME TBRA rent standard amount is not reviewable. CAICT will notify applicants and participants in writing of CAICT's decision and their right to a review of that decision. An agency review conference must be requested within 14 days of the date of the CAICT notification letter.

CAICT will take affirmative steps to communicate with people who need services or information in a language other than English.

a. Authorized Representatives

Applicants and participants have a right to be represented by legal counsel or other representative at their own expense. Written authorization is required where practicable for a representative other than an attorney to appear at an agency review conference or administrative hearing or to review a case record. An employee of an attorney may present written authorization from the attorney, or the attorney may advise CAICT by telephone of such employee's authorization. Once CAICT has been informed that a person or organization is an authorized representative, such representative will receive copies of all correspondence from CAICT regarding the conference.

b. Aid Continuing

If a participant requests an administrative conference regarding a determination by CAICT to reduce, restrict, suspend, or discontinue CAICT HOME TBRA rental assistance payments within 10 days of the date of the date of the CAICT notification letter or by the effective date of a Notice of Intent to Terminate Participation in CAICT HOME TBRA, and the appeal is based on a claim of incorrect computation or an incorrect factual determination, benefits will continue unchanged until the conference decision is issued or until the end of the term of the current rental assistance contract, unless: the action is due to insufficient funding, the sole issue on appeal is one of law or policy, the participant waive his or her right to continue assistance in writing, or the participant fails without good cause to appear at the hearing.

The decision issued by the review conference can be reviewed by CAICT's Board of Directors, or a subset the composition of which will be determined by CAICT's Board President and Secretary. To request a Board Review the applicant or his/her designee must submit a written request no later than 15 days after CAICT sends the decision. Rental assistance payments will continue until a written decision is issued by the Board, as long as the RAC remains in effect.

c. Review Conferences

Notice

CAICT will provide the applicant/participant with notice of the date, time, and location of the review conference no fewer than 7 calendar days prior to the scheduled date of the hearing, unless the issue underlying the request has been resolved and the applicant/participant has withdrawn the conference request.

Examination of Case Record

An applicant, participant, or authorized representative has the right to examine his/her CAICT HOME TBRA case file and all documents and records that CAICT intends to use in the review conference. Upon request by telephone, email, or written correspondence; CAICT will provide copies of such documents and any additional documents in CAICT's possession that the applicant, participant, or authorized representative identifies and requests for purposes of preparing for the review conference. CAICT will provide such documents free of charge reasonably in advance of the review conference. If the request is made less than 5 business days before the review conference, CAICT will provide copies no later than at the time of the review conference.

Adjournment

A review conference may be adjourned for cause as determined by CAICT or at the request of applicant or participant.

Conduct of the Review Conference

The review conference will be convened and facilitated by CAICT's Program Director.

CAICT's review panel will include at least 3 staff and no more than 5 who were not involved in the decision being appealed. CAICT's staff that made the determination on appeal may attend the review conference to explain and clarify the decision and any file notations that may be under review.

The applicant/participant has a right to give a brief statement during the review conference as to why they believe the decision was in error, offer documentary evidence on their own behalf, and examine any documents offered by CAICT.

A transcript of the review conference will be made. The transcript, all documentary evidence, and the conference decision will collectively constitute the conference record.

Review Conference Decision

The Review Conference Panel will issue a decision regarding the appealed action. The decision will be made in writing and include the following:

- The action that was reviewed
- Relevant facts
- Laws, regulations, and any applicable internal policy
- Reasons for the decision
- Directives to TBRA staff, when appropriate

A copy of the decision, along with written notice to the applicant/participant of additional appeal options will be sent to the applicant or their authorized representative and placed in the applicant's file.

Abandonment of Review Conference Request

CAICT will consider a review conference request abandoned if the applicant/participant or authorized representative fails to appear for the conference hearing, unless the applicant/participant or authorized representative:

- Contacted CAICT prior to the conference to request that it be rescheduled, or
- Contacts CAICT within 5 calendar days of the scheduled review conference and provides good cause for the failure to appear.

If the above requirements are met, CAICT will reschedule the review conference

vii. Effect of Review Conference Decision

CAICT will not be bound by a review conference decision that:

- Contradict HUD Regulations or Requirements;
- Contradict TDHCA regulations;
- Contradict the policies in the Administrative Plan

If CAICT determines that the review conference decision meets any of the above exceptions, it will promptly notify the household of the determination and reasons.

Additional Appeal

A decision made by the review conference may be reviewed by the Board of Directors or a subset as determined by the Board President & Secretary. CAICT must receive written notice of such a request within 15 calendar days after the review conference decision was sent to the applicant/participant.

