Rental Management Handbook

For CHF and HOME Funded Projects

Updated June 2025

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Chapter 1: Introduction

Clark County is committed to providing affordable housing options for all residents. Through the CHF and HOME programs, Clark County provides subsidies to developers of affordable rental housing.

Since 1992, Clark County has received funding from the U.S. Department of Housing and Urban Development (HUD) for the HOME Investment Partnerships (HOME) Program. Clark County is the lead agency for the HOME Consortium, including the city of North Las Vegas.

In 2022, the Community Housing Fund (CHF) was created with the purpose of committing additional resources to accelerate access to, and the development of, permanent affordable housing for low to moderate income households in Clark County. The CHF program is the first of its kind by a local government in Nevada and is funded through County general funds.

Clark County provides gap funding to owners and developers of affordable rental housing on favorable terms. In return, property owners are required to meet various ongoing compliance requirements for an "Affordability Period" of up to approximately 30 years (may vary for individual projects). At its core, ongoing compliance requires an owner to adhere to income and rent restrictions on assisted/funded units, maintain the physical integrity of the property, and follow various federal requirements pertaining to the marketing, leasing, and management of the project. Clark County is responsible for overseeing its portfolio of funded projects, ensuring they remain in compliance with applicable regulations and reviewing their ongoing financial viability.

Owners of CHF and HOME funded projects sign a series of legal documents with Clark County, including a written agreement that sets the terms of the overall relationship between an owner and Clark County, a note and deed of trust outlining the financial terms of the transaction and securing the CHF and HOME investment, and a declaration of restrictive covenants that runs with the land, applying to any successors in interest, providing additional legal means for Clark County to enforce ongoing compliance.

This Rental Management Handbook provides the requirements to be followed for all CHF and HOME assisted projects throughout the affordability period. It is intended to provide practical guidance on both the core regulatory requirements of CHF and HOME funding and Clark County's administrative and business expectations. While the guide supplements and expands on the provisions of a project's legal documents, it does not replace them. It is not all inclusive and may not cover every potential requirement pertaining to an owner's compliance, administrative, or financial obligations. Consequently, owners and their designated management agents are advised to carefully review the project-specific legal documents. For CHF-funded projects, if anything in this Handbook conflicts with the CHF Loan or Grant Agreement, that language in the CHF Agreement shall control.

Understanding of and compliance with all applicable requirements is the ultimate responsibility of funded owners. Clark County does not assume any liability for any lack of knowledge or diligence on the part of owners, who are also responsible for the actions of any contracted management company or other such agent. Any questions about apparent conflicts between project-specific documents and this guide should be directed to appropriate Clark County staff.

Chapter 2: Management Plan

Prior to leasing any units, Clark County requires an owner, with the participation of any contracted management company, to develop a management plan. The management plan is a tool that owners and asset managers use to guide property oversight. It describes how the operations of property management will be carried out for a specific property. Clark County imposes several requirements that have a direct impact on how property management functions are carried out when projects are assisted with CHF and HOME funds.

At a minimum the plan must:

1. Explain how the owner/manager will perform standard operations such as accepting applications, income and asset verifications, waiting list management, and compliance with the Affirmative Fair Housing Marketing Plan 'AFHMP'.

2. Outline staffing; including job descriptions for on-site and office personnel.

3. Develop procedures for financial operations, rent collection, reporting and record keeping, and the procedures for monitoring the reserve account and insurance policies.

In addition, the management plan should address site management, rents, leasing, tenant selection, terminations, marketing, maintenance, procurement, tenant relations, record keeping, reporting and supplemental services, if applicable.

Management Agreement

A management agreement is required if the owner contracts with an outside agency or individual to conduct its property operations. It must describe the contractual relationship between the owner and the manager and require the manager to conduct its operations in compliance with Clark County's requirements and the affiliated program's rules and regulations.

The management agreement commits the manager to operating the property per the management plan and other requirements. The agreement provides legal authorization for the property manager to act as the owner's agent in carrying out authorized activities such as tenant selection and screening, rent collection, eviction of tenants, and other management responsibilities as the owner and manager may agree upon.

The HOME Rental Projects: A Guide to Property Owners includes the provisions needed in a written agreement between the owner and property manager. This Guide should be used as a reference by CHF recipients as well, though not all provisions will apply.

The management agreement typically includes an indemnification of the manager for good faith actions taken to carry out the owner's policies and an acknowledgement that the manager is not financially obligated to fund the project expenses. The agreement should state the manager's compensation and the procedures for terminating the agreement if either the owner or the manager fails to comply with the terms of the agreement.

The owner's selection of contracted manager must be subject to Clark County's review and approval. Additionally, the management agreement must provide Clark County with the right to require the termination of the agreement and replacement of the contracted manager. Clark County must review the management plan and management agreement before the property owner begins to solicit for tenants.

Tenant Participation Plan

HOME Funded Projects Only

For projects funded from the HOME program's "CHDO set-aside," 24 CFR 92.303 requires that the project owner develop and follow a tenant participation plan, allowing income eligible tenants to participate in management decisions. For example, an owner could establish a tenant council that would be given the opportunity to provide input on house rules, suggest community programming, voice tenant concerns, etc.

CHDO projects must also adhere to a grievance procedure, providing tenants of HOME-assisted units with a means of appealing management decisions/actions. Both the tenant participation plan and grievance procedure must be approved by Clark County.

While these requirements only apply to HOME-funded projects from the CHDO set-aside, Clark County encourages all owners to provide meaningful opportunities for tenants to participate in management decisions and to provide a grievance procedure or other means of informal dispute resolution.

Chapter 3: Marketing and Leasing

Owner will notify Clark County, in writing, a minimum of sixty (60) days prior to the general availability of an interest list or application for residency at the CHF and HOME funded project, that a priority list is available for applications for residency for Clark County Social Service clients. Owner will provide a point of contact to Clark County Social Service through which clients are able to be placed on this priority list.

Tenant Selection Plan

All CHF and HOME projects must have a written Tenant Selection Plan in accordance with 24 CFR 92.253 and 24 CFR 92.303. The Tenant Selection Plan must be approved by Clark County prior to advertising the availability of units. Owners should review the Tenant Selection Plan at least annually to ensure that it reflects current operating practices, program priorities, and HUD requirements. Changes to the Tenant Selection Plan during the Affordability Period must also be provided to Clark County for review and approval.

The primary purposes of the Tenant Selection Plan are to outline requirements an applicant must meet and to provide for waiting list procedures. It provides a basis for ensuring that all applicants are treated equally and fairly and assists owners in attracting responsible tenants. Tenant selection criteria should expressly prohibit bias in the selection process. This includes prohibiting discrimination and favoritism toward friends or relatives, or other situations in which there may be a conflict of interest. Upon request, the Tenant Selection Plan must also be made available to any potential applicant seeking to occupy a CHF or HOME assisted property.

At minimum, the Tenant Selection Plan must explain:

1. Project-specific requirements such as income limits applied to designated units.

2. Whether units are exclusively set-aside for or a preference is provided for any particular segment of the population (e.g. elderly, disabled, homeless, veterans, domestic violence victims, etc.). Any such exclusions/preferences must be approved by Clark County in its written agreement.

3. Requirements for providing Social Security Numbers 'SSN' and policies for allowing extra time to provide proof of SSNs and procedures used when an individual has no SSN.

4. Citizenship/residency requirements including policies regarding verification of citizenship.

5. Procedures for taking applications and pre-applications (if applicable) and policies that will affect the order that applicants are selected from the waiting list, including the definition of any preferences adopted for the property and selection or rating criteria to be used.

6. Applicant screening criteria, including standards beyond the income limits imposed by Clark County, such as:
    a. Credit reports / history;

b. Rental history;
c. Minimum income (or maximum rent burden) standards;
d. Criminal history, including but not limited to placement on a sex offender registry.

7. The plan must detail what source(s) of information may be used in considering an application and what the thresholds/items in the background information that may result in the denial of an application.

   Owners may not reject or otherwise exclude any applicant on the basis that the applicant holds a Housing Choice Voucher (aka Section 8), is receiving HOME tenant based rental assistance, or is otherwise the recipient of another similar form of state or federal tenant based rental assistance (such as a HUD VASH Voucher).

8. Procedures for rejecting ineligible applicants, including a description of the circumstances under which the owner/manager may reject an applicant and extenuating circumstances that may allow for a waiver from standard requirements.

