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TENNESSEE HOUSING DEVELOPMENT AGENCY, Petitioner vs. YOLANDA JOHNSON, Respondent

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BEFORE THE TENNESSEE HOUSING DEVELOPMENT AGENCY

TENNESSEE HOUSING DEVELOPMENT AGENCY,	]	
Petitioner,	]	
vs.		
	]	**Docket # 32.00-116547J**
YOLANDA JOHNSON,	]	
Respondent.	]	

INITIAL ORDER

This contested administrative case was heard at the Jackson Field Office of the Tennessee Housing Development Agency, on July 3, 2012, before Rob Wilson, Administrative Judge, assigned by the Secretary of State and sitting for the Tennessee Housing Development Agency. Bruce Balcom, Assistant General Counsel, represented the Tennessee Housing Development Agency ("THDA" or "the Agency"). The Respondent, Yolanda Johnson, proceeded on her own behalf.

The subject of the hearing was the proposed termination of the Respondent's rental assistance because, while receiving Housing Choice Voucher assistance from THDA, she failed to pay her re-payment agreement in a timely manner. Upon full consideration of the record, it is determined that the Respondent's participation in the THDA Rental Assistance Program should be terminated. This determination is based upon the following findings of facts and conclusions of law.

FINDINGS OF FACT

1. The Respondent, Yolanda Johnson, was a participant of the THDA Section 8 Housing Choice Voucher program.

2. In April of 2009, Respondent entered into a Section 8 Rental Assistance Repayment Agreement with THDA. The agreement stated that Ms. Johnson would repay the amount of $2106.28 in monthly installments of $35.00 beginning on June 1, 2009.

The $2106.28 amount represents the amount of rental assistance that THDA overpaid on Ms. Johnson's behalf as a result of a previous program violation for unreported income.

3. The repayment agreement states:

> Failure to make a monthly payment by the fifth (5th) day of the month in which it is due means this agreement is in default. If this agreement is in default for ninety (90) days, debtor's rental assistance shall be terminated. …

4. As of January 1, 2011, through January of 2012, Ms. Johnson has frequently been between one and three months in arrearages on her monthly repayment agreement.

CONCLUSIONS OF LAW

1. As the party asserting that certain allegations are true, the Tennessee Housing Development Agency has the burden of presenting evidence to prove, by a preponderance of the evidence, that the Respondent violated her obligations under the THDA program and that, as a result, her participation in the Housing Choice Voucher program may be terminated. *See, Winford v. Hawissee Apartment Complex*, 812 S.W. 2d 293, 295 (Tenn. App. 1991); Rule 1360-4-1-.02(3),(7), TENN. COMP. R. & REGS. The Tennessee Housing Development Agency has met that burden.

2. Section 8 of the Housing Act of 1937 was designed "[f]or the purpose of aiding low-income families in obtaining a decent place to live..." and authorizes rental assistance payments to eligible families who rent existing housing. U.S.C. § 1437f(a); *see also, Davis v. Mansfield Metropolitan Housing Authority*, 751 F. 2d 180, 183 (6th Cir. 1984). The Housing Act was amended by Congress in 1974 to add the voucher program. 42 U.S.C. § 1437f(o). The Housing Choice Voucher program is administered by local public housing agencies, such as Tennessee Housing Development Agency. Once issued a voucher, a participating family obtains a suitable residence, and the rent is subsidized

by the federal government. *See generally*, *Wojcik v. Lynn Housing Authority*, 845 N.E. 2d 1160, 1162, n. 2 (Mass. App. 2006) [brief overview of Section 8 voucher program].

3. Among other reasons, a public housing agency may terminate a family's Housing Choice Voucher if the "family defaults under a plan of repayment as defined by the Repayment Agreement". 24 C.F.R. §982.552(b)(4).

4. The provisions of 24 CFR 982.552, *et seq*., are incorporated in the THDA Section 8 Rental Assistance Administrative Plan, as required by Rule 0770-1-5-.10, TENN. COMP. R. & REGS., and govern the THDA Rental Assistance Program. [*See* Chapter 15, Family Obligations/Responsibilities, THDA Section 8 Rental Assistance Administrative Plan.] Violation of the obligations imposed by the Federal Regulations and the Rental Assistance Administrative Plan provides sufficient grounds for termination of THDA assistance. [*See* Chapter 11, Termination of Assistance, THDA Section 8 Rental Assistance Administrative Plan.]

5. The Respondent signed an agreement to repay the overpayment amount, but failed to make timely payments shortly after the agreement was signed. Based on default of her repayment agreement with THDA, the Agency made the decision to terminate her participation in the program.

6. Defaulting on a Section 8 Repayment Agreement is a violation of THDA's Housing Choice Voucher program. This violation provides a sufficient basis for termination of Respondent's participation in the Rental Assistance Program.

7. THDA receives limited government funding for its Rental Assistance Program. As a result of that limited funding, when program participants, such as the Respondent, receive assistance while disregarding the rules of the program, others in the community must be denied assistance to which they might otherwise be eligible. THDA policies, as reflected in the Administrative Plan, dictate that sanctions must be imposed on program participants who abuse the program, and prevent others from receiving its benefits. By

failing to pay her repayment agreement in a timely manner, the Respondent has demonstrated her unwillingness to abide by THDA regulations and its Rental Assistance Program requirements. In light of all the facts of this case, termination of the Respondent's participation in the program is an appropriate sanction.

Accordingly, it is hereby ordered that the Respondent's participation in the THDA Rental Assistance Program is TERMINATED, due to her failure to comply with the requirements of the program.

This Initial Order entered and effective this 18 day of July, 2012

Rob Wilson
Administrative Judge

Filed in the Administrative Procedures Division, Office of the Secretary of State, this 18 day of July, 2012

Thomas G. Stovall, Director
Administrative Procedures Division