The complete review conference decision, the appeal request, and statement from CAICT staff will be submitted to the Board for review. The Board will render a written decision based on the review conference record, request, and statement.

The Board's decision is final and all other appeals must be done through external sources.

S. PROGRAM INTEGRITY

a. Preventing, Detecting, and Investigating Errors, Program Abuse, and Fraud

If CAICT makes a determination that a household, owner, or CAICT employee has abused the CAICT HOME TBRA program, CAICT will take action to correct the situation. CAICT may at any time deny CAICT HOME TBRA assistance to an applicant or terminate program assistance for a participant if a preponderance of evidence shows that any household member has willfully and intentionally committed fraud, bribery, or any other corrupt or criminal act in connection with a federal housing program. CAICT's actions will vary based on the nature and severity of the abuse.

Fraud and abuse can consist of either a single act or a patent of actions made with the intent to deceive or mislead, and which constitutes a false statement, omission, or concealment of a substantive fact. Fraud and abuse result in the payment of program funds in violation of program requirements.

In determining whether a case of fraud or abuse exists, CAICT must recognize the differences between unintentional and intentional misreporting. CAICT will also evaluate the special circumstances and seriousness of a case to determine whether further investigation for evidence of fraud or abuse is required. For example, failure to report required information due

to a lack of understanding may be considered an error or omission and not fraud or abuse. For owners, collecting payments for a vacated unit when the owner is not aware that the assisted household has vacated may also be considered an error or omission and not fraud.

Fraud allegations are received or discovered from many different sources. When information indicates that fraud may exist, the household and/or owner and/or CAICT employee may be required to attend a conference to review the issue. CAICT may forward the case to appropriate law enforcement at any time. Referrals based on fraud do not prohibit CAICT from making a decision to deny assistance to an applicant or terminate program assistance for a participant or owner.

b. Corrective Measures and Penalties

If an error has been made in determining household income, household share of the rent, household composition, or household size, CAICT will promptly correct the error after notice to the household and owner. For corrections in the CAICT HOME TBRA rental assistance amount, CAICT will issue a revised Rent Breakdown notice. For changes in household size, the correction may require the household to move to a new unit if there is an HQS violation due to overcrowding. The specific corrective action that CAICT takes depends upon the fault of the party in causing the error, as more fully described below.

Household Share Too High

Error or Omission – fault of CAICT: CAICT will refund the total amount due to the household. If the household owed the owner rent, CAICT may choose to pay the amount due or a portion thereof directly to the owner on behalf of the household.

Error or Omission – fault of the household: If the error is the fault of the household, CAICT will not reimburse the household, but will process the change effective the first of the month following notification or discovery of the error or omission.

Household Share Too Low

Error or Omission – fault of CAICT: If the household share of the rent is incorrectly set too low, CAICT will give the household and owner notice of the change in household share and CAICT HOME TBRA rental assistance amount, to be effective immediately.

Error or Omission – fault of household: If the household share of rent is set too low due to error or omission of the household, CAICT may exercise its discretion to terminate assistance for that household. If CAICT elects not to terminate assistance, CAICT will notify both the owner and tenant of the corrected tenant share and CAICT HOME TBRA rental assistance amount, to be effective immediately.

Household Assigned Larger Unit than Size Entitles

Error or Omission – fault of CAICT: CAICT will grant prior approval to move to a new unit and issue the household a coupon for the correct unit size. If in CAICT's judgement the household has failed to relocate within a reasonable time, CAICT may adjust the household's CAICT HOME TBRA rent standard amount at the annual recertification. CAICT will give proper notice to both the household and the owner of any resulting change in the CAICT HOME TBRA rental assistance amount.

Error or Omission – fault of household: CAICT may terminate assistance or, at its discretion, immediately correct the household's rent standard amount to reflect the correct unit size and provide the owner and the household with notification of the new CAICT HOME TBRA rental

assistance amount. In addition, if the household requests prior approval to move to a smaller unit, CAICT may in its discretion grant the request and issue a new coupon with the correct unit size.

Household Assigned Smaller Unit than Size Entitles

Error or Omission – fault of CAICT or household: If the household is overcrowded under HQS in the current unit, CAICT will immediately notify the household and the owner of the error, approve the household to move to a new unit, and issue the household a coupon for the correct unit size. If the household does not relocate within a reasonable period of time, CAICT may terminate assistance.

T. PROGRAM ADMINISTRATION

a. CAICT HOME TBRA Notices

CAICT HOME TBRA deems all notices that are mailed through the U.S. Postal Service to have been received five calendar days after mailing, unless the Postal Service returns the notice as undeliverable. CAICT may also send some notices via certified mail.