   Rejections – Written notice must be provided to any rejected applicant. Rejection notices must explain the reason(s) for rejection and source of information used to make the determination. Rejected applicants must be informed of their right to respond to the owner/manager in writing or request a meeting within 14 days to dispute the basis for rejection. Also, the notice must advise that persons with disabilities have the right to request a reasonable accommodation to enable them to participate in the appeal process.

9. Any occupancy standards used by the owner/manager to determine appropriate unit size, and procedures to place families on the waiting lists for more than one unit size.

10. Unit transfer policies, including policies for selecting between applicants on the waiting list and current tenants who need a unit transfer because of family size or composition, a medical reason certified by a doctor, or a transfer based on the need for an accessible unit.

11. How applicants may request reasonable accommodations under Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Amendments of 1988 and the owner's process for granting such accommodations.

12. Policy for managing the waiting list, including the methods of advertising used to announce opening and closing the waiting list if applicable.

In developing the Tenant Selection Plan, owners must also be mindful of various requirements including Fair Housing (including affirmative marketing), Section 504, and the Violence Against Women Act (VAWA) which are covered later in this chapter.

Waiting List

In general, Clark County requires that the Tenant Selection Plan provides for the selection of tenants from a written waiting list in the chronological order of their application. However, in some cases the selection order may be affected by other factors including whether:

1. Clark County has approved any preferences for specific populations such as homeless individuals, special needs applicants, etc.;

2. The available unit is physically accessible or designed for tenants with sensory impairment;

3. The size of the available unit is appropriate for the next applicant's household size under the project's occupancy standards; and

4. The next applicant's income meets the "unit mix" requirements of the project's income restrictions (e.g. if the next applicant is over the income limit for the available unit, but not the project as a whole, he/she may be passed over in favor of the next applicant whose income is appropriate for the unit).

To ensure that applicants are appropriately and fairly selected for the next available (i.e. vacant) unit and to provide an auditable record of applicant additions, selections, withdrawals, and rejections, Clark County has adopted the following requirements:

- Each household who completes an application/pre-application must be added to the waiting list.

- The information recorded at the time of application will include at minimum:
  - Date and time the application/pre-application was submitted
  - Head of Household
  - Contact Information (telephone number)
  - Identification of the need for accessible unit
  - Preference status, if any
  - Unit size
  - Annual income level
  - Space for notes regarding the results of owner/manager contact. Notes should include the date and a brief explanation of all actions taken regarding the application (i.e. left message, scheduled interview, began processing, etc.).

- A blank space will be left in the final right-hand column of the waiting list for recording actions taken with regard to the applicant.

  Applicant names should never be removed from the waiting list. Instead, the "outcome" field will be used to record the final action taken with respect to a given household and the date of that action. This could include a move-in, rejection, withdrawal by the applicant, closing of the record due to the applicant's failure to respond to a request to renew their interest, etc.

- The results of each outcome should be color coded using different colored highlighters for applicants who have moved into a unit, applicants who were rejected, and applicants who withdrew or are no longer interested, etc.

Electronic waiting lists are subject to the following:

- The lists have a mechanism for maintaining the date and time of each applicant's placement on the list and a way to document changes made to the list.
- The electronically maintained waiting must be archived in pdf format as often as necessary to show each applicant's placement on and selection from the list.
- The report must be archived in pdf format at least monthly, and the time and date of the printout must appear on the report.

The owner/manager must document any change in status for the names on the list from active to inactive with the time and date the record was closed in the notes section of the list. The owner/manager should update the waiting list on a regular basis to ensure that it is current and any applicants who should no longer be on the active list have had their records closed. The waiting list should be updated at least semi-annually.

During updates, if the composition of the family changes the owner/manager must update the waiting list and decide if the household needs the same sized unit or a unit of a different size. The Tenant Selection Plan should state if the household retains their original placement on the waiting list. Also, if the applicant's contact information changes, such as a different address or phone number, the owner/manager must note the new information along with the date it was received on the application submitted by the family and ensure that the waiting list is accurately updated.

An owner may adopt the following reasons for changing an application's outcome status to "ineligible":

- An applicant no longer meets eligibility requirements for the CHF or HOME Program
- The applicant fails to respond to a written notice
- The applicant is offered and rejects two units in the property
- Mail sent to the applicant's address is returned as undeliverable
- The family composition has changed, and no appropriate-sized unit exists in the development
- The applicant has found other housing and is no longer interested in the property

It is good practice to update the waiting list regularly to ensure that only families who need and want housing assistance to remain on the list. HUD rules do not dictate the procedures for updating the list; however, the process typically begins with a standardized mailing to all waiting list applicants. The mailing should state what form of contact with the property is necessary to verify their continued interest. The updated request should include a deadline for the applicant to contact the owner/manager and clearly explain what will happen if the deadline is not met.

If no response is received by the deadline the applicant may be removed from the active waiting list by having their record closed. The owner/manager must document the removal, noting the reason on the waiting list itself and maintaining a copy of the letter in the files. If the letter is returned as undeliverable, the returned letter should also be kept in the file. The waiting list must never be re-written and the waiting list must be kept on-site for review indefinitely.

The goal is to provide an auditable record of applicant additions, selections, withdrawals, and rejections. During monitoring (see Chapter 7), Clark County must be able to:

- Find an applicant on the waiting list
- Readily confirm that an applicant was housed at the appropriate time based on unit size and income targeting
- Trace various actions taken with respect to an application for residency
- Waiting lists will be reviewed as a part of the scheduled monitoring review and must be maintained as a part of the permanent project record.

Equal Access and Fair Housing Requirements

The Federal Fair Housing Act prohibits discrimination in the rental of real estate on the basis of race, color, religion, sex, national origin, disability, or familial status. Owners must conduct their business, including the development and application of the Tenant Selection Plan, in compliance with all applicable fair housing laws. This is true whether a project is CHF and HOME assisted or not; however, CHF and HOME projects are subject to additional requirements as well.

Owner shall develop, operate, and maintain the Project in accordance with the following:

1. The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1958 B1963 Comp., P. 652 and 3 CFR 1980 Comp., P. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and of the Civil Rights Act of 1964 (42 U.S. C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1;

2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing Regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;

3. The requirements of HUD's Equal Access Rule, codified at 24 CFR 5.105(a)(2) requiring that HUD-assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status and prohibiting owners (or their agents) from inquiring about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity;

4. The requirements of Executive Order 11246 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60;

5. The requirements of Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise). Owner must make efforts to encourage the use of minority and women's business enterprises in connection with CHF-funded activities. Owner will cooperate with the County in its minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in the procurement of property and services including, without limitation, real estate firms, construction firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services; and

6. The requirements of section 282 of the HOME Investment Partnerships Act at Title II of the Cranston-Gonzales National Affordable Housing Act, as amended. Owner agrees to post notices containing this policy against discrimination in conspicuous places available to applicants for employment and employees. All solicitations or advertisements for employees, placed by or on the behalf of the Owner, shall state that all qualified applicants will receive consideration for employment without regard to age, race, color, national origin, religion, or sex.

Affirmative Marketing

The objective of affirmative marketing is to ensure that Clark County, its subrecipients, and project owners design and employ marketing plans that promote fair housing by ensuring outreach to all potentially eligible households, especially those least likely to apply for assistance. Affirmative marketing consists of actions to provide information and otherwise attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familial status (persons with children under 18 years of age, including pregnant women), or disability. The affirmative marketing requirements also apply to projects targeted to persons with special needs.

Owners must adopt and implement affirmative marketing procedures for CHF and HOME projects. Owners must also provide information to Clark County regarding any tenant preferences that the Project will have in place. Clark County reserves the right to require owners to update the Project's affirmative marketing procedures from time to time to ensure it remains appropriate given potentially changing demographic characteristics of the market area and is updated based on the operational experience with the Project.

Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan (AFHMP) is designed to identify those minority and underserved populations (i.e. protected classes) who are otherwise "least likely to apply" to a given project and outline steps and actions an owner will take to specifically market a project to those populations. The goal of affirmative fair housing marketing is to attract eligible persons in the market area to the available housing without regard to race, color, religion, national origin, sex, familial status, disability, ancestry, blindness, sexual orientation, gender identity, or marital status.

Clark County must approve a project's AFHMP prior to marketing units for new projects and approve any changes or updates to the AFHMP during the Affordability Period. Owners are required to review/renew their AFHMP at least every 5 years. An owner must report to Clark County if it receives a complaint alleging a fair housing violation.

