



## ***Yolo County Housing***

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**DATE:** January 13, 2011  
**TO:** YCH Board of Commissioners  
**FROM:** Lisa A. Baker, Executive Director  
**PREPARED BY:** Marianne Krager, Director of Operations  
**SUBJECT:** **REVIEW AND APPROVE UPDATE TO HUD'S VERIFICATION HIERARCHY FOR BOTH HCV (ADMINISTRATIVE PLAN) AND LIPH (ADMISSIONS AND CONTINUED OCCUPANCY PLAN)**

### RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Review and approve updated language to the "VERIFICATION HEIRARCHY" for both the Housing Choice Voucher and Public Housing Programs; and
2. Authorize the Executive Director to implement.

### BACKGROUND / DISCUSSION

HUD requires PHA'S to verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and tenants must cooperate with the verification process as a condition of receiving assistance. In addition, HUD regulations create a VERIFICATION HEIRARCHY that list, in order, what constitutes appropriate verification of that information. The PHA must not pass on the cost of verification to the family. HUD recently issued an updated notice (PIH 2010-19) that provided updated guidance on how to verify family information. The notice was required for both HCV & LIPH programs.

Currently YCH policy requires all forms of verification to be "third party". HUD's prior definition of "third party" documentation meant that the document had to be issued by the third party directly to the YCH. If third party documentation was brought in by the tenant, it was considered "second party" documentation and generally not acceptable unless third party was unattainable. This often meant long waits and staff follow up time before this type of documentation could be used by the YCH. HUD's PIH notice now changes the definition of "third party" documentation to allow tenant provided third party documentation to count as true "third party" documentation.

Updating the policy to reflect the changes in PIH notice 2010-19 allows the YCH to also accept tenant provided documents as sufficient “third party documentation”.

The use of acceptable tenant-provided documents, which originate from a third party source, will continue to protect the integrity of information used to determine a family’s income and rent and ultimately reduce improper subsidy payments. But, this updated process will also streamline the income verification process and additionally reduce administrative burden.

### YCH PROPOSED POLICY

YCH will review its plans every two years and more often if needed, to reflect changes in regulations, YCH operations, or when needed to ensure staff consistency in operation. If changes are needed, staff will bring those forward to the Board of Commissioners for consideration.

HUD requires YCH to use the most reliable form of verification that is available and to document the reasons when it uses a lesser form of verification. The YCH verification hierarchy will allow acceptable and original, not photocopied, third party documentation provided by the tenant (participant) to be considered as true third party verification. Examples of documents in the possession of the tenant that are derived from third party sources include: employers verification, federal or state notices, notices from local agencies, bank statements and verifications, pension and stock/bond statements. This verification hierarchy applies to income determinations for applicants and participants.

### FISCAL IMPACT

Unknown at this time. There will be time and staff time savings, as well as potential savings in time costs for applicants and participants, as well as improved customer service for applicants and participants.

### CONCLUSION

In order to streamline verification processes and improve customer service, staff is recommending that the Board adopt the proposed Administrative Plan and Admissions and Occupancy Plan change. The proposed language change is a clarification of policy and not a substantial amendment to the Administrative Plan. As such no public hearing is required for adoption.