

HOUSING AUTHORITY OF THE CITY OF STERLING

ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

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Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Housing Authority of the City of Sterling, Sterling CO is referred to as "PHA" or "Housing Authority" or "SHA" throughout this document. This includes the latest provisions for HOTMA.

The Public Housing Program was created by the U.S. Housing Act of 1937.

Administration of the Public Housing Program and the functions and responsibilities of the Public Housing Authority (PHA) staff shall be in compliance with the Housing Authority of the City of Sterling (SHA) Personnel Policy and this Admissions and Continued Occupancy Policy. The administration of the SHA's housing program will also meet the requirements of the Department of Housing and Urban Development. Such requirements include any Public Housing Regulations, Handbooks, and applicable Notices. All applicable Federal, State and local laws, including Fair Housing Laws and regulations also apply. Changes in applicable federal laws or regulations shall supersede provisions in conflict with this policy. Federal regulations shall include those found in Volume 24 CFR, Parts V, VII and IX. (Code of Federal Regulations).

A. STERLING HOUSING AUTHORITY OF THE CITY OF STERLING, COLORADO MISSION STATEMENT

It is the mission of SHA to provide affordable housing to eligible people within our community while creating and promoting opportunities for independence, self-sufficiency, and an improved quality of life.

Our organization is committed to teamwork that values integrity, initiative, innovation and trust.

SHA's goals are to maximize housing opportunities for eligible persons, to facilitate opportunities for self-sufficiency of the residents, and to create a team-based environment that promotes communication and development of all employees.

B. LOCAL OBJECTIVES

This Admissions and Continued Occupancy Plan for the Public Housing Program is designed to demonstrate that SHA is managing its program in a manner that reflects its commitment to improving the quality of housing available to its public, and its capacity to manage that housing in a manner that demonstrates its responsibility to the public trust. In addition, this Admissions and Continued Occupancy Policy is designed to achieve the following objectives:

To provide improved living conditions for very low- and low-income families while maintaining their rent payments at an affordable level.

To operate a socially and financially sound public housing agency that provides decent, safe, and sanitary housing within a drug free, suitable living environment for tenants and their families.

To lawfully deny the admission of applicants, or the continued occupancy of residents, whose habits and practices reasonably may be expected to adversely affect the health, safety, comfort or welfare of other residents or the physical environment of the neighborhood, or create a danger to SHA's employees.

To attempt to house a tenant body in each development that is composed of families with a broad range of incomes and rent-paying abilities that are representative of the range of incomes of low-income families in SHA's jurisdiction.

To provide opportunities for upward mobility or families who desire to achieve self-sufficiency.

To facilitate the judicious management of SHA's housing inventory, and the efficient management of SHA staff.

To ensure compliance with Title VI of the Civil Rights Act of 1964 and all other applicable Federal laws and regulations so that the admissions and continued occupancy are conducted without regard to race, color, religion, creed, sex, sexual orientation, national origin, disability or familial status.

C. PURPOSE OF THE POLICY

The purpose of this Admissions and Continued Occupancy Policy (ACOP) is to establish guidelines for SHA staff to follow in determining eligibility for admission and continued occupancy. These guidelines are governed by the requirements of the Department of Housing and Urban Development (HUD) with latitude for local policies and procedures. These policies and procedures for admissions and continued occupancy are binding upon applicants, residents, and SHA.

SHA's Board of Commissioners must approve the original policy and any changes. Required portions of this Plan are provided to HUD.

D. FAIR HOUSING POLICY

Nondiscrimination

It is the policy of SHA to fully comply with Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, state and local Fair Housing laws, and any legislation protecting the individual rights of residents, applicants or staff which may be subsequently enacted.

SHA shall not discriminate because of race, color, sex, religion, familial status (in non-elderly designated housing), disability, sexual orientation, or national origin in the leasing, rental, or other disposition of housing or related facilities, including land, included in any development or developments under its jurisdiction.

Housing Authority of the City of Sterling (SHA) will comply with all laws and court orders relating to civil rights, including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.) and 24 CFR Part 1
- Fair Housing Act (42 U.S.C. §§3601-3631) and 24 CFR Parts 100, 108, and 110
- Executive Order 11063 on equal opportunity in housing and 24 CFR Part 107
- Executive Order 13166 on improving access to services for persons with limited English proficiency
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and 24 CFR Part 8
- Age Discrimination Act of 1975 (42 U.S.C. §§6101-6107) and 24 CFR Part 146
- Title II of the Americans with Disabilities Act (42 U.S.C. §§12131-12134), 28 CFR 35
- The Violence Against Women Act 2022
- Limited English Proficiency
- All applicable state and local laws and ordinances

These requirements prohibit discrimination on the basis of race, color, religion, sex (including gender identity and sexual orientation), familial status, national origin, disability, age, and marital status. SHA must also comply with Title III of the Americans with Disabilities Act of 1990, as applicable (see 28 CFR part 36).

When an assisted household includes a person with disabilities, a reasonable accommodation may be necessary. A reasonable accommodation is a change, exception, or adjustment to rules, policies, practices, or services that may be necessary in order to enable an applicant or resident with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common areas, or to participate in or access programs and activities.

Under Section 504, reasonable accommodations may also include a structural change to a unit, or to a public or common use area. In addition, the SHA must provide effective communication to persons with disabilities, including those with vision, hearing, and other communication-related disabilities, which includes ensuring that information is provided in appropriate accessible formats as needed (e.g., Braille, audio, large type, assistive listening devices, sign language interpreters, accessible Web sites; and other accessible electronic communications). See 24 CFR § 8.6.

SHA must also take reasonable steps to ensure meaningful access for persons with limited English proficiency (LEP). LEP guidance and LEP information is available at: <https://www.federalregister.gov/documents/2007/01/22/07-217/final-guidance-to-federal-financial-assistance-recipients-regarding-title-vi-prohibition-against>.

In addition, SHA must comply with the Violence Against Women Act (VAWA), HUD's implementing VAWA regulation at 24 CFR part 5 – subpart L, and applicable program regulations.

SHA shall not discriminate because of race, color, sex, religion, familial status (in non-elderly designated housing), disability, or national origin in the leasing, rental, or other disposition of housing or related facilities, including land, included in any development or developments under its jurisdiction.

SHA shall not take any of the following actions on account of race, color, sex, religion, familial status, disability, sexual orientation or national origin:

- Deny to any family the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to its needs.

- Provide housing that is different than that provided others.

- Subject a person to segregation or disparate treatment.

- Restrict a person's access to any benefit enjoyed by others in connection with any program operated by the Housing Authority.

- Treat a person differently in determining eligibility or other requirements for admission.

- Deny a person access to the same level of services.

- Deny a person the opportunity to participate in a planning or advisory group that is an integral part of the public housing program.

SHA shall not automatically deny admission to a particular group or category of otherwise eligible applicants (e.g. families with children born to unmarried parents or elderly pet owners). Each applicant in a particular group or category will be treated on an individual basis in the normal processing routine.

SHA will seek to identify and eliminate situations or procedures that create a barrier to equal housing opportunity for all. In accordance with Section 504 of the Rehabilitation Act of 1973,

SHA will make such physical or procedural changes as will reasonably accommodate people with disabilities.

SHA records with respect to applicants for admission shall indicate for each application the date of receipt, the determination of eligibility or non-eligibility, the preference rating if any, and the date, location, identification, and circumstances of each vacancy offered and whether that vacancy was accepted or rejected.

SHA will identify and eliminate situations or procedures that create a barrier to equal housing opportunity for all. In accordance with Section 504, and the Fair Housing Amendments Act of 1988, SHA will make structural modifications to its housing and non-housing facilities (required, 24 CFR §§8.21, 8.23, 8.24, and 8.25) and make reasonable accommodations in its procedures or practices (required, 24 CFR §100.204) to permit people with disabilities to take full advantage of SHA's programs and services.

- 1) In making existing housing programs (see 24 CFR §8.24) or alterations to existing facilities (see 24 CFR §8.23(b)) to be readily accessible to and usable by individuals with handicaps, SHA is not required to:

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- (a) Make each of its existing facilities accessible (24 CFR §8.24(a)(1)), or make structural changes when other methods can be demonstrated to achieve the same effect; (24 CFR §8.24 (b))
 - (b) Make building alterations that require the removal or altering of a load-bearing structural member; (24 CFR § 8.32 (c))
 - (c) Provide an elevator in any multifamily housing development solely for the purpose of locating accessible dwelling units (“units”) above or below the accessible grade level; or (24 CFR § 8.26)
 - (d) Take any action that results in a fundamental alteration in the nature of the program or results in undue financial and administrative burdens. (24 CFR § 8.24(a)(2))
 - 2) When SHA is making substantial alterations (defined in 24 CFR § 8.23 as alterations to a development that has 15+ units and the cost is 75% or more of the replacement cost of the completed facility) to an existing housing facility, SHA is not required to:
 - (a) Provide an elevator in any multifamily housing development solely for the purpose of locating accessible units above or below the accessible grade level; (24 CFR §8.26)
 - (b) Make building alterations that require the removal or altering of a load-bearing structural member; or (24 CFR §8.32 (c))
 - (c) Make structural alterations to meet minimum accessibility requirements where it is structurally impracticable. “Structural impracticability” is defined as: Changes having little likelihood of being accomplished without removing or altering a load-bearing structural member and/or incurring an increased cost of 50% or more of the value of the element of the building or facility involved. (24 CFR §8.32(c) and Appendix A to Part 40, Uniform Federal Accessibility Standards (UFAS) 3.5 and 4.1.6(3))
 - 3) Note that the undue burdens test above is not applicable to housing undergoing substantial alteration.

SHA will not permit these policies to be subverted to do personal or political favors. SHA will not offer units in an order different from that prescribed by this policy, since doing so violates the policy, federal law, and the civil rights of the other families on the waiting lists.

Affirmative Marketing

As conditions may require, SHA will post notices of housing availability in particular neighborhoods or developments to encourage fuller participation. SHA may issue public announcements of availability to encourage applications for assistance. Among the marketing efforts SHA may engage in depending on the situation are the following:

Send informational spots to local media outlets such as radio stations, cable TV, newspapers, or other periodicals for broadcast or publication.

Special outreaches to minorities, persons with disabilities and very low-income families.

Distribute pamphlets and brochures.

Post notices in places of employment, unemployment offices, welfare offices, post offices, grocery stores, churches, community halls, public transportation centers, and with other agency community service providers.

Conduct outreach to organizations that assist people with disabilities, the elderly, students, immigrants, homeless people and victims of domestic violence.

SHA will monitor the benefits received as a result of the above activities, and will increase or decrease the outreach activities accordingly.

To reach minority groups, it may be necessary to canvas neighborhoods or make mass mailing to areas with heavy concentration of minority citizens. If language is a problem, brochures may be printed in Spanish or other languages as required.

Operations

In order to further the objectives of nondiscrimination, SHA shall:

Include in the admissions briefings for all SHA programs a section on compliance with Civil Rights laws. The briefings shall explain to all participants what should be done if they believe they have been discriminated against.

Prominently display Fair Housing posters in every development office owned by SHA and in SHA's administrative offices. Such posters shall be posted in such a manner as to be easily readable from a wheelchair.

Use the Equal Housing Opportunity logo and/or statement in all advertising and in all marketing publications of SHA. SHA shall be particularly conscious of human models used in its publications so as to avoid signaling any sense of discrimination.

SHA shall maintain a TDD/TTY machine or access to a TDD/TTY through 711 for the use of the hearing impaired. The Colorado Relay number is 711 for TDD/TTY.

As many publications as feasible shall be printed both in English and in Spanish or any other languages as may be commonly spoken within the SHA locality. SHA will ask for volunteers with bi-lingual language capabilities in English and Spanish or any other language as may be commonly spoken within SHA locality and make every effort to employ staff, or use technology apps.

E. SERVICE AND ACCOMMODATIONS POLICY

This policy is applicable to all situations described in this Admissions and Continued Occupancy Policy when a family initiates contact with SHA, when SHA initiates contact with a family including when a family applies, and when SHA schedules or reschedules appointments of any kind.

It is the policy of SHA to be service-directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to

the families within our jurisdiction. SHA's policies and practices will be designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations will be made known by including notices on SHA forms and letters to all families, and all requests will be verified so that the SHA can properly accommodate the need presented by the disability.

Violence Against Women Act (VAWA)

Nothing contained herein is to be construed nor will it be interpreted to violate applicable sections of Violence Against Women Act (Public Law 109-162), in agency plans, denial of assistance, termination of tenancy or lease, denial of moves, certifications, confidentiality and notification.

Federal Americans with Disabilities Act of 1990

With respect to an individual, the term "disability," as defined by the 1990 Act means:

A person with a physical or mental impairment that substantially limits one or more of the major life activities of an individual;

Has a record of such impairment; or is regarded as having such impairment. (The disability may not be apparent to others, i.e., heart condition).

Undue Hardship

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability and they do not create an "undue financial and administrative burden" for SHA, meaning an action requiring "significant difficulty or expense."

In determining whether accommodation would create an undue hardship, the following guidelines will apply:

The nature and cost of the accommodation needed;

The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation.

If more than one accommodation is equally effective in providing access to the SHA's programs and services, the SHA retains the right to select the most efficient or economical choice.

Any request for an accommodation that would enable a tenant to materially violate essential lease terms will not be approved, i.e. allowing nonpayment of rent, destruction of property, disturbing the peaceful enjoyment of others, etc. If available, SHA will offer 1 viable alternative to the tenant.