An owner's Affirmative Fair Housing Marketing Plan must include:

1. Methods for informing the public about fair housing laws such as using the Equal Housing Opportunity logo, slogan or statement in press releases and solicitations for tenants and written communication to fair housing and other groups.

2. Requirements and practices to carry out the affirmative marketing procedures and requirements such as displaying the fair housing poster and Equal Housing Opportunity logo and slogan, or statement.

3. Procedures to inform and solicit applicants from persons in the housing market area who are least likely to apply to reside in the development without special outreach, such as community organizations, churches, employment centers, fair housing groups and housing counseling providers.

4. Maintain records that describe the actions taken to affirmatively market the units and assess the results of these actions.

Clark County requires owners to use the following HUD AFHMP formats:

- For projects of five or more units, use HUD-935.2a
- Smaller projects and those involving single family homes, use HUD-935.2b

The HOMEfires - Vol. 14 No. 1 publication provides additional information regarding affirmative marketing procedures required by Clark County for HOME projects, and should be used as a reference for CHF projects as well.

Reasonable Accommodations

In addition to owner's affirmative obligations to operate their properties in a nondiscriminatory manner and the specific requirements to make properties physically accessible to persons with disabilities, owner/managers must also consider requests for reasonable accommodations from applicants and tenants with disabilities. A reasonable accommodation is a change, exception or adjustment to a program, service, building, dwelling unit, or workplace that will allow a qualified person with a disability to participate fully in a program, take advantage of a service, live in a dwelling or perform a job.

Under the Fair Housing Act, it is illegal for an owner/manager to ask if an applicant or anyone associated with the applicant or resident has a disability, or to ask about the nature or severity of the person's disability. Unlike the Fair Housing Act, Section 504 does not distinguish between reasonable accommodations and reasonable modifications. Instead, both are captured by the term "reasonable accommodations.

Property owner/managers must have a method to inform applicants that they are entitled to reasonable accommodations when such accommodations may be necessary to afford a person with a disability an equal opportunity to use and enjoy a dwelling. It is recommended that a statement regarding the right of individuals with disabilities to request reasonable accommodations be posted and included in written materials given to applicants and tenants.

- A request for reasonable accommodation must be made by or on behalf of the person with the disability. While it is not required, it is recommended that the request be in writing, whenever possible. Denial of a reasonable accommodation request cannot be based on an individual's failure or refusal to make the request in writing.
- The owner/manager must grant the reasonable accommodation so long as the accommodation does not pose an undue financial and administrative burden and the requested accommodation does not constitute a fundamental alteration of the provider's operations.
- The owner/manager may suggest alternative accommodation that will effectively address the disability-related needs of the applicant without imposing an undue financial or administrative burden and without fundamentally altering the operations.
- Additional fees or security deposits cannot be charged as a condition of receiving a reasonable accommodation.
- Providers have an obligation to provide prompt responses to reasonable accommodations requests.

An owner/manager that does not allow residents to have animals must modify the property policies and allow a tenant with a disability to have an assistance animal if the animal is needed as a reasonable accommodation. Assistance animals or support or therapy animals are not pets; they perform many disability-related functions such as guiding the seeing impaired, alerting persons who are hard of hearing to sounds, fetching items, alerting persons to impending seizures or providing emotional support. The animal is not required to have formal training; however, it should perform the disability-related assistance or provide the disability-related benefit needed by the person with the disability.

The owner/manager may not charge a security or pet deposit for service/assistance animals; however, the owner/manager may charge the tenant for any damages the animal causes to the unit or common areas of the property, if the owner/manager regularly charges tenants for damages they cause to the premises. Additionally, the owner/manager may impose rules that apply to all animals in the property. It is not acceptable for a service or assistance animal to generate unreasonable noise, bite residents or guests, or damage the apartment or grounds.

Leasing of Accessible Units

Owners/Managers of properties with accessible units must develop procedures so that information regarding the availability of accessible units reaches eligible persons with disabilities. Reasonable, nondiscriminatory steps must also be taken to make sure that accessible units that become available are offered first to persons with disabilities who require the accessibility features.

For units designed to be physically accessible or accessible to tenants with sensory impairments, the Owner may provide a preference to any existing or potential tenant who, by virtue of a disability, requires or would benefit from the provision of an accessible unit when available. When an accessible unit becomes available, Owner shall offer it first to an existing tenant in need of such a unit and second to the next applicant on the Project's waiting list who otherwise needs such a unit. Only if no existing tenants or waiting list applicants require an accessible unit may such a unit be offered to an applicant not otherwise requiring an accessible unit.

Owners are encouraged to include provisions in the lease requiring such a tenant to transfer to an available, comparable, non-accessible unit in order to make the accessible unit available to a tenant or applicant in need of one.

Violence Against Women Act

Owner/Manager agrees to comply with the provisions of the Violence Against Women Act (VAWA) as applied by 24 CFR 92.359 and, as applicable, 24 CFR Subpart L. Owner further acknowledges that, despite its name, VAWA provisions apply without regard to an individual's sex, gender identity, or sexual orientation. Clark County strongly encourages HOME projects which were developed prior to the enactment of VAWA to operate in compliance with the VAWA provisions.

Any information submitted to the Owner under these VAWA provisions, including but not limited to an individual's request for VAWA protections or the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking is confidential information and shall be maintained in strict confidence.

VAWA Protections

Unless included in the limitations on VAWA protections delineated in 24 CFR 5.2005(d), the following VAWA protections will apply to all applicants for, or tenants of the Project:

1. No individual may be denied admission or evicted on the basis or as a direct result of the fact that the individual is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the individual otherwise qualifies for admission or continued occupancy.

2. Further, no individual may be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if:

   a. the criminal activity is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, and
   b. 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.

3. In no case may an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall be construed as:
   a. a serious or repeated violation of a lease by the victim or threatened victim of such incident; or
   b. good cause for terminating the tenancy or occupancy rights of the victim or threatened victim of such incident.

VAWA Notice

Owner must provide a County-approved or specified VAWA notice and certification form to:

1. Any tenant admitted to a unit in the Project at the point the tenant is admitted to the unit;

2. Any prospective tenant for a unit in the Project whose application for occupancy is being denied based on the Owner's tenant selection policies or criteria as part of the written notification of denial otherwise required by 24 CFR 92.253; and

3. Any existing tenant of a unit in the Project whose lease is being terminated, or for whom the Owner is refusing to renew the lease, at the point the tenant is being provided with notice of termination or non-renewal.

Lease Bifurcation

Owner may seek to evict, remove, or otherwise terminate a household member from a unit in the Project on the basis of such member's criminal activity relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual, as defined in 24 CFR 5.2003, or other individual. Such action may be taken without regard to whether the individual being removed is a signatory to the lease. In any such case, however, if necessary, to avoid evicting, removing, or otherwise penalizing any victim of such activity who is also a lawful occupant of the unit, Owner must bifurcate the lease to allow continued occupancy by remaining members of the household.

Emergency Transfer Plan

The Owner must comply with the terms of Clark County's VAWA Emergency Transfer Plan, as may be updated from time to time, which among other items will:

1. Allow for an internal emergency transfer to another available and safe unit in the Project by any tenant or other lawful resident of a unit in the Project who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. In such cases, the transferring tenant(s) may

transfer to the new unit without having to undergo an application process and will, in all other respects, be treated as an in-place tenant.

2. In cases where an immediately available and safe unit is not available for internal transfer, require the Owner to notify the County of the tenant's request for an external emergency transfer, to cooperate and assist in providing information to the tenant about other units potentially available in the portfolio of units funded by the County, and waive any early termination or other similar fee for tenants requiring an emergency transfer that results in the breaking of the lease.

All Clark County VAWA-related documents can be found on the Clark County HOME website, https://www.clarkcountynv.gov/residents/community_housing_fund/home

Documentation

Owner may request that an individual seeking protection under the VAWA provisions provide documentation demonstrating that he/she is a victim of domestic violence, dating violence, sexual assault, or stalking. Owners seeking such documentation must accept any of the following:

1. A signed tenant certification, using HUD Form 5383 or such subsequent form document HUD may publish pursuant to 24 CFR 5.2005;

2. A document signed by the tenant and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, "professional") from whom the tenant has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of "domestic violence," "dating violence," "sexual assault," or "stalking" in HUD's regulations at 24 CFR 5.2003.

3. A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency.

The Owner may choose to accept other reasonable documentation of the individual seeking VAWA protections. Nothing in this section shall be construed to require the Owner to document an individual's status as a victim. Instead, the Owner may extend the VAWA protections broadly to any individual requesting VAWA protections based on a presumption of their status without requiring documentation of their victimization.

Lease Requirements

There must be a written lease between the property owner and the individual tenants of CHF and HOME assisted units, an original copy of which must be maintained in the tenant file. The lease must be for a period of at least one year. The lease should include the monthly rent amount, security deposit and other provisions applicable to residency in the unit.

The lease must, at a minimum, provide all tenants with at least sixty (60) days' written notice for CHF funded projects and thirty days (30) days written notice for HOME funded projects of any rent increases or any termination or refusal to renew the lease. An owner must have good cause (i.e. serious or repeated violations of the terms of the lease, including violations of state or local law) prior to terminating or refusing to renew a lease. Good cause does not include an increase in a tenant's income or a tenant's refusal or failure to purchase a unit offered for sale to existing tenants.

An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with CHF and HOME funds, except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. 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 tenancy for HOME projects and 60 days for CHF projects.

Prohibited Lease Terms

In no case may a lease contain any of the following prohibited lease terms:

1. *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;

2. *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 housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

3. *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 intentional or negligent;

4. *Waiver of notice.* Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

5. *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;

6. *Waiver of a jury trial.* Agreement by the tenant to waive any right to a trial by jury;

7. 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;

8. *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; and

9. *Mandatory supportive services.* Agreement by the tenant to accept supportive services that are offered. (Note, there is a limited exception to this prohibition. In HOME-assisted transitional housing projects, a tenant may be required to follow a transitional housing supportive services plan. However, such a plan cannot require participation in disability-related services.

Chapter 4: Income and Rent Restrictions

Income Limits

To qualify to live in a CHF funded or HOME-assisted unit, a household must meet certain income requirements based on household size.

For CHF funded projects, the household income at initial and subsequent recertifications is to be determined using HUD Annual Income Limits, also known as “Section 8”, for the Las Vegas-Henderson-Paradise Metropolitan Statistical Planning Area. The HUD Annual Income Limits provides information for 30%, 50% and 80% of area median income. All CHF units qualifying as affordable housing will continue to meet applicable income restrictions for the duration of the period of affordability.

For HOME funded projects, the household income at initial and subsequent recertifications is determined by the HOME Income Limits for the Las Vegas-Henderson-Paradise Metropolitan Statistical Planning Area, which are published annually by HUD. The HOME Income Limits are utilized because they include the 60% area median income limits which are used to determine the High-HOME rent assisted units in a project. All HOME assisted units will continue to meet applicable income restrictions for the duration of the period of affordability.

In some cases, a HOME project may have received additional points in exchange for agreeing to lower income limits than the federal regulations otherwise require. If that is the case, the lower limits will continue to apply to that project. The project-specific legal documents should outline more restrictive provisions. Barring such provisions, in general:

- A tenant moving into a **Low-HOME unit** must have an income at or below 50% of the Area Median Income (AMI) based on household size as published by HUD.
- For **High-HOME units**, the initial tenant (e.g. following completion of construction) must have an income at or below 65% of AMI. Subsequent tenants, at move-in, must have incomes at or below 80% AMI.

The HUD Annual Income Limits are typically published at the beginning of each year followed later by the HOME income limits. Until new income limits are published for the specific program, the current income limits remain in effect.

- HUD Annual Income Limits
- HOME Income Limits

Definition of Household Income

Both CHF and HOME use the same definitions of “household” and “household income.” In general, a household is composed of everyone who is expected to live in or occupy a given unit, without regard to whether the individuals are members of the same “family” (i.e. related by blood or marriage). This includes both adults and minors. Family members, who are not members of the household, such as adult children on active military duty or institutionalized family members, are not counted in determining household size or income.

Additional special circumstances and situations apply:

- Foster children, foster adults, live-in aides, and the children of live-in aides are not considered members of the household, so they are not included in the household size for income eligibility purposes nor is their income, if any, included in the household's gross income.

- A child subject to a shared custody agreement who resides in the household less than 50% of the time is not counted as a household member.

- Adult students living away from home may be included or excluded at the option of the head of household. If they are excluded, their income is not counted. This exception does not apply to a student who is the head of household or his/her spouse.

- Family members who are permanently absent from the household (e.g. a family member in a nursing home or other similar facility) may, at the option of the head of household, be excluded. In such case, the permanently absent member is not counted in household size, and any income attributable to that member is not included.

Clark County has adopted the income definition found at 24 CFR 5.609. Also called the "Section 8" definition of income or the "Part 5" definition. Income under this definition is determined on a forward-looking basis, projecting anticipated income over the next 12 months rather than relying on past earnings.

The Part 5 definition is expansive, including traditional sources of income such as wages/salaries, pensions, social security, and unemployment. It counts most sources of unearned income such as child support, alimony, disability, recurring gifts from family members, etc.

Income from Assets

The Part 5 definition also includes income earned from assets (for example interest on a savings account), potentially including imputed income from assets that are not otherwise producing actual income. All assets held by a household must be disclosed and verified using source documentation, supplemented by third-party verification as appropriate. In many cases, assets produce actual income, such as certificates of deposit, interest-bearing accounts, stocks paying dividends, bonds, etc.

In cases where a household's assets have a value of *less than* $5,000, the actual income that can be expected over the next 12 months must be included as a source of household income.

In cases where a household's assets have a value of $5,000 *or more*, imputed income must be calculated. Imputed income is determined by multiplying the cash value of the household's assets by HUD's current passbook savings rate. Then the *greater* of the imputed income or the actual income (if any) from the assets will be included in the income determination.

When evaluating assets, owners and managers should take into account the following:

- Checking/savings accounts and cash on hand must be counted as assets. The average daily balance over the last six months is used as the cash value of the checking accounts. For savings accounts or Social Security direct debit cards, Clark County uses the current month balance in determining assets. Many families choose to keep their cash in their homes instead of in banks. Owner/ managers should always ask an applicant about the cash they have on hand.

- If assets have any projected income, the actual interest rate stated on the third-party verification or evidenced by the source documentation must be used. The projected income is based on an annual yield. The income is counted even if the household does not elect to receive it, as in an applicant who chooses to reinvest the interest or dividends from an asset.

- For assets that are not already in cash form (e.g. jewelry, collectibles, etc.), the cash value of the of the asset must be determined. Cash value is the market value of an asset minus any reasonable costs that would be incurred with selling it or converting it to cash such as brokerage and legal fees and/or penalties on an investment when it is withdrawn before the maturity date.

Determination of Income

Income eligibility must be determined prior to accepting a potential tenant's application. Federal regulations require that income be verified using at least two months of source documentation (e.g. paystubs). Clark County further requires that the income determination make use of third- party documentation.

As noted in the Income Definition section, income must be projected 12 months into the future. It must take into account anticipated changes, such as increases due to upcoming cost of living increases, raises, etc.

The CPD Income Calculator is an interactive tool that can assist in determining income eligibility and assistance amounts for potential tenants of CHF and HOME funded projects.

To avoid common mistakes in calculating income, owners should keep several points in mind:

- Income includes the gross wages, salaries, social security, welfare payments, and unemployment compensation before any deductions for taxes, insurance premiums, garnishments, etc.
    - When reviewing source documents and third-party verification, it is important to understand how often individuals are paid – weekly, monthly, twice a month, bi-weekly, etc. An employee who is paid twice a month would only receive 24 paychecks a year while one paid bi-weekly would receive 26.

    - Gross income also includes any bonuses, overtime pay, commissions, and/or tips even though these may not be paid on the same frequency as regular wages. To the extent an individual receives these forms of compensation, the income projection must include that which can be reasonably anticipated during the next 12 months. When considering these forms of income, due diligence is necessary if the applicant's type of employment normally would include overtime, bonuses or tips (such as food servers or highway workers) even if the verification states that the extra income is not "guaranteed."

- Child support must be counted as income unless the applicant can clearly demonstrate that payments are not being received and that reasonable efforts have been made to collect the amounts due, including filing with the agencies responsible for enforcing child support payments.

- While earned income from dependent minors (17 and under) is not included in household income, unearned income attributable to minors such as Aid to Families with Dependent Children (AFDC), social security benefits (including disability or survivor's benefits) paid on behalf of a minor, etc. is included in the total household income.