Verification of a Request for Accommodation

All requests for accommodation or modification of a unit will be verified with a reliable, knowledgeable, medical professional.

Requests for reasonable accommodation from persons with disabilities will be granted

upon adequate written verification that they meet the requirement of the need for an accommodation, there is a nexus between the request and the accommodation, the requested accommodation meets the need and meets the reasonableness requirement.

Reasonable Accommodation

Reasonable accommodation will be made for persons with a disability who require and advocate or accessible space. A designee will be allowed to provide the information, but only with the written permission of the person with the disability.

SHA mailings will be made in an accessible format upon request, as a reasonable accommodation.

Application Process

For purposes of this section, SHA will make the following types of accommodations to persons with disabilities to facilitate the application process:

- Home Visit;
- Pre-Application by mail or internet

Home Visits

When requested and where the need for reasonable accommodation has been established, the SHA will conduct home visits to residents to take an application, or conduct annual or interim recertification.

Requests for the home visit must be received by the SHA at least 10 days before the scheduled appointment date in order for the request to be considered.

Interpretation for Visual or Audible Impairments

Documents intended for use by applicants and residents will be made available in formats accessible for those with vision or hearing impairments in compliance with the Fair Housing Act, 24 CFR 8.6, including communication by way of TDD/TTY for those applicants or program participants who are speech or hearing impaired.

Other Accommodations

Qualified families will be offered an accessible unit, upon request by the family, when an accessible unit is available. Due to the limited number of accessible units, SHA will offer vacant accessible units with features for person with disabilities as follows:

- First, to a current occupant of another unit of the same development who requires the accessible features of the vacant, accessible unit and is occupying a unit not having the features;
- Second, if there is no current resident in the same development that requires the accessible features of the vacant unit, then it will be offered to a resident with

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- disabilities residing in another development under SHA's control, who has a disability that requires the special features of the vacant accessible unit;
- Third, if there is no current resident who requires the accessible features of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the available, vacant, accessible unit;
 - Fourth, if there is not an eligible qualified resident or applicant with disabilities on the waiting list who wishes to reside in the available, accessible unit, then the SHA will offer the available accessible unit to an applicant on the waiting list who does not need the accessible features of the unit. However, the SHA may require the applicant to execute a lease that requires the resident to relocate, at the SHA's expense, to a non-accessible unit within thirty (30) days of notice by the SHA that there is an eligible applicant or existing resident with disabilities who requires the accessibility features of the unit. *See* 24 CFR § 8.27. Although the regulation does not mandate the use of the lease provision requiring the nondisabled family to move, as a best practice, HUD strongly encourages recipients to incorporate it into the lease, which is included by reference in the ACOP. By doing so, the SHA may not have to retrofit additional units because accessible units are occupied by persons who do not need the features of the units. In addition, making sure that accessible units are actually occupied by persons who need the features will make recipients better able to meet their obligation to ensure that their program is usable and accessible to persons who need units with accessible features. *See* 24 CFR 8.20. Before occupying with an able-body in the unit, the SHA will over-house a disabled family qualifying for the unit, with the understanding that they will move to an appropriate sized accessible unit when one becomes available.

F. REQUESTS FOR REASONABLE ACCOMMODATIONS

The SHA is dedicated to providing housing benefits through the public housing program and, in doing so, it prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, familial status, sexual orientation and **disability**, consistent with the United States Fair Housing Act, 42 U.S.C. sections 3601-3619 and Section 504 of the Rehabilitation Act of 1973, as amended.

The SHA recognizes the following terms and definitions:

1. The SHA considers a person with a **“disability”** to include: (1) individuals with a physical or mental impairment that substantially limits one or more major life activities; (2) individuals who are regarded as having such an impairment; and (3) individuals with a record of such an impairment.
2. The term **“physical or mental impairment”** includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, Human Immunodeficiency Virus infection, cancer, heart disease, diabetes, mental retardation, emotional illness (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

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3. The term “**substantially limits**” suggests that the limitation is “significant” or “to a large degree.”
 4. The term “**major life activity**” means those activities that are of central importance to daily life, such as seeing, hearing, walking, breathing, performing manual tasks, caring for one’s self, learning, and speaking. This list of major life activities is not exhaustive.
 5. The term “**reasonable accommodation**” is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces.

The SHA is committed to making reasonable accommodations to rules, policies, practices, or services when such accommodations may be necessary to afford persons with disabilities with an equal opportunity to use and enjoy a dwelling. The SHA will consider that a person is requesting a reasonable accommodation when that person makes it clear that he/she is requesting an exception, change, or adjustment to a rule, policy, or practice, or service because of a disability, regardless of whether the request is made verbally or in writing. Upon receipt of a request for a reasonable accommodation, the SHA will engage the person in dialogue to discuss what type of accommodation he/she is requesting and, if the need for the accommodation is not readily apparent or not known to the SHA, the requester will be asked to explain the relationship between the requested accommodation and his/her disability.

In order to show that a requested reasonable accommodation may be necessary, there must be an identifiable relationship or nexus between the requested accommodation and the individual’s disability. The SHA is entitled to obtain information that is necessary to evaluate if a requested reasonable accommodation may be necessary because of a disability.

If a requester’s disability is known or otherwise obvious and if the need for the requested accommodation is readily apparent or known, then the SHA will NOT seek any additional information about the requester’s disability or the disability-related need for the accommodation. If the requester’s disability is known or readily apparent to the SHA, but the need for the requested accommodation is NOT readily apparent or known, the SHA will only request information that is necessary to evaluate the disability-related need for the information.

The SHA does not ordinarily inquire into the nature and severity of an individual’s disability; however, in response to a request for a reasonable accommodation the SHA may request reliable disability-related information that (1) is necessary to verify that the requester meets the Act’s definition of disability (i.e., has a physical or mental impairment that substantially limits one or more major life activity), (2) describes the needed accommodation, and (3) shows the relationship between the person’s disability and the need for the requested accommodation.

In many circumstances the requester may be able to verify the disability with information (e.g., proof that an individual under the age of 65 years of age receives either Supplemental Security Income or Social Security Disability Insurance benefits or a credible statement by the individual). In addition, a doctor or other medical professional, a peer support group, a non-

medical service agency, or a reliable third-party who is in a position to know about the requester's disability, may also be asked to provide verification of a disability.

The SHA will maintain such information confidential and it will not be shared with anyone unless the person needs the information to make or assess the decision to grant or deny a request for the accommodation, the continuation of an accommodation or unless disclosure is otherwise required by law.

Application, Screening, and Leasing Process

All prospective applicants for housing benefits are provided an opportunity to inform the SHA of their need for a reasonable accommodation at the preliminary application.

If an applicant who is an individual with a disability requires assistance in completing his/her preliminary application, he or she will receive assistance from a SHA staff.

The need for a reasonable accommodation is documented in the preliminary application.

Applicants selected from the SHA wait list are required to participate in a formal screening session. During this process, applicants are provided an opportunity to inform the SHA of a need for a reasonable accommodation. This is documented on the SHA Formal Application.

Applicants are asked to specify what types of accommodations are needed. The SHA reserves the right to ask the applicant to verify their disability and the need for the requested accommodation.

If during the screening process, an applicant, as a result of his or her disability, is unable to provide requested information by any deadline given, or where the applicant provides information which is incomplete because of his or her disability, SHA will offer the applicant assistance by offering to contact a verifier (i.e., physician, caseworker, attorney, etc.). If SHA is still unable to verify the need for a reasonable accommodation or is unable to obtain the necessary information, the applicant will be provided an opportunity to submit a request for reasonable accommodation on his/her behalf, and identify and document the difficulties he/she has experienced in obtaining the requested documentation. All actions performed by SHA to assist the applicant to obtain the necessary information will be properly documented and retained in the screening file (as applicable). If the information from the applicant and the documentation provided and/or any other relevant circumstances that are documented are acceptable, SHA will proceed with the screening process.

Current Residents

A current resident may make a request for a reasonable accommodation at any time during their residency. It is preferred that all requests be made in writing; however, in cases when residents are unable to submit a written request, SHA will offer appropriate assistance with documenting the request. After the initial request, SHA will conduct an interview with the resident to gather necessary facts related to the resident's request for reasonable accommodations. The resident

must provide the SHA with enough information in order to properly review the request for a decision and verify the need for a reasonable accommodation. As mentioned above, the SHA may need to request additional information from a professional and/or physician, etc.

Once a request for a reasonable accommodation is verified then SHA will then analyze the request to determine whether the request can be granted or whether it will be denied. Provided the verification demonstrates a disability-related need for the requested accommodation the SHA will grant the request, unless the request is unreasonable, i.e., if the request would impose an undue financial and administrative burden on the SHA or it would fundamentally alter the nature of the SHA's operations. In cases where the request is denied because it is unreasonable SHA will engage the requester in an interactive process in which SHA and the requester discuss the requester's disability-related need for the requested accommodation and possible alternative accommodations.

Once a requester's request for a reasonable accommodation has been verified and approved, the SHA will make every effort to meet the request for accommodation within the current existing unit. If the request for reasonable accommodation cannot be achieved within the existing unit and a transfer is necessary, the requester will be provided a "Transfer Request Form" to complete and the requester will be placed on the transfer waiting list. The SHA will process this request for reasonable accommodation through the approved transfer process contained within the SHA's Admissions and Continued Occupancy Plan, (ACOP). The SHA's housing stock is reviewed to see what properties are available that meet the request for a reasonable accommodation. Persons with disabilities are given priority status on the transfer waiting list.

Examples of reasonable accommodations may include, but not be limited to, the following:

- The use of telephone applications or home visit applications
- Coordinating with a reader to be available to assist a vision-impaired applicant or resident
- Coordinating with a sign language interpreter available to a hearing-impaired applicant or resident
- Coordinating with an outside agency to assist an applicant or resident with a disability/handicap
- Requests for an extra bedroom
- Emailing or mailing picture of the apartment to the perspective resident to view prior to lease-up or transfer
- Installing flashing light smoke detectors in an apartment for a household with a hearing-impaired member
- Installing a flashing light doorbell in an apartment for a household with a hearing-impaired member

- Installing raised numbers on the mailbox and in the elevator for a vision-impaired resident
- Providing a designated handicapped parking space near a mobility-impaired resident's unit although SHA's parking "first come, first served"
- Mailing or delivering a lease to a disabled resident
- Permitting a third party representative to assist a disabled resident SHA conferences or meetings

G. IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

Overview

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the public housing program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published January 22, 2007 in the *Federal Register*.

The SHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP persons are defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Admissions and Continued Occupancy Policy, LEP persons are public housing applicants and resident families, and parents and family members of applicants and resident families.

In order to determine the level of access needed by LEP persons, the PHA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the public housing program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA.

Oral Interpretation

In a hearing, or situations in which health, safety, or access to important benefits and services are at stake, the PHA will generally offer, or ensure that the family is offered through other sources,

competent interpretation services free of charge to the LEP person.

SHA Policy

The SHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. “Reasonable steps” may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible, the SHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other SHA’s, and will standardize documents. Where feasible and possible, the SHA will encourage the use of qualified community volunteers.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the SHA. The interpreter may be a family member or friend.

Written Translation

Translation is the replacement of a written text from one language into an equivalent written text in another language.

SHA Policy

In order to comply with written-translation obligations, the SHA will take the following steps:

The SHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the SHA may not translate vital written materials, but will provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

These “safe harbor” provisions apply to the translation of written documents only. They do not affect the requirement to provide meaningful access to LEP persons through competent oral interpreters where oral language services are needed and reasonable.

SHA will use the written documents supplied by HUD, whenever possible. All documents will be clearly marked “For Informational Purposes Only”. All documents that will be executed for the files and program requirements will be in English.

Implementation Plan

After completing the four-factor analysis and deciding what language assistance services are appropriate, the SHA shall determine whether it is necessary to develop a written implementation

plan to address the identified needs of the LEP populations it serves.

If the SHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the SHA's public housing program and services.

SHA Policy

If it is determined the SHA serves very few LEP persons, and the SHA has very limited resources, the SHA will not develop a written LAP, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access.

If SHA determines that it serves or is under-serving LEP persons because of language barriers and SHA has the available resources, the SHA will develop a LAP. SHA will use entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants. These entities will be contacted for input into the process.

If the SHA determines it is appropriate to develop a written LAP, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LAP.

G. PUBLIC HOUSING MANAGEMENT ASSESSMENT SYSTEM (PHAS)

OBJECTIVES [24 CFR 901 & 902]

SHA operates its public housing program with efficiency and can demonstrate to HUD or independent auditors that SHA is using its resources in a manner that reflects its commitment to quality and service. SHA policies and practices are consistent with the new Public Housing Assessment System (PHAS) outlined in the 24 CFR Parts 901 and 902 final published regulations.

SHA is continuously assessing its program and consistently strives to make improvements. The SHA acknowledges that its performance ratings are important to sustaining its capacity to maintain flexibility and authority. SHA intends to diligently manage its current program operations and continuously make efforts to be in full compliance with PHAS. The policies and procedures of this program are established so that the standards set forth by PHAS are demonstrated and can be objectively reviewed by an auditor whose purpose is to evaluate performance.

H. FAMILY OUTREACH

SHA will publicize and disseminate information to make known the availability of housing units and housing-related services for low-income families on a regular basis.

SHA will communicate the status of housing availability to other service providers in the community. SHA will advise them of housing eligibility factors and guidelines in order that they can make proper referrals for those who seek housing.