- If adult students, 18 years of age and older, are counted as members of the household when determining household size, the first $480 of the student's income must be included. This is only for adult students who are otherwise dependent members of the household. If the student is the head of household or their spouse all of the student's income must be counted.

- All income of a member who is temporarily absent from the household (e.g. a parent working out of town for several months) is counted regardless of the amount the absent member contributes to the household.

- Recurring gifts and regular contributions to the household from persons not living in the unit are counted as income. This may include rent and utility payments paid on behalf of the family, and other cash and non-cash contributions. An exception to this rule is groceries or meals on wheels.

- Some forms of student financial assistance (grants & scholarships) exceeding tuition are counted as income.

Zero Income Households: Any individual or household applying for residency in a CHF or HOME assisted unit certifies that the information they provide is true and correct, and it is understood that falsifying documents associated with the application is a punishable offense, however, a household can generally not exist without any income.

Any household applying for residency in a CHF funded or HOME assisted unit and claiming to have no income is required to complete **a** Certification of Zero Income.

Recertification of Income for In-Place Tenants: In-place tenants of CHF or HOME assisted units must have their income recertified annually. During every 6th year of a project's Affordability Period, all in-place tenants must be recertified using source documentation in the same manner as would be applied to a new tenant.

During other years, owners must still recertify the income of in-place tenants, but in addition to the use of source documents which is always an acceptable method of verification, owners may also choose to verify income by obtaining either:

- A written certification from the tenant as to the household's size and income along with a statement that tenant will provide source documentation upon request; or

- A written statement as to the household size and income from the administrator of another governmental program under which the household receives benefits and which examines the annual income of the household on a yearly basis.

See the section on Maintaining the Unit Mix below for how to address in-place tenants whose incomes have increased beyond the qualifying income for the units they occupy.

Rent Restrictions

During the affordability period, owners/managers must ensure that the rents they charge for their CHF and HOME assisted rental units do not exceed the applicable HOME rent limits. HUD updates and publishes HOME rent limits each year and Clark County provides the updated rent limits to owners/managers. Different rent limits apply to High HOME Rent units and Low HOME Rent units. HOME rent limits include utilities. This means that the rent that can be charged for a unit cannot be more than the HOME Rent limit minus the tenant-paid utilities. Clark County provides owners with utility allowances to make these deductions as discussed further in the section below.

Note that while general descriptions of the rent limit calculations are provided below, they are for information only. Owners must never calculate the rent limits for themselves but must always use the HUD-published charts.

Clark County requires that the rents charged for CHF and HOME-assisted units be affordable to low- and very low-income households. HUD provides HOME Rent Limits to define what is affordable.

Low HOME Rents

Low HOME Rents are the maximum rents that can be charged to Low HOME rent units that are occupied by very low-income households. Low HOME Rents are based on one of the following:

- Thirty percent of the tenant's monthly adjusted income; or

- Thirty percent of the annual income of a family whose income equals 50 percent of median income (the HUD-issued Low HOME Rent); or

- If a property has a Federal or state project-based rental subsidy and the tenant pays no more than 30 percent of his or her adjusted income toward rent, the maximum rent may be the rent allowable under the project-based rental subsidy program.

High HOME Rents

High HOME Rents are the maximum rents that can be charged to low-income households. These are based on the lesser of:

- The Section 8 Fair Market Rents (FMRs) for existing housing; or
- Thirty percent of the adjusted income of a family whose annual income equals 65 percent of median income.

Additional Fees

CHF and HOME assisted property owners may not charge fees to program beneficiaries to cover administrative costs related to the cost of administering the HOME program. Specifically, rental project owners may not charge tenants fees that are not customarily charged to tenants of rental housing (e.g., laundry room access fees). However, Owners may charge fees approved by Clark County for the following:

- Reasonable application fees to prospective tenants;
- Fees or penalties related to the late payment of rent, non-sufficient funds or returned checks, or the like provided such fees are determined by Clark County to be customary for rental housing projects in the area and not excessive;
- Parking fees to tenants only if such fees are customary for rental housing projects in the neighborhood; and
- Fees for optional services such as supportive services for special needs tenants or general services such as bus transportation or meals, as long as the services are voluntary, and fees are charged only for services provided.

Clark County must review and approve fee schedules annually to ensure that any fees charged in addition to rent are permissible under the applicable program requirements and whether proposed fees are reasonable and customary based on market comparisons.

Utility Allowances

Pursuant to the 2025 HOME Final Rule in the Federal Register (FR-6144-F-03), utility allowances must be determined and approved by Clark County annually (excluding telephone, cable and broadband). Clark County will use the utility allowance established by the Southern Nevada Regional Housing Authority as its maximum monthly utility allowance.

In all cases, the HUD-published rent limits for HOME are gross rent limits, and applicable to CHF projects. They must be adjusted for any tenant paid utilities.

Maintaining Unit Mix

HOME Funded Projects Only

As set forth in the written agreement between Clark County and the owner, HOME units may be designated as either fixed or floating. A fixed unit designation means that the specific unit (e.g. Apartment #201) will always be the HOME unit. Floating units, on the other hand, can move around within a project during the Affordability Period so long as the appropriate numbers of HOME units are maintained, and the units are comparable in size, amenities, and number of bedrooms. In projects where all units are designated as HOME-assisted fixed unit rules will apply. In other cases, owners should consult the project-specific written agreement and legal documents which identify whether units are fixed or floating.

Tenants must meet the applicable HOME income restrictions for their unit at move-in. However, in the event a tenant occupying a HOME unit becomes over-income at re-certification, the assisted unit continues to qualify as affordable housing despite "temporary noncompliance" caused by increases in the existing tenant's income if actions satisfactory to HUD are being taken. These steps, which vary somewhat based on funding source, the type of unit the over-income occupies, and whether the project's assisted units are fixed or floating, are intended to adjust the unit mix to bring it back into balance as units turn over.

In all cases, however, any increases in rent specified must be made subject to the terms of the lease, implemented only after appropriate written notice to the over-income tenant. In the case of HOME, written notice must be provided at least 30 days prior to a rent increase (or any longer notice period required by state or local law).

Finally, for a HOME unit occupied by an over-income tenant that is also subject to Low Income Housing Tax Credit restrictions, the rent may not be increased above the applicable LIHTC for the unit. This is the only time that HOME "defers" to a less restrictive LIHTC provision.

HOME Projects with Floating Units

1. If a Low-HOME tenant's income increases at re-verification to greater than 50% AMI but less than or equal to 80% AMI, then the Owner will first substitute another unit that is comparable or larger by either:
    a. Designating another unit in the Project occupied by an eligible Low-HOME tenant, or
    b. Renting the next available unit as a Low-HOME unit.

After substituting another Low-HOME unit, the Owner may raise the rent for the over-income tenant to the lesser of:

a. 30% of the over-income tenant's adjusted income, or
b. The applicable High-HOME rent for such unit.

2. If a Low-HOME tenant's income increases at re-verification to greater than 80% AMI, then the Owner will first increase the rent for the over-income tenant to the lesser of:
    a. 30% of the tenant's adjusted income, or
    b. The "market rent" for the unit (i.e., what the unit would be projected to rent for in the local market absent any income or rent restrictions imposed by HOME, Housing Tax Credit Program, or other such programs).

    The Owner must also substitute another unit that is comparable or larger by either:
    a. Designating another unit in the Project occupied by an eligible Low-HOME tenant, or
    b. Renting the next available unit as a Low-HOME unit.

3. If a High-HOME tenant's income at re-verification increases to greater than 80% AMI, then the Owner will first increase the rent for the over-income tenant to the lesser of:
    a. 30% of the tenant's adjusted income, or
    b. The "market rent" for the unit (i.e., what the unit would be projected to rent for in the local market absent any income or rent restrictions imposed by HOME, Housing Tax Credit Program, or other such programs).

    The Owner must also substitute another unit that is comparable or larger by either:
    a. Designating another unit in the Project occupied by an eligible High-HOME tenant, or
    b. Renting the next available unit as a High-HOME unit.

HOME Projects with Fixed Units

1. If a Low-HOME tenant's income increases at re-verification to greater than 50% AMI but less than or equal to 80% AMI, then the Owner must first rent the next available High-HOME unit (even if larger) as a Low-HOME unit rented to a tenant at or below 50% AMI at the Low-HOME rent. Once the Low-HOME unit has been replaced, the owner may, but is not required to, increase the rent of the tenant whose income has increased to the High-HOME rent applicable to their unit.