I. QUALITY HOUSING AND WORK RESPONSIBILITY ACT (QHWRA)

SHA shall comply with the Quality Housing and Work Responsibility Act of 1998 (QHWRA). QHWRA amends the Housing Act of 1937 to include the following operational practices of the Public Housing program:

Deregulation and decontrol of public housing agencies, enabling agencies to perform as property and asset managers;

Flexibility in use of Federal assistance to enable the agency to leverage and combine assistance amounts with amounts obtained from other sources;

The facilitation of mixed income communities and the deconcentration of poverty;

An increased accountability to HUD with rewards for effective management of the Public Housing programs; and

Ability to create incentives and economic opportunities for residents of Public Housing to work, become self-sufficient.

J. FEDERAL PRIVACY ACT

SHA's practices and procedures are designed to safeguard the privacy of applicants and residents.

Applicants and residents, including all adults in their households, are required to sign the form HUD-9886-A, "Authorization for Release of Information and Privacy Act Notice." This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD will release family information.

SHA's policy regarding release of information is in accordance with State and local laws that may restrict the release of family information.

Files will never be left unattended or placed in common areas.

Criminal Background check information will be kept in a separate file with access only by persons authorized by local law enforcement and SHA. Upon making a determination of eligibility, the criminal background check information will be destroyed.

Any and all information which would lead one to determine the nature and/or severity of a person's disability will not be placed in applicant or tenant files, but must be returned or destroyed. The personal information will be reviewed by the authorized SHA representative, review of documents will be noted in the file and the originals will be returned to the applicant/tenant. If there is a need to maintain this information, it must be kept in a separate folder and marked "confidential". The personal information must not be released except on an "as needed" basis in cases where an accommodation is under consideration.

SHA staff will not discuss or access family information contained in files unless there is a business reason to do so. Staff will be required to disclose whether s/he has relatives living in Public Housing or assisted housing. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

The criminal background check information will be retained in the applicant/tenant file, kept in a secured area under lock and key, with access only by persons authorized by SHA. The HUD regulations require that upon making a determination of eligibility, the criminal background check information will be destroyed. However, this is subject to the laws of the State of Colorado. SHA is governed by the provisions of Chapter 132 and 132-1 of the public records laws of the State of Colorado and as such, no person may destroy, sell, loan, or otherwise dispose of any public record without the consent of the State of Colorado. As such, SHA shall maintain these records in a manner to protect the confidentiality requirements in a secure manner, but shall not destroy the record unless with the consent of the State of Colorado.

Any and all information that would lead one to determine the nature and/or severity of a person's disability must be returned to the tenant or destroyed. However, the personal information documenting the need for a reasonable accommodation will be maintained in the folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration.

SHA staff will not discuss or access family information contained in files unless there is a business reason to do so. Staff will be required to disclose whether s/he has relatives living in Public Housing or assisted housing. Inappropriate discussion of family information, or improper disclosure of family information by staff will result in disciplinary action.

K. POSTING OF REQUIRED INFORMATION

SHA will maintain bulletin boards in conspicuous areas of the Administrative Office and the individual site development offices. The bulletin boards will contain:

- Statement of policies and procedures governing Admission and Continued Occupancy Policy (ACOP)
- Information on application taking
- Directory of SHA's housing sites including names, address of offices and office hours at each facility
- Income limits for Admission
- Current schedule of routine maintenance charges
- A copy of the lease
- SHA's grievance procedures
- A Fair Housing Poster
- An Equal Opportunity in Employment poster
- Current Resident Notices
- Required public notices
- Security Deposit Charges
- Schedule of Utility Allowances (if applicable)
- Flat Rent Schedule

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- Limited English Proficiency Notice
 - Banned List
 - PHAS Scores
 - Reasonable Accommodation Policy
 - Accessibility Policy
 - NSPIRE Score

Chapter 2

ELIGIBILITY FOR ADMISSION

[24 CFR Part 960, Subpart B]

INTRODUCTION

This Chapter defines both HUD's and SHA's criteria for admission and denial of admission to the program. The policy of SHA is to strive for objectivity and consistency in applying these criteria to evaluate the qualifications of families who apply. SHA staff will review all information provided by the family carefully and without regard to factors other than those provided with the regulation and SHA policies. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by SHA pertaining to their eligibility.

Basic eligibility. An applicant must meet all eligibility requirements in order to receive housing assistance. At a minimum, the applicant must be a family, as defined in § 5.403 of this title, must be income-eligible, as described in this section, and must meet the net asset and property ownership restriction requirements in 24 CFR § 5.618. Such eligible applicants include single persons.

Exemption from Eligibility Requirements for Police Officers and Other Security Personnel

The Authority shall be permitted to admit to Public Housing, police officers and other security personnel who are not otherwise eligible for such housing under any other admission requirements or procedures (i.e. police officers would not be required to be income eligible to qualify for admission to the Public Housing program.) HUD's objective in granting this exemption is to permit long-term residency in public housing developments of police officers and security personnel whose visible presence is expected to serve as a deterrent to criminal activity in and around housing.

Before SHA would be permitted to house police officers or other security personnel under this provision and as contained in the five-year plan, SHA would submit to HUD the Housing Authority's standards and criteria for approval/waiver of admission criteria in accordance with 24 CFR 960.501.

A. QUALIFICATION FOR ADMISSION

It is SHA's policy to admit qualified applicants only. An applicant is qualified if he or she meets the following criteria:

Is a family as defined by regulation;

Where at least one member of the household is either a U.S. citizen or is an eligible non-citizen. (24 CFR Part 5, Subpart E).

Has an Annual Income at the time of admission that does not exceed the low-income limits for occupancy established by HUD and posted separately in the PHA offices.

Does not exceed the Asset Limitations

The Quality Housing and Work Responsibility Act of 1998 authorizes PHAs to admit families whose income does not exceed the low-income limit (80% of median area income) and the PHA is required to meet the annual 40% targeted income requirement of extremely low-income families (families whose income does not exceed 30% of median area income). It is the policy of the SHA to meet the income-targeting requirement.

Provides a Social Security number (SSN) for all family members that are declaring eligibility that have a SSN or will provide written certification that they do not have Social Security numbers for anyone that is not declaring eligibility for the program;

Must meet the net asset and property ownership restriction requirements in § 5.618..

Meets or exceeds the standards for the criminal background check;

Meets the criteria that the head of household is of legal age to execute required contracts;

Is not on the SHA banned list

Meets or exceeds the tenant Selection and Suitability Criteria as set forth in this policy.

For continued eligibility, is not above 120% of the median income for 2 consecutive years.

This student eligibility criteria do not apply to Public Housing, but only applies to the Section 8 Program.

Timing for the Verification of Qualifying Factors

The qualifying factors of eligibility will not be verified until the family is in a position on the waiting list to be offered a housing unit.

B. FAMILY COMPOSITION

Definition of Family

The applicant must qualify as a Family.

Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

(1) A single person, who may be:

(i) An elderly person, displaced person, disabled person, near-elderly person, or any other single person;

(ii) An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or

(2) A group of persons residing together, and such group includes, but is not limited to:

(i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);

(ii) An elderly family;

(iii) A near-elderly family;

(iv) A disabled family;

(v) A displaced family; and

(vi) The remaining member of a tenant family.

A single person who is not elderly, displaced, or a person with disabilities, or the remaining member of a tenant family is eligible;

Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with a live-in aide is a family;

Two or more near-elderly persons living together, or one or more near-elderly persons living with a live-in aide.

The definition of “family” in the HOTMA rule incorporates revisions made to the 1937 Act by the Fostering Stable Housing Opportunities provisions of the Consolidated Appropriations Act, 2021, which expands the definition of “single persons.” Due to the modification of the statute prior to the HOTMA rule, HUD is making a conforming change to 24 CFR § 5.403 to align with the new statutory language.

Disabled family means a family whose head (including co-head), spouse or sole member is a person with a disability.

Elderly family means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.

Near elderly family means a family whose head (including co-head), spouse or sole member is a

person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62.

The temporary absence of a child from the home due to placement in foster care shall be considered in determining the family composition and family size.

For the purposes of the definition of a qualified family and admission of a single higher education student, **the restrictions on assistance to students enrolled in an institution of higher education do not apply to public housing.** (24 CFR 5.612)

Head of Household

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

Emancipated minors who qualify under State law will be recognized as head of household if there is a court order recognizing them as an emancipated minor.

Spouse of Head

Spouse means the husband or wife of the head, and is equally responsible for compliance with the lease and other program requirements.

For proper application of the Noncitizens Rule, the definition of spouse is: the marriage partner whom, in order to dissolve the relationship, would have to be divorced. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

Co-head

An individual in the household who is equally responsible for the lease with the Head of Household. A household may have either a spouse or co-head, but not both. A co-head never qualifies as a dependent.

Live-In Aide

A Family may include a live-in aide provided that such live-in aide:

- Is determined by SHA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,

- Is not obligated for the support of the person(s), and

- Would not be living in the unit except to provide care for the person(s).

A live-in aide is not considered to be an assisted family member and has no rights or benefits

under the program:

Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.

Live-in aides are not subject to non-Citizen Rule requirements, however live-in aides must provide a SSN in order to occupy the unit. (See PIH 2012-10- In accordance with 24 CFR §5.216, applicants and participants (including each member of the household and including, live-in aides, foster children, and foster adults) are required to disclose his/her SSA-assigned SSN, with the exceptions as provided under the SSN provisions.)

Live-in aides may not be considered as a remaining member of the tenant family.

While a live-in aide or caretaker who resides in the unit may be a lawful occupant, nonetheless such individual is not a tenant and the protections of VAWA would not apply, except the live-in aide or caretaker cannot be denied assistance if he or she is a victim and independently applies for assistance.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

Family members of a live-in aide may also reside in the unit, providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the family member(s) does not overcrowd the unit. The family will be eligible to increase the bedroom size by one bedroom to accommodate the live-in aide status.

A Live-in Aide may only reside in the unit with the approval of SHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, medical social worker, or medical professional. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly (50-61) or disabled.

SHA will screen and qualify the live-in aide and the live-in aide must be eligible under non-criminal background requirements and must also have the necessary skills to meet the needs of the individual requesting the reasonable accommodation.

SHA has the right to disapprove a request for a live-in aide based on the "Other Eligibility Criteria" described in this Chapter.

Dependent.

Dependent means a member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.

The definition of “dependent” under § 5.603 was revised to explicitly **exclude** foster children and foster adults. SHA may not provide a dependent deduction under § 5.611(a) for a foster child or foster adult. Consistent with the determination that foster adults/children are not family members, income earned by foster adults/children, payments received for the care of foster adults/children, and expenses incurred related to foster adults/children are not considered to be family income or family expenses used in the determination of annual income.

Reasonable unreimbursed child-care expenses (as defined in § 5.603) for foster children under 13 years of age may be deducted from annual income if those expenses are necessary to enable a member of the family to work, look for work, or to further their education.

Families may be eligible to continue to receive the child-care expense deduction, pursuant to a hardship exemption, when the unreimbursed child-care expense is for the care of a foster child under the age of 13, but only if the unreimbursed child-care expense for the care of the foster child is paid from the family's annual income (and not another source, such as a stipend from a child welfare agency).

When a member of an assisted family is temporarily placed in foster care (as confirmed by the state child welfare agency), the member is still counted as a family member in the unit from which they were removed. This means that a foster child or foster adult could be considered an assisted family member in one household while also being a foster child or adult in another household and receiving consideration in both families' voucher size and/or unit size.

Foster adult.

Foster adult means a member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Foster child.

Foster child means a member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster adults/children are not considered **family members** and must not be included in calculations of income for eligibility and rent determination purposes. However, foster adults/children are considered **household members** and must be included when determining unit size or subsidy standards based on established policies.

Guests

A *guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

The lease must provide that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests (24 CFR 966.4(d)). The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere

on or near PHA premises (24 CFR 966.4(n)).

SHA Policy

A resident family must notify the PHA when overnight guests will be staying in the unit for more than 3 days. A guest can remain in the unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 20 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the public housing unit more than 50 percent of the time, are not subject to the time limitations of guests as described above.

Former residents who have been evicted are not permitted as overnight guests.

Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence constitutes violation of the lease.

Minor.

Minor means a member of the family, other than the head of family or spouse, who is under 18 years of age.

C. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216]

Families are required to provide verification of Social Security Numbers for all family members if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

Failure to furnish verification of social security numbers is grounds for denial of admission or termination of tenancy.

The SHA must request the applicant and participant (including each member of the household), who are not exempt under **SSN Disclosure**, to provide documentation of each disclosed SSN. Acceptable evidence of the SSN consists of:

- An original SSA-issued document, which contains the name and SSN of the individual; or
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

SSN Disclosure

In accordance with 24 CFR 5.216, applicants and participants (including each member of the household) are required to disclose his/her assigned SSN, with the exception of the following individuals:

- Those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals in most instances would not be eligible for a SSN.
 - A family that consists of a single household member (including a pregnant individual) who does not have eligible immigration status is **not eligible** for housing assistance and cannot be housed.
 - A family that consists of two or more household members **and at least one** household member that has eligible immigration status, is classified as a mixed family, and **is eligible** for prorated assistance in accordance with 24 CFR 5.520. The SHA may **not** deny assistance to mixed families due to nondisclosure of an SSN by an individual who does not contend to have eligible immigration status.
- Existing program participants as of January 31, 2010, who have previously disclosed their SSN and HUD has determined the SSN to be valid. The SHA may confirm HUD's validation of the participant's SSN by viewing the household's ***Summary Report*** or the ***Identity Verification Report*** in the EIV system.
- Existing program participants as of January 31, 2010, who are 62 years of age or older, and had not previously disclosed a valid SSN. This exemption continues even if the individual moves to a new assisted unit.
- Unless excepted as stated above, the SHA determines that the assistance applicant is otherwise eligible to participate in a program, the assistance applicant may retain its place on the waiting list for the program but cannot become a participant until it can provide the documentation as stated above to verify the SSN of each member of the household.
 - If a child under the age of 6 years was added to the assistance applicant household within the 6-month period prior to the household's date of admission, the assistance applicant may become a participant, so long as the documentation required is provided to the SHA within 90 calendar days from the date of admission into the program. The SHA must grant an extension of one additional 90-day period if the SHA determines that, in its discretion, the assistance applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the assistance applicant. If the applicant family fails to produce the documentation required within the required time period, the processing entity must follow the provisions of termination of the assistance

Disclosure of SSNs is considered information subject to the Federal Privacy Act (5 USC 552a, as amended). In accordance with 24 CFR 5.212, the collection, maintenance, use, and dissemination

of SSNs, any information derived from SSNs and income information must be conducted, to the extent applicable, in compliance with that Act and all other provisions of Federal, State, and local law.

There is no provision under HUD regulations which prohibit an individual (head of household with other eligible household members) with ineligible immigration status from executing a lease or other legally binding contract. However, some state laws prohibit an individual with ineligible immigration status from executing a contract (i.e. lease or other legal binding documents). If this is the case in your state, the family must **not** be admitted into the program.

D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the six immigrant categories as specified by HUD. Those seven categories are:

1. A noncitizen who has been lawfully admitted to the U. S. for permanent residence, as defined by Section 101(a)(20) of the Immigration and Nationality Act (INA) as an immigrant, as defined by Section 101(a)(15) of the INA (8 U.S.C. 1101(a)(20) and 2101(a)(15), respectively (immigrants). This category includes a noncitizen who has been admitted under Section 210 or 210A of the INA (8 U.S.C. 1160 or 1161), (special agricultural worker), and who has been granted lawful temporary resident status;
2. A noncitizen who entered the U. S. before January 1, 1972, or such later date as enacted by law, and who has continuously maintained residence in the U. S. since then, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA (8 U.S.C. 1259);
3. A noncitizen who is lawfully present in the U. S. pursuant to an admission under Section 207 of the INA (8 U.S.C. 1157) (refugee status); pursuant to the granting of asylum (which has not been terminated) under Section 208 of the INA (8 U.S.C. 1158) (asylum status); or as a result of being granted conditional entry under Section 203(a)(7) of the INA (U.S.C. 1153(a)(7) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic national calamity;
4. A noncitizen who is lawfully present in the U.S. as a result of an exercise of discretion by the Attorney General for emergent reasons or for reasons deemed strictly in the public interest under Section 212(d)(5) of the INA (8 U.S.C. 1182(d)(5)) (parole status);
5. A noncitizen who is lawfully present in the U. S. as a result of the Attorney Generals' withholding deportation under Section 243(h) of the INA (8 U.S.C. 1253(h)) (threat to life or freedom); or
6. A noncitizen lawfully admitted for temporary or permanent residence under Section 245A of the INA (8 U.S.C. 1225a) (amnesty granted under INA 245A).

7. A noncitizen in the 2014 Executive Order Granting Amnesty to Illegal Citizens enrolled in Healthcare

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

No eligible members. Applicant families that include no eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Non-citizen students defined by HUD in the noncitizen regulations are not eligible for assistance.

No individual or family applying for financial assistance may receive such financial assistance prior to the affirmative establishment and verification of eligibility of at least one individual or family member.

E. OTHER ELIGIBILITY CRITERIA

All applicants will be processed in accordance with HUD's regulations (24 CFR Part 960) and sound management practices. Applicants will be required to demonstrate the ability to comply with essential provisions of the lease as summarized below.

All applicants must demonstrate through an assessment of current and past behavior the ability:

- to pay rent and other charges as required by the lease in a timely manner;
- to care for and avoid damaging the unit and common areas;
- to use facilities, appliances and equipment in a reasonable way;
- to create no health or safety hazards, and to report maintenance needs in a timely manner;
- not to interfere with the rights and peaceful enjoyment of others and to avoid damaging the property of others;
- not to engage in criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents or staff and not to engage in drug-related criminal activity on or off SHA premises;
- not to have ever been convicted of manufacturing or producing methamphetamine, also known as "speed," on the premises of assisted housing;
- not to be subject to lifetime sex offender registration requirement;
- to comply with necessary and reasonable rules and program requirements of

HUD and SHA; and,

- to comply with local health and safety codes.
- Not on the SHA banned list.

In the event of the receipt of unfavorable information with respect to an applicant, the SHA must consider the time, nature and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Chapter 2-G, the SHA may also need to consider whether the cause of the unfavorable information may be that the applicant is a victim of domestic violence, dating violence or stalking.

Denial of Admission for Previous Debts to This or Any Other PHA

Previous outstanding debts to SHA or any Public Housing Authority (PHA) resulting from a previous tenancy in the public housing, Section 8, or assisted housing program must be paid in full prior to unit offer. No Payment Agreement will be accepted at move-in.

Applicants with previous debts will be permitted to execute a Payment Agreement at the time of pre-application, but 100% of the debt must be paid prior to offer of a unit.

Either spouse and/or co-head is responsible for the entire debt incurred as a previous SHA tenant. Children of the head or spouse who had incurred a debt to SHA will not be held responsible for the parent's previous debt.

In no case will the debt be forgiven.

F. NON-ECONOMIC ELIGIBILITY CRITERIA (Including Criminal/Drug)

In developing its admission policies, the aim of SHA is to attain a resident body composed of families with a broad range of incomes and to avoid concentrations of the most economically deprived families and families with serious social problems. Therefore, it is the policy of SHA to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the development or neighborhood, or on the quality of life for its residents.

As part of eligibility determination, the Authority will screen each applicant household to assess its suitability as renters.

Factors not related to economics to be considered are housekeeping habits, prior history as a tenant, criminal records, and the ability of the applicant to maintain the responsibilities of tenancy.

In determining qualifications for tenancy, SHA shall consider the following items:

Whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety, or welfare of other residents, or the physical, environmental, or financial stability of the development.

Conduct in previously assisted housing as determined by information through EIV and

other reliable sources. If unfavorable information is obtained, then applicant/tenant must provide further information that the negative information has been fully resolved before SHA will allow the family any further processing for program benefits.

SHA shall rely upon sources of information which may include, but not limited to, SHA records, the records of other housing authorities, personal interviews with the applicant or tenant, home visits, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians, or the police department. This will be done in order to determine whether the individual attributes, prior conduct, and behavior of a particular applicant or tenant is likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety, or welfare.

In making a decision to deny assistance, the SHA will consider factors discussed in Chapter 2-G, **PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING (VAWA 2022)**

An authorized representative of SHA shall document any pertinent information relative to the following:

Criminal Activity – including the activities further defined herein as of a criminal nature.

Pattern of Violent Behavior – includes evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to neighbors' peaceful enjoyment of their premises. HUD defines violent criminal activity as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity was/is being engaged in by any family member.

Pattern of Drug Use – includes a determination by SHA that the applicant has exhibited a pattern of illegal use of a controlled substance that might interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Drug Related Criminal Activity – includes a determination by SHA that the applicant has been involved in the illegal manufacture, sale, distribution, use or possession of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Pattern of Alcohol Abuse – includes a determination by SHA that the applicant's pattern of alcohol abuse might interfere with the health, safety or right to peaceful enjoyment of the premises by other residents.

Initiation of Threats – or behaving in a manner indicating an intent to assault employees or other residents.

Abandonment of a Public Housing Unit or Other Assisted Housing Unit ("skipped") – any abandonment of a unit assisted by HUD without advising the administering housing authority's personnel of intent to vacate so that the unit may be properly secured and protected from any vandalism.

Non-payment of Rightful Obligations – including rent and/or utilities and other charges owed to SHA or another housing authority.

Intentionally Falsifying an Application for Leasing – including providing false information about family income and family composition, using an alias on the application for housing, or making any other material false statement or omission intended to mislead.

Record of Serious Disturbances of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior – consists of patterns of behavior which endanger the life, safety, or welfare of other persons by physical violence, gross negligence or irresponsibility, which damage the equipment or premises in which the applicant resides, or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicant's inability to adapt to living in a multi-family setting. Includes judicial termination of tenancy in previous housing on grounds of nuisance or objectionable conduct, or frequent loud parties, which have resulted in serious disturbances of neighbors.

Unsanitary Housekeeping – includes the creation of a fire hazard through acts such as hoarding rags, papers, or other materials; severe damages to premises and equipment caused by the family or persons under control of the family; seriously affecting neighbors by causing infestations, foul odors, depositing garbage outside of normal trash receptacles, or serious neglect of the premises. This category does not include families whose housekeeping is found to be superficially unclean or due to lack of orderliness, where such conditions do not create a problem for neighbors or a threat to health and safety.

Destruction of Property – damage to any previous rentals or property that the family has resided in.

Whether Applicant or Tenant is Capable of Maintaining the Responsibilities of Tenancy – In the case of applicants for admission, the person's present living arrangements and a statement obtained from the applicant's physician or social worker will be among factors considered in making this determination. The availability of a Live-In Aide will be considered also in making this determination.

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct, and to factors that might indicate a reasonable probability of favorable future conduct.

The SHA shall not admit persons evicted from public housing, Indian housing, Section 23, Section 8, or other federally assisted housing programs because of drug related criminal activity within the past three (3) years preceding date of interview. (See also Item 6 below re methamphetamine.)

The SHA may waive this requirement if the person demonstrates that he/she:

Has successfully completed a supervised drug or alcohol rehabilitation program approved by SHA;

Has otherwise been rehabilitated successfully;
Is participating in a supervised drug or alcohol rehabilitation program; or,
The circumstances leading to the eviction no longer exists (i.e. the individual involved in drugs is no longer in the household because the person is incarcerated).

In no event shall a person convicted of manufacturing or producing methamphetamine (also called “speed”) be determined eligible for public housing. Such individuals are permanently denied admission to all federally assisted housing programs.

The SHA shall not admit persons whose pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents within the past three (3) years preceding the date of interview.

The SHA shall not admit persons who have engaged in violent criminal activity within the three (3) years preceding the date of interview.

The SHA shall not admit any person classified as a “habitual criminal” or any person subject to a lifetime sex offender registration requirement under a State sex offender registration program.

If on probation or parole for any conviction, assistance will be denied until discharged from probation or parole.

The SHA shall not admit persons whose conduct in present or prior housing has been such that admission to the program would adversely affect the health, safety, or welfare of other residents, or the physical environment, or the financial stability of the development.

If in the past the SHA initiated a lease termination, which may or may not have resulted in eviction for any reason cited under the One Strike Notice (PIH 96-27) or amended changes, for a family, as a prior resident of public housing, the family shall be ineligible for admission to Public Housing for a three (3) year period beginning on the date of such eviction. The SHA will not waive this requirement, even in the event of rehabilitation efforts on part of the family or family member.

In determining the criminal background for admission, the SHA will not deny the family if the member is a “victim” protected under the Violence Against Women Act.

Permanent Denial of Admission

The S HA will permanently deny admission to public housing persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds. The SHA will not waive this requirement.

Prohibition on Persons Subject to Lifetime Sex Offender Registration Requirement

The SHA will deny admission or terminate tenancy to public housing to any family in which a family member is subject to a lifetime sex offender registration requirement. This provision

will not be waived. The SHA shall perform necessary criminal history background checks in the State where the housing is located and in any other States where household members are known to have resided.

Other criminal activity

"Other criminal activity" means a history of criminal activity involving crimes of actual or threatened violence to persons or property, or a history of other criminal acts, conduct or behavior which would adversely affect the health, safety, or welfare of other residents.

HUD defines violent criminal activity as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity is being engaged in by any family member.

Applicants and/or their household members who have been convicted of criminal sexual conduct, including but not limited to sexual assault, incest, statutory sexual seduction, open and gross lewdness, or child abuse, and are required by law to register as a sex offender will be prohibited from participation in the public housing program.

No family member may have engaged in or threatened abusive or violent behavior toward SHA personnel at any time.

No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal program at any time.

Evidence

The SHA must have evidence of the violation.

"Preponderance of evidence" is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole, shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

Preponderance of evidence is not to be determined by the number of witnesses, but by the greater weight of all evidence.

"Credible evidence" may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants, evidence gathered by SHA inspectors and/or investigators and evidence gathered from the SHA Hotline.

The SHA may pursue fact-finding efforts as needed to obtain credible evidence.

If the person is convicted for the production or manufacturing of methamphetamine, or is a registered life-time sex offender, the person will be permanently denied admission.

The SHA shall not admit persons whose pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents within the past five (5) years preceding the date of interview.

The SHA shall not admit persons who have engaged in violent criminal activity within the five (5) years preceding the date of interview.

The SHA shall not admit persons that have been engaged in the illegal drug activity within the five (5) years preceding the date of interview. Persons incarcerated must demonstrate behavior that is acceptable outside of the incarcerated environment for five (5) years.

If on probation or parole for any conviction, assistance will be denied until the member has been discharged from probation or parole.

The SHA shall not admit persons whose conduct in present or prior housing has been such that admission to the program would adversely affect the health, safety, or welfare of other residents, or the physical environment, or the financial stability of the development.

In determining the criminal background for admission, the SHA will not deny the family if the member is a “victim” of domestic violence as stated and protected under the Violence Against Women Act.