2. If a Low-HOME tenant's income increases at re-verification to greater than 80% AMI, then the Owner will first increase the rent for the over-income tenant to 30% of the tenant's adjusted income (without any cap related to the "market rent"). The owner must also "convert" the next available High-HOME unit (even if larger) as a Low-HOME unit rented to a tenant at or below 50% AMI at the Low-HOME rent.

    The unit occupied by the over-income tenant continues as a High-HOME that is temporarily noncompliant. Once the unit is vacated by normal turnover, it must be re-rented to a tenant meeting appropriate income restriction at move in.

3. If a High-HOME tenant's income at re-verification increases to greater than 80% AMI, then the Owner must increase the rent for the over-income tenant to 30% of the tenant's adjusted income (without any cap related to the "market rent"). The unit occupied by the over-income tenant continues as a High-HOME that is temporarily noncompliant. Once the unit is vacated by normal turnover, it must be re-rented to a tenant meeting appropriate income restrictions at move in.

For additional guidance on maintaining the unit mix for HOME assisted units, see the following exhibits found in HUD's **Compliance in HOME Rental Projects: A Guide for Property Owners**:

- Exhibit 3-7: Maintaining Unit Mix in Fixed HOME Units When a Tenant Goes Over Income;
- Exhibit 3-8: Example of Maintaining Unit Mix in a Property with Fixed HOME Units;
- Exhibit 3-9: Maintaining Unit Mix in Floating HOME Units When a Tenant Goes Over Income; and
- Exhibit 3-10: Example of Maintaining Unit Mix in a Property with Fixed HOME Units.

Chapter 5: Property Standards and Capital Improvements

State / Local Code and NSPIRE

All CHF and HOME assisted housing must be maintained in compliance of 24 CFR 92.251 and meet all applicable state or local codes pertaining to maintenance, upkeep, and occupancy of housing during the Affordability Period of the Project. This may include property maintenance codes, habitability codes, various health and/or fire codes, and the like. In short, there is nothing about the CHF or HOME funding that exempts a property from existing state or local codes, regulations, or ordinances that otherwise apply to any rental property.

Projects to which HOME funds were committed before January 24, 2015 must meet all applicable State or local housing quality standards or code requirements and HUD's Housing Quality Standards found in 24 CFR 982.401. HUD replaced the prior Housing Quality Standards (HQS) with the National Standards for the Physical Inspection of Real Estate (NSPIRE). NSPIRE is generally seen as a more comprehensive standard of ongoing property conditions than HQS. While NSPIRE does not technically apply by regulation to pre-2015 HOME projects, Clark County has determined that applying NSPIRE uniformly across its HOME portfolio provides for administrative efficiency and better ensures assisted housing is safe and decent. The requirements of Ongoing Property Condition Standards of Rental Housing can be found at 24 CFR 92.251(f).

Consequently, it is Clark County's policy to inspect all CHF and HOME funded properties, including those HOME projects funded prior to the 2013 HOME Final Rule's effective date of January 24, 2015. The inspections will be based on the NSPIRE standards and require that any identified deficiencies be corrected by owners. Unlike HUD's REAC (Real Estate Assessment Center) inspection process, Clark County does not "score" its NSPIRE inspections based on degrees of criticality or weighting but simply requires that all deficiencies be addressed.

Maintenance Expectations

Prior to releasing units for occupancy (or completion of an acquisition/rehab project), Clark County requires property owners to execute a maintenance plan, to be included with the management plan, to ensure that the property retains its economic value and remains in habitable condition throughout the affordability period. A maintenance plan should define routine and preventative maintenance, emergency repairs, procedures for handling tenant requests, inspections and replacement schedules. At a minimum, the maintenance plan should address:

1. The work order system is to be used to document the unit number, date and nature of the repairs.
    - It is a good policy for the manager, maintenance person and the tenant to sign the order after the work has been completed.
    - A copy of the work order must be retained in the unit file.

2. Procedures for handling tenant requests, including emergency and non-emergency items, the staff person to be contacted for routine maintenance and emergencies and method of contact (home phone, cell phone and/or pager numbers).

3. Routine and preventative maintenance scheduling such as HVAC filter changes; smoke alarm and GFI receptacle testing, pest extermination, snow removal and mowing as well as who is responsible for the specific tasks and how often they are to be performed.

4. A replacement schedule that addresses painting and cleaning during vacancies and items that are likely to need attention during the affordability period (including appliances, carpeting, heating/air conditioning, roofing and street and parking lot repair).

5. While the condition of the property may dictate the replacement priorities, a tentative replacement schedule will enable the owner/manager to plan for the eventual expenditures.

6. Regular inspections of the property, including the frequency of inspections and what the regular inspections entail including housekeeping, property maintenance, plumbing, smoke alarms and filters.

7. Tenants must be notified in advance of all inspections. The maintenance plan should state the amount of advance notice required, how the tenants will be notified as well as who will conduct the inspections.

8. The plan should specify how items found during the inspections are documented, how the tenants are notified of violations and the procedure for ensuring that they are corrected.

The maintenance plan will be reviewed during monitoring visits, and physical inspections of the individual units will be conducted to ensure they continue to comply with applicable standards.

Capital Needs Planning and Replacement Reserve

A capital improvement is a repair or replacement to significant durable site or building components that is expected to last for at least five (5) years. Minor repairs and replacements of items with shorter useful lives should be covered with operating funds as maintenance items. For example, service calls, minor repairs (e.g. thermostat or inducer motor replacements, etc.) for HVAC systems are maintenance costs while full replacement of a furnace or air conditioning unit would be a capital cost.

To ensure the ongoing physical and financial viability of a project, Clark County requires all projects to maintain a replacement reserve intended to cover the cost of capital replacements and improvements over time. The replacement reserve is held by the Owner. Each project must make ongoing contributions to its replacement reserve from its operating account per the terms of its project-specific written agreement and legal documents. Usually, the deposit is increased by 3% annually.

For new construction projects, Clark County's general policy is that no withdrawals from the replacement reserve may be made during the first five (5) years following initial occupancy of the project. For acquisition/rehabilitation projects, Clark County will generally not allow withdrawals for five (5) years beyond the completion of rehabilitation unless the capital needs assessment (CNA) used for underwriting anticipated the funded repairs within that timeframe.

Notwithstanding the initial annual deposits to the replacement reserve, Clark County will periodically assess whether the reserve is adequately funded. The replacement reserve will be considered underfunded anytime:

- Its balance is less than $1,000 per unit (except for during the first five years when scheduled deposits would not yet have reached this level); or
- A CNA required by Clark County shows that its existing balance, taking into account planned deposits, is inadequate to fully fund capital needs anticipated within the project's affordability period or loan term, whichever is longer.

Clark County typically requires a project Owner to obtain a capital needs assessment prepared by an independent third-party architect, engineer, or other qualified firm approved by Clark County, every five (5) years. Alternatively, particularly for small projects such as those owned by CHDOs, Clark County may conduct a capital needs assessment using its own staff or contractors. Projects with underfunded replacement reserves will be required to make increased deposits from operating revenue (prior to making any surplus cash distributions) or, at Clark County's option, by making lump-sum contributions to fully fund the reserve.

The cost of the required CNA will generally be an operating cost, but with prior written approval from Clark County, the cost of obtaining a CNA can be paid from the Replacement Reserve Account if operating funds are not otherwise available.

Chapter 6: Financial Standards and Oversight

Accounting Standards and Required Accounts

Most projects are held by single-purpose, single-asset entities such as limited partnerships or limited liability companies. In some cases, especially for smaller projects developed by CHDOs or other community based nonprofit organizations, projects may be owned directly by the nonprofit. In those cases, owners are expected to separately account for each CHF and HOME project such that its financial performance can be reviewed individually rather than simply “comingling” its revenues and expenses in the broader operations of the organization.

CHF funded projects must comply with 2 CFR Part 200 entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” with the exception of Subpart F (Audit Requirements) and exceptions authorized by the Federal Awarding Agency under Subpart B (General Provisions).

In addition to any other recordkeeping requirements herein, Owner agrees that all costs of CHF and HOME projects shall be recorded by budget line items and be supported by checks, payroll registers, time records, invoices, contracts, purchase orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges, and that all checks, payroll registers, time records, invoices, contracts, purchase orders or other accounting documents which pertain, in whole or in part, to the Project shall be thoroughly identified and readily accessible to Clark County, applicable federal authorities, and their authorized agents.