Administration

All screening procedures shall be administered fairly and in such a way as not to discriminate on the basis of race, color, nationality, religion, sex, familial status, sexual orientation, disability or against other legally protected groups, and not to violate right to privacy.

To the maximum extent possible, the SHA will involve other community and governmental entities in the promotion and enforcement of this policy.

In evaluating evidence of negative past behavior, the SHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903]. The SHA will perform criminal background checks through local law enforcement for all adult household members.

The SHA is required to perform criminal background checks necessary to determine whether any

household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 960.204(a)(4)].

The SHA may not pass along to the applicant the costs of a criminal records check [24 CFR 960.204(d)].

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the SHA may request the applicant to be fingerprinted and will request the information from the National Crime Information center (NCIC).

If the SHA proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the SHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission [24 CFR 5.903(f) and 5.905(d)].

The SHA will ensure that any criminal record received is maintained confidentially, not misused, or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

When the SHA takes any adverse action based on a criminal conviction record, the applicant may request, and the SHA will provide, a copy of the criminal record and an opportunity to dispute the record at an informal review/hearing. (Tenants may also contest such records at the court hearing in the case of evictions.)

Review/Hearings

If information is revealed that would cause the SHA to deny admission to the household and the person disputes the information, he/she shall be given an opportunity for an informal review/hearing according to SHA's hearing procedures outlined in the Chapter on Complaints, Grievances and Appeals.

G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING (VAWA 2022 and Final Rule)

The Violence against Women Reauthorization Act of 2022 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. Specifically, Section 607(2) of VAWA adds the following provision to Section 6 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the public housing program:

Every contract for contributions shall provide that . . . the public housing agency shall not deny admission to the project to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant otherwise qualifies for assistance or admission, and that nothing in this section

shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, sexual assault, or stalking.

Definitions

As used in VAWA:

- *Domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction. The term "intimate partner" is defined in 18 U.S.C. 2266 and the term "crime of violence" is defined in 18 U.S.C. 16.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term *stalking* means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
 - Fear for his or her safety or the safety of others; or
 - Suffer substantial emotional distress.
- The term *sexual assault* means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.
 - The term *affiliated individual* means, with respect to an individual – a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis ((in place of the parent to the child)- for example, the affiliated individual is a child in the care, custody, or control of that individual)); or any individual, tenant, or lawful occupant living in the household of that individual.”

Notification and Victim Documentation

SHA Policy

The SHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history that would warrant denial under the SHA's policies. Therefore, if the SHA makes a determination to deny admission to an applicant family on the basis of an unfavorable history, the SHA will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator (when known and is safe to provide) and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking

One of the following:

- A police or court record documenting the actual or threatened abuse; or
- A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.
- Self-certification- HUD-5382

The applicant must submit the required documentation with her or his request for an informal hearing or must request an extension in writing at that time. If the applicant so requests, the SHA will grant an extension of 10 business days, and will postpone scheduling the applicant's informal hearing until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the SHA determines the family is eligible for assistance, no informal hearing will be scheduled and the SHA will proceed with admission of the applicant family.

Perpetrator Removal or Documentation of Rehabilitation

SHA Policy

In cases where an applicant family includes the perpetrator as well as the victim of domestic violence, dating violence, sexual assault, or stalking, the SHA will proceed as

above but will require, in addition, either (a) that the perpetrator be removed from the applicant household and not reside in the public housing unit or (b) that the family provide documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. In cases of fear of retaliation, the perpetrator is not required to be named

If the family elects the second option, the documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

This additional documentation must be submitted within the same time frame as the documentation required above from the victim.

SHA Confidentiality Requirements

All information provided to the SHA regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an affiliated individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law. Should the participant be moved in the program, the SHA will not disclose the new address in accordance with VAWA.

H. SCREENING FOR SUITABILITY [24 CFR 960.204, 960.205]

It is the policy of SHA to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the development or neighborhood, or on the quality of life for its residents.

SHA will conduct a detailed interview of all applicants. The interview form will contain questions designed to evaluate the qualifications of applicants to meet the essential requirements of tenancy. All information will be subject to third party verification.

An applicant's intentional misrepresentation of any information related to eligibility, award of preference for admission, housing history, allowances, family composition or rent will result in denial of admission.

Applicants must be able to demonstrate the ability and willingness to comply with the terms of the lease, either all or with assistance which they can demonstrate that they have or will have at the time of admission. (24 CFR 8.2 Definition: Qualified Individual with Handicaps) The availability of assistance is subject to verification by SHA.

The SHA's minimum age for admission as head of household is 18. This requirement is to avoid entering into leases that would not be valid or enforceable under applicable law. Exception to the age requirement may be granted to those with emancipation status as granted by a court of

law. SHA will not allow under any circumstances a parent or legal guardian to co-sign a lease on behalf of an applicant in order to bypass the age requirement.

As a part of the final eligibility determination, SHA will screen each applicant household to assess their suitability as renters.

SHA will complete a credit check of each applicant so as to determine past rental history, including any possibility of bad debts to any federally assisted housing programs.

SHA shall rely upon sources of information which may include, but not be limited to, SHA records, personal interviews with the applicant or tenant, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians or the police department.

This will be done in order to determine whether the individual attributes, prior conduct, and behavior of a particular applicant is likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare.

Factors to be considered in the screening are housekeeping habits, rent paying habits, prior history as a tenant, criminal records, the ability of the applicant to maintain the responsibilities of tenancy, and whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety or welfare of other residents, or the physical environment, or the financial stability of the project.

SHA's examination of relevant information pertaining to past and current habits or practices will include, but is not limited to, an assessment of:

- The applicant's past performance in meeting financial obligations, especially rent.
- Eviction or a record of disturbance of neighbors sufficient to warrant a police call, destruction of property, or living or housekeeping habits at present or prior residences which may adversely affect the health, safety, or welfare of other tenants or neighbors.
- Any history of criminal activity on the part of any applicant family member involving criminal acts, including drug-related criminal activity.
- Any history or evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy by neighbors.
- Any history of initiating threats or behaving in a manner indicating an intent to assault employees or other tenants.
- Any history of alcohol or substance abuse that would threaten the health, welfare, or right to peaceful enjoyment of the premises by other residents.
- The ability and willingness of an applicant to comply with the essential lease requirements will be verified and documented by SHA. The information to be considered in the screening process shall be reasonably related to assessing the conduct of the applicant and other family members listed on the application in present and prior housing.

The history of applicant conduct and behavior must demonstrate that the applicant family can reasonably be expected not to:

- Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare. [24CFR 960.205(b)]
- Adversely affect the physical environment or financial stability of the project. [24CFR 960.205(b)]
- Violate the terms and conditions of the lease. [24CFR 8.3].
- Require services from PHA staff that would alter the fundamental nature of the PHA's program. [24 CFR 8.3]

Rent Paying Habits

SHA will examine any Housing Authority records from a prior tenancy, and will request written references from the applicant's current landlord and may request written references from former landlords (for up to the past 5 years).

Based upon these verifications, SHA will determine if the applicant was chronically late with rent payments, was evicted at any time (during the past 5 years) for nonpayment of rent, or had other legal action initiated against him/her for debts owed. Any of these circumstances could be grounds for an ineligibility determination, depending on the amount of control the applicant had over the situation.

Applicants will not be considered to have a poor credit history if they were late paying rent because they were withholding rent due to substandard housing conditions in a manner consistent with a local ordinance; or had a poor rent paying history clearly related to an excessive rent relative to their income (using 50% of their gross income as a guide,) and responsible efforts were made by the family to resolve the nonpayment problem.

The lack of credit history will not disqualify a family, but a poor credit history will, with the exceptions noted above.

Screening Applicants Who Claim Mitigating Circumstances

Mitigating circumstances are facts relating to the applicant's record of unsuitable rental history or behavior, which, when verified would indicate both: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, and the applicant's prospect for lease compliance is an acceptable one, justifying admission.

If unfavorable information is received about an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable

probability of favorable future conduct. In order to be factored into the PHA's screening assessment of the applicant, mitigating circumstances must be verifiable.

If the mitigating circumstances claimed by the applicant relate to a change in disability, medical condition or course of treatment, SHA shall have the right to refer such information to persons who are qualified and knowledgeable to evaluate the evidence and to verify the mitigating circumstance. SHA shall also have the right to request further information reasonably needed to verify the mitigating circumstance, even if such information is of a medically confidential nature. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

Examples of Mitigating Circumstances

Examples of mitigating circumstances include:

- Evidence of successful rehabilitation;
- Evidence of the applicant family's participation in and completion of social service or other appropriate counseling service approved by SHA; and/or
- Evidence of the applicant family's successful and sustained modifications of previous disqualifying behavior.

Consideration of mitigating circumstances does not guarantee that the applicant will qualify for admission. SHA will consider such circumstances in light of:

- The applicant's ability to substantiate through verification the claim of mitigating circumstances and his/her prospects for improved future behavior; and
- The applicant's overall performance with respect to all the screening requirements.

Qualified and Unqualified Applicants

Information that has been verified by SHA will be analyzed and a determination will be made with respect to:

- The eligibility of the applicant as a family;
- The eligibility of the applicant with respect to income limits for admission;
- The eligibility of the applicant with respect to citizenship or eligible immigration status;
- The eligibility of the family for suitability, non-criminal requirements, etc.;
- Preference category to which the family is entitled (Veteran, Non-Veteran).

Assistance to a family may not be delayed, denied or terminated on the basis of the family's ineligible immigration status unless and until the family completes all the verification and

appeals processes to which they are entitled under both INS and SHA procedures, except for a pending SHA hearing.

Applicants who are determined to be unqualified for admission will be promptly notified with a Notice of Denial of Admission stating the reason for the denial. SHA shall provide applicants the opportunity for an informal review/hearing (see Chapter titled "Complaints, Grievances, and Appeals.")

Applicants who have requested a reasonable accommodation as a person with a disability and who have been determined eligible, but fail to meet the Applicant Selection Criteria, will be offered an opportunity for a second meeting to have their cases examined to determine whether mitigating circumstances or reasonable accommodations will make it possible for them to be housed in accordance with the screening procedures.

SHA will make every effort to accurately estimate an approximate date of occupancy. However, the date given by SHA does not mean that applicants should expect to be housed by that date. The availability of a suitable unit to offer a family is contingent upon factors not directly controlled by SHA, such as turnover rates, and market demands as they affect bedroom sizes and project location.

Documenting Findings

An authorized representative of SHA shall document any pertinent information received relative to the admission and eligibility requirements.

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct or financial prospects.

Prohibited Criteria for Denial of Admission

Applicants will NOT be rejected because they:

- Have no income, but financial means to comply with lease terms;
- Are not employed;
- Do not participate in a job-training program;
- Will not apply for various welfare or benefit programs;
- Have children;
- Have children born out of wedlock;
- Are on welfare;
- Are eligible students.

H. HEARINGS/REVIEWS

If information is revealed that would cause SHA to deny admission to the household and the person disputes the information, s/he shall be given an opportunity for an informal review/hearing according to SHA's hearing procedures outlined in Chapter 13, Complaints, Grievances and Appeals.

I. CRITERIA FOR DECIDING TO DENY ASSISTANCE or TERMINATION

SHA Policy

The SHA will use the concept of the preponderance of the evidence as the standard for making all admission and termination decisions.

Preponderance of the evidence is defined as the greater weight of the evidence; that is, evidence that you believe because it outweighs or overbalances in your mind the evidence opposed to it. A preponderance means evidence that is more probable, more persuasive, or of greater probative value. It is the quality of the evidence that must be weighed. Quality may, or may not, be identical with quantity (the greater number of witnesses).

Consider all evidence. In determining whether an issue has been proved by a preponderance of the evidence, you should consider all of the evidence, regardless of who produced it.

Equally balanced. If the weight of the evidence is equally balanced, or if you are unable to determine which side of an issue has the preponderance, the party who has the burden of proof has not established such issue by a preponderance of the evidence.

K. ONE STRIKE POLICY

Purpose

It is the policy of the SHA that all residents shall enjoy decent, safe, and sanitary living conditions.

Authority

Drug-related criminal activity, other criminal activity, and alcohol abuse in public housing and assisted housing communities increases resident fear and decrease unit marketability. Therefore, the Housing Authority will not tolerate such behavior from its applicants or residents. **UNLESS OTHERWISE PROVIDED BY LAW, PROOF OF VIOLATION SHALL NOT REQUIRE CRIMINAL CONVICTION, BUT SHALL BE BY PREPONDERANCE OF EVIDENCE.**

Definitions

Drug related criminal activity is defined as the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance.

Procedures for Applicants

1. The Housing Authority shall screen out and deny admission to any applicant whereby either the applicant or authorized occupants proposed by applicants:
 - a. Has a recent history of criminal activity involving crimes to persons and/or other criminal acts that affect the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - b. Was evicted from assisted housing within three (3) years of the projected date of admission because of drug-related criminal activity. This requirement may be waived if:
 - i. The person demonstrates successful completion of a rehabilitation program approved by the Housing Authority; or
 - ii. The circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated;
 - c. The Housing Authority has determined the applicant to be illegally using a controlled substance; the Housing Authority has determined the applicant to be abusing alcohol in a way that may interfere with the health, safety or right of the premises by other residents.
2. The Housing Authority may waive policies prohibiting admission in these circumstances if, the applicant demonstrates to the Housing Authority's satisfaction that the applicant is no longer engaging in illegal use of a controlled substance or abuse of alcohol, and;
 - a. The applicant has successfully completed a supervised drug or alcohol rehabilitation program; or,
 - b. The applicant has otherwise been rehabilitated successfully.

Procedures for Residents

1. The Housing Authority shall terminate the tenancy/rental assistance of any resident who:
 - a. The Housing Authority has determined is illegally using a controlled substance;
 - b. The Housing Authority has determined that the resident's abuse of alcohol interferes with the health safety or right to peaceful enjoyment of the premises by other residents; or,
 - c. The Housing Authority has determined to be engaging in drug-related criminal

activity, either on or off the premises; or,

- d. Engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Procedures for Housing Authority

1. The Housing Authority shall track crime-related problems at its developments and report any incidents to the local police authorities in order to improve law enforcement and crime prevention.
2. The Housing Authority will forward any resident complaints received concerning crime-related problems to the local police authorities.
3. The Housing Authority will review police reports and newspaper articles concerning crime-related problems with its residents, and bring such problems to the attention of local police authorities.
4. The Housing Authority shall document its progress toward meeting its goals under the implementation plan for any drug prevention or crime reduction program funded by the Department of Housing and Urban Development and being administered by the Housing Authority
 - c. peaceful enjoyment of the premises by other residents;
 - d. The Housing Authority has determined that there is a reasonable cause to believe the applicant's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.
3. The Housing Authority may waive policies prohibiting admission in these circumstances if, the applicant demonstrates to the Housing Authority's satisfaction that the applicant is no longer engaging in illegal use of a controlled substance or abuse of alcohol, and;
 - a. The applicant has successfully completed a supervised drug or alcohol rehabilitation program; or,
 - b. The applicant has otherwise been rehabilitated successfully.

Procedures for Residents

2. The Housing Authority shall terminate the tenancy/rental assistance of any resident who:
 - a. The Housing Authority has determined is illegally using a controlled substance;
 - b. The Housing Authority has determined that the resident's abuse of alcohol interferes with the health safety or right to peaceful enjoyment of the premises by other residents; or,
 - c. The Housing Authority has determined to be engaging in drug-related criminal

activity, either on or off the premises; or,

- d. Engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Procedures for Housing Authority

- 5. The Housing Authority shall track crime-related problems at its developments and report any incidents to the local police authorities in order to improve law enforcement and crime prevention.
- 6. The Housing Authority will forward any resident complaints received concerning crime-related problems to the local police authorities.
- 7. The Housing Authority will review police reports and newspaper articles concerning crime-related problems with its residents, and bring such problems to the attention of local police authorities.
- 8. The Housing Authority shall document its progress toward meeting its goals under the implementation plan for any drug prevention or crime reduction program funded by the Department of Housing and Urban Development and being administered by the Housing Authority

Chapter 3

APPLYING FOR ADMISSION

INTRODUCTION

The policy of SHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. This Chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but SHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the waiting list in accordance with this Policy.

A. HOW TO APPLY

Families who wish to apply for any of SHA's programs must complete a written application form when application-taking is open. Applications will be made available in an accessible format upon request from a person with a disability. Persons with disabilities who require a reasonable accommodation in completing an application may call the SHA to make special arrangements. A Telecommunication Device for the Deaf (TDD) is available for the hearing impaired. The TDD telephone number is 711.

Applications are taken at the central Office for all Waiting Lists. Applications for Waiting Lists may be made at the central Office, located at 435 MacGregor Road, Sterling, CO 80751

The application process will involve two phases.

1. The first is the initial application for admission, referred to as the preliminary application. The preliminary application is dated and time stamped in accordance with the date and time order, and preference if claimed.
2. The second phase is the final determination of eligibility referred to as the "full application." The full application takes place when the family approaches the top of the Waiting List and is notified for an interview. At this time, SHA ensures that verification of all HUD, State, local, and SHA eligibility factors as pursuant to the program are current in order to determine the family's eligibility for an offer of a suitable unit.

B. APPLICATION PROCEDURES

SHA will utilize a preliminary application form for the initial application. The application may be taken over the phone during time of "Phone-In Application Intake" or in person by

completion of the form itself, whenever the Waiting List is open.

Applications may be mailed to Out of State applicants or for purposes of reasonable accommodations.

Translation of the pre-application is available for non-English speaking applicants.

At a minimum, the preliminary application will contain questions designed to obtain the following information:

- Names of head of household, spouse/co-head
- Names of all members and age of all members
- Number of family members (used to estimate bedroom size needed)
- Street address and phone numbers
- Mailing address (If PO Box or other permanent address)
- Annual income
- Source(s) of income received by household members
- Information regarding request for reasonable accommodation or for accessible unit
- Social Security Numbers
- Birth Certificates or Other Supporting Materials
- Picture ID- if applicable
- Race/ethnicity
- Arrests/Convictions for Drug Related or Violent Criminal Activity
- Lifetime Sex Offender Status
- If any family member has received an Earned Income Disallowance
- Questions regarding previous participation in HUD programs

Duplicate applications, including applications from a segment of an applicant household, will not be accepted.

Preliminary applications will not require interviews. Information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

Applicants are required to inform SHA in writing of changes in family composition, income, and address. Applicants are also required to respond to requests from SHA to update information on

their application, or to determine their continued interest in assistance.

Corrections, updates, or changes on applications will be documented. Obsolete information on paper forms of applications shall be lined through and documented as to its obsolescence, initialized and dated by the employee making such changes, or by the applicant, if such change is made by the applicant him/herself.

Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list.

When the applicant nears the top of the waiting list, SHA will then utilize a full application form.

Applications will require an interview and information on the application will be verified prior to admission. Final eligibility will be determined when the full application process is completed and all information is verified.

Applicants are required to inform SHA in writing of changes in family composition, income, and address. Applicants are also required to respond to requests from SHA to update information on their application, or to determine their continued interest in assistance.

Corrections, updates, or changes on applications will be documented. Obsolete information on paper forms of applications shall be lined through and documented as to its obsolescence, initialized and dated by the employee making such changes, or by the applicant, if such change is made by the applicant him/herself.

Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list.

C. PREFERENCE DEFINED

Emergency Preference

The SHA shall grant preferences to families of federally declared disasters who are public housing residents from another jurisdiction and other eligible disaster-affected families who are income eligible. These persons will receive preferences over other waiting list placeholders. This preference will remain in place until the emergency no longer exists.

D. COMPLETION OF A FULL APPLICATION

All preferences claimed on the preliminary application or while the family is on the waiting list will be verified after the family is selected from the waiting list.

The qualification for preference must exist at the time the preference is verified and at the time of admission regardless of the length of time an applicant has been on the waiting list because the preference is based on current status.

Applicants on the Waiting List who will be selected in the next 120 days will be sent a letter to complete a full application. The letter will notify the applicant of an application interview and request the applicant to bring all documents which verify all factors to be verified. Factors to be

verified will be listed in the letter. Documents presented at the time of full application are not in lieu of third-party verification.

Applicants are required at the full application interview to:

- Complete a Full Application Form prior to the full application interview.
- Sign Release of Information Forms including authorization form for criminal background checks of all adult household members, and consent for verification of Immigration status.
- Participate in a full application interview with a SHA representative during which the applicant will be required to furnish complete and accurate information as requested by the interviewer. The applicant will sign and certify that all information is complete and accurate.

Accessible Units (PIH 2010-26)

Qualified families will be offered an accessible unit, upon request by the family, when an accessible unit is available. Due to the limited number of accessible units, SHA will offer vacant accessible units with features for person with disabilities as follows:

- First, to a current occupant of another unit of the same development who requires the accessible features of the vacant, accessible unit and is occupying a unit not having the features;
- If there is no current resident in the same development that requires the accessible features of the vacant unit, then it will be offered to a resident with disabilities residing in another development under SHA's control, who has a disability that requires the special features of the vacant accessible unit;
- If there is no current resident who requires the accessible features of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the available, vacant, accessible unit;
- If there is not an eligible qualified resident or applicant with disabilities, needing the features of the vacant available unit on the waiting list who wishes to reside in the available accessible unit, then it will be offered to an applicant on the waiting list who does not need the accessible features of the unit. See 24 CFR 8.27. However, the SHA will require the applicant to execute the SHA public housing lease that requires to the resident to relocate to a vacant non-accessible unit within thirty (30) days of notice by the SHA that there is an eligible applicant or existing resident with disabilities who requires the accessible features of the unit. SHA will pay for the cost of transfer in this case.

Requirement to Attend Interview

SHA utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information that has been provided by the family, and to ensure that the information is complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other SHA services or programs that may be available.

The head, spouse, co-head and all adult family members are required to attend the interview and sign the housing application. Exceptions may be made for adult students attending school out of state or for members for whom attendance would be a hardship.

It is the applicant's responsibility to reschedule the interview if s/he misses the appointment. If the applicant does not reschedule or misses two scheduled meeting(s), SHA will reject the applicant unless the missed appointment is due to extreme emergency, such as hospitalization, death in immediate family, etc.

Reasonable accommodation will be made for persons with a disability who requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See Chapter on Complaints, Grievances and Appeals.)

All adult members must sign form HUD-9886, "Release of Information"; the declarations and consents related to citizenship/immigration status; and any other documents required by SHA. Applicants will be required to sign specific verification forms for information that are not covered by the HUD-9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by SHA.

Information provided by the applicant will be verified, including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full time student status and other factors related to preferences, eligibility and rent calculation.

If SHA determines at or after the interview that additional information or document(s) are needed, SHA will request the document(s) or information in writing. The family will be given **five (5)** working days to supply the information; however, extensions may be given for extenuating circumstances such as information that must be obtained from out of state.

If the information is not supplied in this time period, SHA will provide the family a notification of denial for assistance. (See Chapter on Complaints, Grievances and Appeals.)

E. PROCESSING APPLICATIONS

As families approach the top of the Waiting List, the following items will be verified to determine qualification for admission:

- Preference verification

-
- Family composition and type (elderly/non elderly), inclusive of family status, familial/marital status when needed for Head or spouse definition, or for inclusion in the household of a minor who is not yet born to or adopted by the assisted family, or legal guardianship, or right to custody, including temporary right to custody.
 - Annual Income* inclusive of tips and meals, including income that is expressly excluded by regulation where the SHA is required verify.
 - Assets and Asset Income*
 - Deductions from Annual Income including but not limited to full-time student status, including students who are 18 or over, childcare expenses for children under 13 where such expenses allow an adult family member to be employed or to further his/her education or seek employment, total medical expenses of all family members in households whose Head or spouse is elderly or disabled, disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus which allow an adult family member to be employed, disability for determination of allowance or deductions.
 - Social Security Numbers (SSN) of all eligible family members when they have a SSN Certification. Members that do not declare eligibility will be required to execute a document that member does not have Social Security Number.
 - Non-economic selection criteria used in applicant screening, inclusive of criminal history report, past landlord reports, credit reports, rent payment history.
 - Citizenship or eligible immigration status, including date and place of birth.
 - Criminal background on all members over 18 years of age.

***If needed,** in the event that the family appears to be eligible for income that is not reported to be received (i.e. TANF, unemployment compensation, child support, etc.), the absence of such income will be verified. Family members will not be required to contact the local SSA office for verification that they do not receive SS benefits. EIV will be further reviewed.

Timeliness of Verifications

All verifications will be obtained prior to determination of eligibility to ensure that current and accurate data is being used in calculating rents and eligibility.

Certification by the appropriate staff member will be made when verification of all necessary items for each application is completed.

Verifications for the public housing program must be dated within 60 days from the date of the interview and not exceed 120 days in age, prior to admission to the unit. The family will be

questioned prior to admission in regard to any change in status. If changes are reported, they will be verified to determine their effect on eligibility, preference rating (if any), rent, and unit size required.

The applicant file shall contain documentation of all verifications.

Systems of Verification

Upfront Income Verification (UIV): The verification of income at admission or before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals. HUD's **Enterprise Income Verification System (EIV)** is considered to be this method.

To assure that the data upon which determinations of eligibility, preference status (if any), rent to be paid, and size of dwelling unit required are based on full, true, and complete information to the best of staff's ability, the data on each applicant shall be verified and consist of the following types and systems of verification:

SHA will consult the EIV system on all applicants. The EIV will be used to determine if the applicant is in the HUD system, determine if they are being assisted by other programs in the HUD data-base, and determine if they were previously being assisted by another PHA.

SHA shall use the streamlined verification system allowed by HUD whenever possible. The simplifying the income verification process is as follows:

- Tenant reports income and provides current documents
- SHA consults EIV system, and prints income details report (include in tenant file-except PHAs in Florida, who should print and maintain EIV ICN printout in the tenant file
- If additional information is not needed, the SHA uses the current tenant-provided documents to calculate anticipated annual income
- 3rd party verification is only required if:
 - The tenant disputes the EIV data
 - Additional information is required as determined by the SHA, such as
 - Effective dates of employment
 - Pay rate, number of hours worked, pay frequency for new jobs
 - Confirmation of changes in circumstances (reduced hours, reduces rates of pay, etc.)
 - The SHA will use current tenant-provided documents or most current information to calculate anticipated annual income

If third party verification is not received directly from the source, SHA staff will document the file as to why third-party verification was impossible to obtain and another method was used (such as reviewing documents families provide.)

The SHA will not delay the processing of an application beyond 10 working days because a third-party information provider does not return the verification in a timely manner.

For applicants, verifications used to determine adjusted income may not be more than 60 **days** old at the time of the original lease. For residents, they are valid for **120 days** from date of receipt. All tenant supplied documents supplied should be dated within the last 60 days of the interview or reexamination. Any pay stubs should be the 2 most current and consecutive.