All owners are expected to follow generally accepted accounting principles (GAAP) and maintain the following accounts for each project:

Operating Receipts and Expense Account

The Operating Receipts and Expense Account (or the operating account) is the primary account for any given project. All rents and other receipts of the project (known as Operating Receipts) must be deposited into the account. The account is then used to pay, in order of priority:

- All the amortized principal, interest, and mortgage insurance premium, if any, required to be paid under the Note and Deed of Trust to Clark County or any other amortizing financing approved by Clark County as part of the project’s permanent sources;
- All the real estate tax and insurance premium escrow payments required of the owner under Clark County’s or another loan, which are considered part of the Operating Expenses of the project;
- All amounts required to be deposited in the Replacement Reserve account;

- The fee of the Project's managing agent, if any, as set forth in the Management Agreement between the owner and said managing agent, excepting any fee to an identity of interest managing agent which shall only be paid after the remaining Operating Expenses below; and

- All remaining Operating Expenses of the Project (which specifically exclude the Loan principal, interest, and annual fee payments), including but not limited to, taxes other than those for which an escrow payment is required under Clark County's or another loan, maintenance, fuel, management, water and sewage, administration, electricity, legal, audit, and all other current expenses, unless other funds for payment are set aside or deferment of payment has been approved by Clark County.

Reserve and Other Accounts

The Reserve Accounts shall be held in deposit in a FDIC/NCUA insured account in a Nevada bank or credit union licensed to do business in Nevada. In all cases, the Owner must notify the County within five (5) days of:

- Any withdrawal from the Operating Reserve; and
- Any withdrawal of more than $10,000 from the Replacement Reserve.

Security Deposit Account

Security deposits must be held in a segregated interest-bearing depository account and may not be comingled with the operating account.

Replacement Reserve

As covered in Chapter 5, each project must maintain a replacement reserve. The replacement reserve is held by the Owner.

Operating Reserve

Most projects are required, as part of their initial development, to establish an operating reserve that will be held by the Owner. The project-specific written agreement and legal documents outlines the minimum balance for the operating account, which is usually set at underwriting to be six (6) months of underwritten operating expenses (including reserve deposits) and debt service. If used, the operating reserve must be replenished prior to any distributions of surplus cash to the owner.

The purpose of the operating reserve is to protect against unexpected operating deficits following stabilized occupancy of the project (that is the operating reserve cannot be drawn for lease-up and stabilization period deficits). Upon experiencing an operating deficit, owners can seek withdrawals from the operating reserve to pay a project's operating expenses (except that generally any identity of interest management fees cannot be paid from the operating reserve and must be deferred by the management company). Projects seeking disbursements from the operating reserve will be subject to enhanced oversight by Clark County, potentially including ongoing monthly reporting of income and expenses and/or may be required to submit a corrective action plan identifying steps the owner will take to stabilize operations.

Preservation Reserve

HOME Funded Projects Only

HOME projects funded since 2017 may be required to establish a preservation reserve account. The preservation reserve is not capitalized but instead is held by the property owner and funded from a percentage (usually 50%) of surplus cash each year. The preservation reserve is a reserve of "last resort" and may only be used:

- Toward expenditures deemed necessary by Clark County to preserve the ongoing economic and physical viability of the project during the project's Affordability Period. Prior to authorizing disbursement from the Preservation Reserve Account, Clark County will require the owner to enter into a memorandum of understanding, workout agreement, or other agreement acceptable to Clark County outlining steps the owner will take to correct or resolve concerns about the project's ongoing viability. In general, no disbursements of the Preservation Reserve Account will be authorized if funds are available in the Replacement Reserve Account or Operating Reserve Account.

- Upon maturity or default of the loan, the Owner may disburse the Preservation Reserve Account toward any outstanding loan balance or other financial obligation of the Owner to Clark County, including but not limited to any repayment obligation to HUD incurred by Fund. Following full satisfaction of Clark County's loan and any other financial obligations to Clark County, the remaining balance of the Preservation Reserve Account may be distributed as surplus cash.

Annual Financial Review and Approval

By December 31st of each year please provide:

- Annual audited financial statements (Single audit if applicable)
- Any restricted cash activity (on all reserves for previous year)
- Operating budget for the upcoming calendar year, including projected cash flow

Please note the submission process at the end of Chapter 7. With the budget submission, owners must disclose any identity of interest (aka related party) vendors or contractors for Clark County's review and approval.

Surplus Cash Distribution

The following applies to HOME Funded projects only. CHF Funded projects must follow the terms of their CHF Funding Agreement.

To ensure ongoing compliance with financial requirements and a project's viability, owners may not distribute surplus cash (i.e. cash flow) from the Operating Account without Clark County's approval. Distributions of surplus cash will require, at minimum, that Clark County has reviewed and approved the most recent operating budget, all financial reports or audits otherwise due, and any outstanding monitoring actions to ensure that the project is in compliance with all regulatory and contractual obligations, that all reserves are fully and properly funded, the project is in compliance with all applicable property standards with no unresolved physical deficiencies and there is no default in the terms of the CHF or HOME Agreement. Additionally, the operating account, following any distribution, must maintain liquidity equal to or in excess of one month's gross revenue potential as identified in the most recently approved annual operating budget.

Financial Reporting Requirements

Owner agrees that excerpts or transcripts of all checks, payroll registers, time records, invoices, contracts, purchase orders and other accounting documents related to or arguably related to the Project will be provided upon reasonable request to Clark County, applicable federal authorities, and their authorized agents.

Audit

Clark County requires independent audits for most CHF and HOME funded projects each year. With prior permission, Clark County waives the project audit requirement for some small HOME and CHF projects (such as a project consisting of two or three single family homes held by a CHDO). In such cases, owners must still submit any organization audit they have received and must also provide the following:

- Balance Sheet
- Statement of Cash Flows
- Operating Account Statement
- Security Deposit Account Statement
- Account Statement(s) for Reserve(s) not held by Clark County

Monthly Financial Reporting

Based on its ongoing oversight and monitoring, Clark County may identify a project as troubled. Designation of a project as troubled may be triggered by factors including but not limited to operating deficits, underfunded reserves, excessive vacancy, and identified financial management weaknesses.

Troubled projects will be required to provide more frequent financial (or other) reporting including:

- Monthly Operating Statements
- Monthly Rent Rolls
- Monthly Operating Account Statements

Chapter 7: Monitoring, Recording and Reporting

Clark County, or its designated agent, will monitor all CHF and HOME funded projects for three key things:

1. Compliance with CHF and HOME program requirements;
2. Overall financial performance / viability; and
3. Physical condition of the property and units.

In addition to providing Clark County or its designee with access to the project and its records, owners must also provide access to HUD, HUD's Office of Inspector General, the Government Accountability Office (GAO), any other applicable federal authority, or their designees.

For HOME funded projects, Clark County is required to provide ongoing, risk-based monitoring of its HOME portfolio throughout the Affordability Period. In turn, HUD monitors Clark County to ensure that it is properly overseeing its portfolio and can review any given project's compliance with the terms of both federal regulations and the project-specific legal documents. For projects that fail to comply with applicable HOME requirements, HUD can require repayment to the federal treasury of the entire HOME investment in the project, without proration based on the portion of the Affordability Period "completed" per 24 CFR 92.503(b)(1).

Monitoring Approach and Schedule

Clark County uses a risk-based approach to monitoring, allowing it to focus on areas of special concern or to increase oversight of projects that pose a particular compliance risk. Every project will be reviewed at least annually using a combination of desk and on-site monitoring techniques.

The goal of monitoring extends beyond simply reviewing core compliance with the income and rent restrictions, property standards, and operating requirements (e.g. marketing and leasing expectations) of the CHF and HOME programs, and project-specific requirements contained within the legal documents. Monitoring is also intended to be proactive, assisting owners in identifying concerns before they become compliance deficiencies and promoting best practices that improve the longevity and impact of affordable housing in the state.

Desk Monitoring

Desk monitoring involves the review of various owner-submitted reports and other information to determine whether a property continues to comply with applicable requirements and is being managed responsibly.

At a minimum, the following documents must be submitted annually as part of a desk review:

- Annual audited financial statements (single audit if applicable)
- Any restricted cash activity (on all reserves for previous year)

- Operating budget for the upcoming calendar year
- Clark County Housing Beneficiary Report
- Affirmative Marketing Materials
- Proposed Rent and Fee Schedule for the Upcoming Year
- Proof of casualty insurance

Every five (5) years, the Affirmative Fair Housing Marketing Plan must be submitted for approval.