Regardless of these timeframes, Criminal History Reports will be useable as a valid verification for no longer than twelve (12) months.

F. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, SHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by SHA, and the tenant suitability determination (see Chapter on Eligibility for Admission).

Because HUD can make changes in rules or regulations and family circumstances may have changed during the review process that affect an applicant's eligibility, it is necessary to make final eligibility determination.

The household is not actually eligible for a unit offer until this final determination has been made, even though they may have been listed on the waiting list.

Chapter 4

TENANT SELECTION AND ASSIGNMENT PLAN

(Includes Preferences and Managing the Waiting List)

[24 CFR 960.204]

INTRODUCTION

It is SHA's policy that each applicant shall be assigned an appropriate place on a jurisdiction-wide Waiting List unless the applicant has applied for a development subject to a Site-based Waiting List. Applicants will be listed in sequence based upon size and type of unit required, Preference(s), date and time the application is received. In filling actual or expected vacancies, SHA will offer the dwelling unit to an applicant in the appropriate sequence, with the goal of filling units timely, and accomplishing deconcentration of poverty and income-mixing objectives. SHA will offer the unit in the proper applicant sequence until it is accepted. This chapter describes SHA's policies with regard to the number of unit offers that will be made to applicants selected from the Waiting List.

SHA's Objectives

SHA policies will be followed consistently and will affirmatively further HUD's fair housing goals.

It is SHA's objective to ensure that families are placed in the proper order on the waiting list so that the offer of a unit is not delayed to any family unnecessarily or made to any family prematurely. This chapter explains the policies for the management of the waiting list.

When appropriate units are available, families will be selected from the waiting list in their preference-determined and date and time sequence.

By maintaining an accurate waiting list, SHA will be able to perform the activities that ensure that an adequate pool of qualified applicants will be available to fill unit vacancies in a timely manner. Based on the SHA's turnover and the availability of appropriate sized units, groups of families will be selected from the waiting list to form a final eligibility "pool."

Site-Based Waiting Lists

A. MANAGEMENT OF THE WAITING LIST

SHA will administer its waiting list as required by 24 CFR Part 5, Subparts E and F, Part 945 and 960.201 through 960.215. The waiting list will be maintained in accordance with the

following guidelines:

- The preliminary and full applications will be a permanent part of the file.
- Applications equal in preference will be maintained by date and time sequence.
- All applicants must meet applicable income and other eligibility requirements as established by HUD and SHA.
- All applicants in the pool (eligible and verified families) will be maintained in order of preference and in order of date and time of application receipt.

Opening and Closing the Waiting Lists

SHA, at its discretion, may restrict application intake, suspend application intake, and close waiting lists in whole or in part.

The decision to close the waiting list will be based on the number of applications available for a particular size and type of unit, and the ability of SHA to house an applicant in an appropriate unit within a reasonable period of time.

When SHA opens the waiting list, SHA will advertise through public notice in the following newspapers, minority publications and media entities. Location(s), and program(s) for which applications are being accepted in the local paper of record, "minority" newspapers, and other media, but not limited to:

- South Platte Sentinel
- Sidney Sun Telegraph

Other publications in the area that can be utilized are:

To reach persons with disabilities, SHA will provide notice to local organizations representing the interests and needs of the disabled. Local organizations serving the disabled population include, but are not limited to, the following:

- Local disability organizations

The notice at a minimum will contain:

- The dates, times, and the locations where families may apply.
- Any system of site-based waiting list offered by SHA. The programs for which applications will be taken.
- A brief description of the program.
- Limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the SHA address and telephone number, how to submit an application, and information on eligibility requirements.

Upon request from a person with a disability, additional time, not to exceed 30 days, will be given as an accommodation for submission of an application after the closing deadline. This

accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

When Application Taking is Suspended

SHA may suspend the acceptance of applications if there are enough applicants to fill anticipated openings for the next twelve (12) months.

The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

During the period when the waiting list is closed, SHA will not maintain a list of individuals who wish to be notified when the waiting list is open.

Suspension of application taking is announced in the same way as opening the waiting list.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover over the next twelve (12) months. SHA will give at least five (5) days' notice prior to opening or closing the list. SHA will add the new applicants to the list by:

Unit size, local preferences, priority and date and time of application receipt.

SHA will update the waiting list at least annually by removing the names of those families who are no longer interested, no longer qualify for housing, or cannot be reached by mail. At the time of initial intake, SHA will advise families of their responsibility and requirement to notify SHA when mailing address or telephone numbers change.

Reopening the List

If the waiting list is closed and SHA decides to open the waiting list, SHA will publicly announce the opening. Any reopening of the list is done in accordance with the HUD requirements. The waiting list may also be open for specific bedroom sizes or to address special need or underserved populations.

Limits on Who May Apply

When the waiting list is open,

Any family asking to be placed on the waiting list for Public Housing rental assistance will be given the opportunity to complete an application.

When the application is received by SHA:

It establishes the family's date and time of application for placement order on the waiting list.

Multiple Families in Same Household

When families apply that consist of two families living together, (such as a mother and father,

and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

B. SITE BASED WAITING LISTS

Per the Quality Housing and Work Responsibility Act of 1998, SHA is now allowed to implement site-based waiting lists upon approval of the Annual Plan or upon HUD's approval to the PHA's request before the submission of the Annual Plan.

SHA has received approval and uses site-based waiting lists in accordance with SHA's Annual Plan and any updates submitted in compliance with the Quality Housing and Work Responsibility Act of 1998.

SHA offers a system of site-based waiting lists. Applicants may choose on which site-based waiting list they wish to be placed.

Every reasonable action will be taken by SHA to assure that applicants can make informed choices regarding the development(s) in which they wish to reside. SHA will disclose information to applicants regarding the location of available sites.

C. WAITING LIST PREFERENCES

A preference does not guarantee admission to the program. Preferences are used to establish the order of placement on the Waiting List. The Waiting List will depict families with preference ahead of other families without preference, regardless of date and time of application.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list and ranked without the Local Preference and given an opportunity for an informal review.

Emergency Preference

The SHA shall grant preferences to families of federally declared disasters who are public housing residents from another jurisdiction and other eligible disaster-affected families who are income eligible. These persons will receive preferences over other waiting list placeholders. This preference will remain in place until the emergency no longer exists.

Residency Preference: For families who live, work or have been hired to work in the jurisdiction of the PHA.

In order to verify that an applicant is a resident, the PHA will require a **minimum of three (3) of the following documents:** rent receipts, leases, utility bills, employer or agency records, school records, drivers licenses, voters registration records, credit reports, statement from household with whom the family is residing.

For families who have been hired to work in the jurisdiction of the PHA, a statement from the employer will be required.

Broad Range of Income/Deconcentration of Poverty

SHA's preference system will work in combination with requirements to match the characteristics of the family to the type/size of unit available. Order of preference of applications on the Waiting List will be applied to selection as follows, except those persons requiring units with accessibility features for person with disabilities. (See Chapter 1, E, Other Accommodations.)

SHA shall assure a mixed range of incomes and deconcentration of its public housing units by selecting from the List of qualified applicants, households whose incomes would promote deconcentration of poverty. As such, SHA shall select from the List of qualified applicants, those applicants whose income reflect a Broad Range of Income as defined by SHA's most current Broad Range of Income/Rent Range policy promoting deconcentration and income targeting requirements.

SHA shall admit to public housing in each fiscal year, at least forty percent (40%) of households whose income does not exceed 30% of the area median income.

If admissions to SHA's HCV Program during the fiscal year exceeds the 75% minimum targeting requirement for the HCV Program, SHA's public housing program may reduce the minimum targeting requirement for this program. The fiscal year credit shall not exceed:

Gross annual income is used for income limits at admission, income targeting, and for income-mixing purposes.

Skipping a family on the Waiting List specifically to reach another family with a lower or higher income is not to be considered an adverse action to the family. Such skipping will be uniformly applied until the target threshold is met and in order to comply with SHA's Broad Range of Income Policy.

Admission policies related to the deconcentration efforts do not impose specific quotas since Broad Range of Income imposes specific quotas aimed at maintaining a mix of incomes within each development in order to achieve budgetary viability.

Singles Preference and Designated Senior Units

Although no longer mandated by statute, SHA will continue to select applicants from the Waiting List in the following order in regard to single person households preference for available units shall be given to:

A family whose Head or spouse or single member is an elderly or disabled person over a single person who is not elderly or disabled.

Furthermore, SHA shall not admit single person households consisting of non-elderly, non-disabled persons before other single person households in designated senior units within family public housing developments. *(Example: A family public housing development, has 30 designated senior units consisting of 14 studio and 16 1BR apartments, and is thus defined by*

HUD as a “mixed population development.” A mixed population development is a public housing development, or portion of a development, that is reserved for elderly families and disabled families at its inception and has retained that character.) In accordance with a local preference, elderly families whose Head, spouse or sole member is at least 62 years of age, and disabled families whose Head, co-head, spouse, or sole member is a person with disabilities, will receive preference to such units.

SHA has the following properties that have been designated elderly only properties:

- None

Designated senior public housing developments and units are subject to HUD’s definition of “senior” and may include (1) age-qualified elderly, and (2) disability qualified “elderly”.

In the designated elderly only developments, new admission priority shall be given to Elderly Families that qualify for the unit over non-elderly families. If no Elderly Families are on the waiting list, then the SHA will prioritize the “near elderly” for the development in accordance with the elderly only designation plan.

D. DENIAL OF PREFERENCE

SHA shall not give preference and shall permanently deny admission to public housing units and other federally assisted housing programs, individuals convicted of manufacturing or producing methamphetamine (“speed”) as required by the Quality Housing and Work Responsibilities Act of 1998.

If SHA denies a preference, SHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. The applicant will have ten (10) working days to request the meeting in writing. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the Waiting List without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If an applicant falsifies documents or makes false statements in order to qualify for a preference, they will be denied housing and withdrawn from the Waiting List with notification to the family.

E. INCOME TARGETING

SHA will monitor its admissions to ensure that at least 40 percent of families admitted to public housing in each fiscal year shall have incomes that do not exceed 30% of area median income of SHA’s jurisdiction.

Hereafter families whose incomes do not exceed 30% of area median income will be referred to as “extremely low income families.”

Extremely low-income family. A very low-income family whose annual income does not exceed the higher of:

The poverty guidelines established by the Department of Health and Human Services applicable to the family of the size involved (except in the case of families living in

Puerto Rico or any other territory or possession of the United States); or

Thirty (30) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the area median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes

SHA shall have the discretion, at least annually, to exercise the “fungibility” provision of the QHWRA by admitting less than 40 percent of “extremely low income families” to public housing in a fiscal year, to the extent that SHA has provided more than 75 percent of newly available vouchers to “extremely low income families.” This fungibility provision discretion by SHA is also reflected in SHA’s Administrative Plan.

If admissions to SHA’s HCV Program during the fiscal year exceeds the 75% minimum targeting requirement for the HCV Program, SHA’s public housing program may reduce the minimum targeting requirement for this program. The fiscal year credit shall not exceed:

Ten percent of the public housing waiting list admissions during the SHA’s fiscal year;

Ten percent of the waiting list admissions to the SHA’s tenant-based assistance program during the fiscal year;

The number of qualifying low income families who commence occupancy during the fiscal year of SHA’s units that (a) are located in housing developments located in census tracts having a poverty rate of 30% or more, and (b) are made available for occupancy by and actually occupied in that year by very low income families.

The Fungibility Floor: Regardless of the above amounts, in a fiscal year, at least 30% of SHA’s admissions to public housing will be to extremely low-income families. The fungibility floor is the number of units that cause SHA’s overall requirement for housing extremely low-income families to drop to 30% of its newly available units.

Fungibility shall only be utilized if SHA is anticipated to fall short of its 40% goal for new admissions to public housing.

Very Low-Income Family Admissions

As long as SHA has met the 40% targeted income requirement for new admissions of extremely low-income families, SHA will fill the remainder of its new admission units with families whose incomes do not exceed 80% of the HUD approved area median income.

F. MIXED POPULATION UNITS

A mixed population development is a public housing development, or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character). In accordance with local preferences, elderly families whose head spouse or sole

member is at least 62 years of age, and disabled families whose head, co-head or spouse or sole member is a person with disabilities, will receive equal preference to such units.

No limit will be established on the number of elderly or disabled families that may occupy a mixed population property

G. GENERAL OCCUPANCY UNITS

General occupancy units are designed to house all populations of eligible families. In accordance with SHA's occupancy standards, eligible families not needing units designed with special features or units designed for special populations will be admitted to SHA's general occupancy units.

All families with children, elderly families, and disabled families will have an admission preference over "Other Singles."

H. DECONCENTRATION OF POVERTY AND INCOME-MIXING

SHA's admission policy is designed to provide for deconcentration of poverty and income-mixing.

Gross annual income is used for income limits at admission, income targeting, and for income-mixing purposes.

Skipping of a family on the waiting list specifically to reach another family with a lower or higher income is not to be considered an adverse action to the family. Such skipping will be uniformly applied until the target threshold is met and in order to comply with SHA's Broad Range of Income policy.

Deconcentration and Income-Mixing Goals

SHA's deconcentration and income-mixing goal, in conjunction with the requirement to target at least 40 percent of new admissions to public housing in each fiscal year to "extremely low-income families", will be to admit higher income families to lower income developments, and lower income families to higher income developments.

Project Designation Methodology

SHA will determine and compare tenant incomes at all general occupancy developments.