Information required for the Desk Review will be due at Clark County offices no later than December 31st of each year.

Onsite Monitoring

In general, every project will be subject to a desk monitoring each year. HUD requires an on-site monitoring occur not less than every third year. Clark County reserves the right to conduct additional desk or on-site monitoring more frequently if it determines that additional reviews are warranted.

On-site monitoring builds on the initial desk monitoring review and involves more detailed reviews of a project's records including tenant file reviews, operating/management files, and physical inspections of the site and its units.

Tenant files will be reviewed to ensure compliance in the following areas:

- Income Eligibility and Verifications
- Annual Tenant Income Certifications
- Rents, including Utility Allowances and Rent Increases
- Lease Agreements and House Rules
- Applicant Screening

In addition to tenant files, Clark County, or its designee will also review the following documents and practices to ensure that applicants are treated fairly and in compliance with fair housing laws including:

- Tenant Selection Plan
- Affirmative Fair Housing Marketing Plan
- Tenant Marketing/Solicitation Materials, including Advertising and Brochures
- Waiting List
- Management Plan
- Management Agreement (if applicable)
- Eviction Records
- VAWA-Required Records
- Physical Inspections

During the on-site review, Clark County or its designee will conduct a physical inspection of individual units. The property owner or manager should notify the tenants to anticipate an inspection of their units once the review is scheduled.

During the physical inspection, a walk-through of the units will determine if the property meets the applicable property standards (see Chapter 5) and to ensure no items that are a threat to the health and safety of the occupants exist within the unit. Clark County will notify the owner/manager of any items of concern, and the owner/manager will have 24 hours to correct violations that are considered health or safety threats.

Inspections must be based on a statistically valid sample of units appropriate for the size of the CHF and HOME-assisted project, as set forth by HUD through 24 CFR 92.504(d). For projects with one-to-four CHF and HOME assisted units, Clark County must inspect 100 percent of the units for each building. For larger projects, Clark County may choose not to inspect all individual units, unless a significant number of them fail the inspection. Generally, a maximum of 25% of the units, and a minimum of one unit in every building, will be inspected during each on-site review. Clark County may also inspect common areas such as community rooms, offices, and laundry facilities; mechanical rooms; and grounds, sidewalks, street and parking areas, playgrounds, and building exteriors.

Recordkeeping Requirements

A file shall be maintained for each tenant residing in the property. The file shall contain at a minimum:

- A completed Application for Residency
- Income and Asset Verifications
- Results of Applicant Screening
- Executed Lease Agreement
- Lease Addendums, if applicable
- Executed copy of House Rules, if applicable
- Tenant Income Certification for each year the tenant has resided at the property
- Move-in Inspection
- Owner/Manager Inspection Reports
- Correspondence
- Notices of Rent Increases, if applicable

Files must be maintained in an orderly manner. The information must be separated by year beginning with the most current year. Each year should be divided by a sheet of colored paper. Tenant Income Certification should be the first document in each annual section with any supporting documentation, lease addendums, correspondence, etc. behind the applicable TIC.

Record Retention

CHF Funded Projects

Owner must retain all applicable and project records as specified in Section 7.4 of the CHF Funding Agreement, which includes the following:

- Records relating to ongoing operations of the Project, including tenant files, must be maintained for not less than the most recent five-year period. Such records must be maintained until five (5) years beyond the end of the CHF Affordability Period.

- If there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have commenced before the expiration of the retention periods outlined, such records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention period, whichever occurs later, and Owner shall maintain reasonable security measures to protect records containing personal information from unauthorized access, acquisition, destruction, use, modification or disclosure per NRS Chapter 603A to ensure against a breach of the security of personal information of clients, staff or other individuals. Owner shall have established written policies and procedures that align with NRS Chapter 603A and shall follow these procedures. Upon written request, Owner shall make available to Clark County staff these written policies and procedures and will be monitored for compliance.

HOME Funded Projects

Owner must maintain records pursuant to 24 CFR 92.508(c), which includes the following:

- For rental housing projects, records may be retained for five years after the project completion date; except records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period, until five years after the affordability period terminates.

- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

Reports Due to Clark County

Clark County reserves the right to update, change, modify, or otherwise impose new reporting requirements on any project at any time in response to project-specific performance, compliance, or viability concerns.

All reporting documents are to be submitted to the following:

If you are only funded through HOME, please submit reporting to: CCHOME@clarkcountynv.gov.

If you are only funded through CHF, please submit reporting to: chf@clarkcountynv.gov

If your project is funded through both HOME and CHF you must submit reporting documents to both CCHOME@clarkcountynv.gov and chf@clarkcountynv.gov

Please include “Monitoring” and the name of the project in the subject line of the email.

Chapter 8: Low Income Housing Tax Credits

Many CHF and HOME funded projects also involve equity generated by the award of Low-Income Housing Tax Credits (LIHTC). While there are substantial similarities between tax credits, CHF and HOME in terms of ongoing compliance, simply complying with LIHTC requirements is not sufficient for CHF and HOME compliance.

In general, whenever a development includes multiple sources of financing and is subject to overlapping compliance requirements, it must comply with all requirements of each program. In practice, this means that the most restrictive provisions will usually apply. The sole exception is that in the case of in-place tenants of HOME-assisted units who have become over-income, if raising the over-income tenant's rent as specified by HOME would result in a rent higher than allowed under LIHTC, an owner is not required to increase the over-income tenant's rent beyond the applicable LIHTC rent.

To help avoid other compliance missteps, owners and management companies should keep in mind the following points:

Income limits may vary: HOME Income Limits and HUD Annual / Section 8 Income Limits may increase or decrease from year to year based on census data. If the qualifying income limit for a HOME unit declines from one year to the next, the current lower income limit must be applied for new tenants and for purposes of recertifying existing tenants. LIHTC, on the other hand, uses hold harmless rules for income limits such that for a specific project, the qualifying income limits do not decline but always hold their "high water mark" once a project has been placed in service. This can be confusing since the "50% AMI" level, for example, may be different in the HOME and HUD Annual income limits chart vs. the LIHTC income limits chart. Projects with CHF funds only should follow the LIHTC hold harmless approach.

Additionally, as noted in Chapter 4, HUD publishes program-specific income limits for HOME which come out on a different schedule than the Section 8 income limits. While LIHTC bases their income limits on Section 8, LIHTC income limits may vary slightly from HUD published income limits. It is important to verify the LIHTC income limits annually. Due to the timing of when annual income limits are published, there will be a period of time each year when qualifying limits for LIHTC have been adjusted upward but HUD has not yet published updated limits and must still use the "prior" year's chart. When more than one set of income limits apply to a unit, the lowest income limit must be applied.

Income verification: CHF and HOME require two months of source documentation at initial application in addition to third-party verifications required by Clark County. In future years, while CHF and HOME require full documentation at recertification, LIHTC can rely exclusively on third-party verification.

Additionally, when considering assets, CHF and HOME requires all assets to be verified with source documentation and potentially third-party verification regardless of their aggregate value. LIHTC, on the other hand, only requires verifications when assets have an aggregate value of $5,000 or more, relying on tenant self- certifications below that level.

Rent limits vary: HOME Program rent limits are based on different income levels. For example, the High-HOME rent is calculated against 65% of adjusted income while LIHTC is calculated against 60% of gross AMI. In addition, HOME rent limits are the lesser of the fair market rent or a rent that does not exceed 30% of the adjusted family income. When more than one set of rent limits apply to a unit, the lowest rent limit must be applied.

Impact of rent assistance: Rules vary for when an owner can accept a rent in excess of the program's "standard" limit because of the availability of rental assistance. For HOME, the published HOME limits apply with one exception. In Low-HOME units with project-based rental assistance where the tenant's contribution to rent (and utilities) is no more than 30% of the tenant's adjusted income, the owner can accept the full rent allowed by the project-based rental assistance program. This does not apply for Low-HOME units where the resident has a tenant-based voucher or in a High-HOME unit. In contrast, LIHTC allows the owner to collect a higher rent from a rental assistance program, whether project-based or tenant-based, provided the tenant him/herself does not pay more than the applicable LITHC rent limit toward their rent and utilities. Projects with CHF funds only should follow the LIHTC approach.