Skipping of families for deconcentration purposes will be applied uniformly to all families.

I. PROMOTION OF INTEGRATION

Beyond the basic requirement of nondiscrimination, SHA shall affirmatively further fair housing to reduce racial and national origin concentrations. SHA shall not require any specific income or

racial quotas for any development or developments.

SHA shall not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, sexual orientation, familial status or national origin for purposes of segregating populations.

J. OFFER OF PLACEMENT ON THE SECTION 8 WAITING LIST

SHA does not maintain a merged Waiting List for the public housing and Section 8 program, or other federally assisted housing. Per 24 CFR 982.205, if the Section 8 Waiting List is open when the applicant is placed on the public housing list, SHA will offer to place the family on both Lists. If the public housing Waiting List is open at the time an applicant applies for Section 8, SHA will offer to place the family on the public housing Waiting List so long as units of appropriate size are managed by SHA.

All programs owned, operated, managed by SHA maintain separate Waiting Lists.

K. PREFERENCE DENIAL

If SHA denies a preference, SHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for a review. The applicant will have ten (10) working days to request the meeting in writing. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be denied housing and removed from the waiting list with notification to the family.

L. REMOVAL FROM WAITING LIST AND PURGING

The waiting list will be purged at least once a year by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

If an applicant fails to respond to the request for confirmation and continued interest, s/he will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless a person with a disability requests a reasonable accommodation for being unable to reply with the prescribed period and verification of such is received by SHA.

Notices will be made available in accessible format upon the request of a person with a disability. An extension to reply to the purge notification will be considered as an

accommodation if requested by a person with a disability.

M. OFFER OF ACCESSIBLE UNITS

SHA has a limited number of units designed for persons with mobility, sight and hearing impairments, referred to as accessible units.

No non-mobility impaired families will be offered these units until all eligible mobility-impaired applicants have been considered.

Before offering a vacant accessible unit to a non-disabled applicant, SHA will offer such units:

- First, to a current occupant of another unit of the same development who requires the accessible features of the vacant, accessible unit and is occupying a unit not having the features;
- If there is no current resident in the same development that requires the accessible features of the vacant unit, then it will be offered to a resident with disabilities residing in another development under SHA's control, who has a disability that requires the special features of the vacant accessible unit;
- If there is no current resident who requires the accessible features of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the available, vacant, accessible unit;
- If there is not an eligible qualified resident or applicant with disabilities, needing the features of the vacant available unit on the waiting list who wishes to reside in the available accessible unit, then it will be offered to an applicant on the waiting list who does not need the accessible features of the unit. See 24 CFR 8.27. However, the SHA will require the applicant to execute the SHA public housing lease that requires to the resident to relocate to a vacant non-accessible unit within thirty (30) days of notice by the SHA that there is an eligible applicant or existing resident with disabilities who requires the accessible features of the unit. The SHA will pay for the cost of the mandatory transfer in accordance with HUD requirements (PIH 2010-26)

When offering an accessible/adaptable unit to a non-disabled applicant, SHA will require the applicant/tenant to agree to move to an available non-accessible unit within thirty (30) days when either a current resident or an applicant needs the features of the unit and there is another unit available for the applicant/tenant. This requirement will be a provision of the lease agreement. See "Leasing" chapter.

N. PLAN FOR UNIT OFFERS

The SHA plan for selection of applicants and assignment of dwelling units to assure equal opportunity and non-discrimination of protected classes:

SHA shall select, assign and offer the first qualified applicant from the "pool" of verified files based on sequence of the waiting list and a unit of the appropriate size. Offers will be made as

follows:

Jurisdictional Wait List – Two Offers: If more than one unit of the appropriate type and size is available, the first unit to be offered will be the first unit that is ready for occupancy. If the unit is rejected, the applicant will be offered the second unit that is ready for occupancy. Failure to accept the second offer will result in removal from the waiting list, unless a “good cause” reason is given (see Section P).

O. CHANGES PRIOR TO UNIT OFFER

Changes that occur during the period between certification of eligibility and an offer of a suitable unit may affect the family’s eligibility or Total Tenant Payment and **must be re-verified prior to making the offer**. The family will be notified in writing of changes in their eligibility or level of benefits and offered their right to an informal review when applicable (See Chapter on Complaints, Grievances, and Appeals)

P. APPLICANT STATUS AFTER FINAL UNIT OFFER

When an applicant rejects the final unit offer SHA will:

Remove the applicants name from the waiting list.

Removal from the waiting list means: The applicant must reapply.

Q. TIME-LIMIT FOR ACCEPTANCE OF UNIT

Applicant must accept a unit offer within one (1) working day of the date the unit is shown and move-in scheduled within five (5) working days from the date the unit is shown. If additional time is needed an extension must be approved by the Director of Housing Management.

Applicants Unable to Take Occupancy

If an applicant is willing to accept the unit offered, but is unable to take occupancy at the time of the offer for "good cause," the applicant will not be removed from the waiting list.

Examples of "good cause" reasons for the refusal to take occupancy of a housing unit include, but are not limited to:

An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing. [24 CFR 945.303(d)]

Inaccessibility to source of employment or children’s day care such that an adult household member must quit a job, drop out of an educational institution or a job training program;

The family demonstrates to SHA’s satisfaction that accepting the offer will result in a situation where a family member’s life, health or safety will be placed in jeopardy. The family must offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. The reasons offered must be specific to the family. Refusals due to the location of the unit alone are not considered to be good cause.

A qualified, knowledgeable, health professional verifies the temporary hospitalization or

recovery from illness of the principal household member, other household members, or a live-in aide necessary to care for the principal household member.

The unit is inappropriate for the applicant's disabilities.

Applicants With a Change in Family Size or Status

Changes in family composition, status, or income between the time of the interview and the offer of a unit will be processed. SHA shall not lease a unit to a family whose occupancy will overcrowd or underutilize the unit.

The family will take the appropriate place on the waiting list according to the date they first applied.

R. REFUSAL OF OFFER

If the unit offered is inappropriate for the applicant's disabilities, the family will retain their position on the waiting list.

If the unit offered is refused for other reasons, SHA will follow the applicable policy as listed in the "Plan for Unit Offers" section and the "Applicant Status After Final Offer" section.

Chapter 5

OCCUPANCY GUIDELINES

INTRODUCTION

The Occupancy Guidelines are established by SHA to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from excessive wear and tear or underutilization. This Chapter explains the Occupancy Guidelines used to determine minimum and maximum unit sizes for various sized families when they are selected from the waiting list, or when a family's size changes, or when a family requests an exception to the occupancy guidelines.

A. DETERMINING UNIT SIZE

SHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom. SHA's Occupancy Guideline standards for determining unit size shall be applied in a manner consistent with Fair Housing guidelines.

For occupancy standards, an adult is a person 18 years or older, or an emancipated minor.

All guidelines in this section relate to the number of bedrooms in the unit. Dwelling units will be assigned using the following guidelines:

Generally, SHA will assign one bedroom to two people within the following guidelines:

Adults of different generations, persons of the opposite sex (other than spouses), and unrelated adults will not be required to share a bedroom.

Separate bedrooms should be allocated for persons of the opposite sex (other than adults who have a spousal relationship and children under 5).

Foster children will be included in determining unit size only if they will be in the unit for more than 6 months.

Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family. Over-crowding will not be allowed for accommodation.

Space will not be provided for a family member who will be absent most of the time, such as a member who is away in the military.

The living room will not be used as a bedroom except at the determination of the family and so long as it does not constitute an overcrowded unit.

GUIDELINES FOR DETERMINING BEDROOM SIZE

Bedroom Size	Persons in Household: (Minimum #)	Persons in Household: (Maximum #)
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8

B. EXCEPTIONS TO OCCUPANCY STANDARDS

SHA will grant exceptions from the guidelines in cases where it is the family's request or the SHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances, and there is a vacant unit available. If an applicant requests to be listed on a smaller or larger bedroom size waiting list, the following guidelines will apply:

In all cases, where the family requests an exception to the general occupancy standards, SHA will evaluate the relationship and ages of all family members and the overall size of the unit.

The family may request to be placed on a larger bedroom size waiting list than indicated by the SHA's occupancy guidelines. The request must explain the need or justification for a larger bedroom size, and must be verified by SHA before the family is placed on the larger bedroom size list. SHA will consider these requests:

Person with Disability

SHA will grant an exception upon request as a reasonable accommodation for persons with disabilities if the need is appropriately verified.

Other Circumstances

Circumstances may dictate a larger size than the occupancy standards permit when:

Persons cannot share a bedroom because of a need for medical equipment due to its size and/or function. Requests for a larger bedroom due to medical equipment must be verified by a doctor and will be processed similar to a reasonable accommodation.

Requests based on health-related reasons must be verified by a doctor, medical professional, or social service professional.

All members of the family residing in the unit must be approved by SHA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform SHA within 10 calendar days.

Live-in Aides

One reason SHA allows an additional bedroom is related to live-in aides. Although a health care provider must document the need for a live-in aide (which would result in the issuance of an additional bedroom size, the live-in aide must be identified by the family and approved by the SHA first.

The definition of a live-in aide is recorded in HUD policy which states that a live-in aide is a person who resides with one or more elderly persons, near-elderly persons or persons with disabilities and who is: (1) determined to be essential to the care and well-being of the persons; (2) is not obligated for the support of the persons; and (3) would not be living in the unit except to provide the necessary supportive services. It should be noted that the definition applies to a specific person. In accordance with this definition, a live-in aide is not a member of the assisted family and is not entitled to the unit as the remaining member of the tenant family.

The SHA must approve the person identified as the live-in aide. The SHA will disapprove such a person if s/he has: (1) committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; (2) committed drug-related criminal activity or violent criminal activity; or (3) currently owes rent or other amounts to the SHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act, or (4) been terminated by any PHA or on the banned list. Additionally, the SHA must establish standards to determine the number of bedrooms needed for families of different sizes and compositions. Consequently, SHA may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the SHA's standards for an unidentified live-in aide.

Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. Therefore, an additional bedroom should not be approved for a live-in aide under these circumstances.

Other Reasonable Accommodation Issues. A family may always request a reasonable accommodation to permit program participation by individuals with disabilities. A family's

composition or circumstances may warrant the provision of an additional bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit.

The SHA must consider requests for an exception to the established subsidy standards on a case-by-case basis and provide an exception, where necessary, as a reasonable accommodation. The SHA shall document the justification for all granted exceptions.

Medical Equipment. Although SHA may approve an additional bedroom for medical equipment if the need is documented by a health care provider, the actual equipment in the extra bedroom should be verified by the SHA during the annual inspection of the unit. If the extra bedroom is not being used for the intended purpose, the SHA must reduce the bedroom standard. However, the SHA may take further action, if it believes any lease or family obligations were violated.

C. ACCESSIBLE UNITS

SHA has a limited number of units designated for persons with mobility impairments. These units meet the needs of persons requiring the use of wheelchairs and persons requiring other modifications.

Preference for occupancy of these units will be given to families with disabled family members who require the modifications or facilities provided in the units.

No non-mobility-impaired families will be offered these units until all eligible mobility-impaired tenants and then applicants have been considered.

Accessible units will be offered and accepted by non-mobility impaired applicants only with the understanding that such applicants/tenants must accept a transfer to a non-accessible unit at a later date if a person with a mobility impairment requiring the unit applies for the accessible unit and is determined eligible.

D. FAMILY MOVES

When a change in the circumstances of a tenant family requires another unit size, the family's move depends upon the availability of a suitable size and type of unit. If the unit is not available at the time it is requested, the family will be placed on the Transfer List.

The unit considerations in this section should be used as a guide to determine whether and when the bedroom size should be changed. If an unusual situation occurs, which is not currently covered in this policy, the case should be reviewed by the supervisor who will make determination after review of the situation, the individual circumstances, and the verification provided.

Transfers will be considered first, before referral of applicants from the Waiting List. However, due consideration shall be given to the number of vacant units prior to any transfer. If for any reason, the number of vacancies is significant to the extent that transfers would place SHA in a position of operational instability, restrictions such as a three to one (3:1) ratio of new move-ins from the Wait List to the number of transfers from within will be imposed in order to maintain the financial stability of the program and operations. The 3:1 ratio shall be maintained at either a

site level or at a programmatic level, depending on the distribution of the vacancies and whether such vacancies are confined to a greater degree programmatically or within a specific site. The nature of transfers will also be considered even under these restrictions, as it is recognized that certain life-endangering conditions as may be cause for transfer cannot be restricted by operational objectives.

If it is found that the unit size is no longer appropriate to the family's needs, the SHA shall send the family written notice to transfer to the correct size unit in accordance with the Subsidy Standards. In the case of an involuntary transfer, the resident shall be given 7 days in which to move upon receipt of the transfer notice. If the tenant refuses to transfer the SHA may choose to terminate the lease.

If the resident is to transfer to a new unit, the SHA will permit the family to postpone the transfer to the end of the school year, if the family has a child in school and is requested by the family.

Transfer for the convenience of the resident may be permitted because of such reasons as the health of the resident or the proximity of the resident's job. The cost of such transfers will be borne by the residents.

Residents will either be reimbursed for the costs incurred due to involuntary transfers or the SHA will provide personnel and vehicles for the transfers to minimize cost involved.

If a resident makes a written request for special unit features because of a documented disability or handicap, the SHA will either modify the resident's unit or transfers he residents to another unit with the requested features.

If a resident without disabilities is housed in a unit with special features and another family with disabilities should need the unit, the family without disabilities must transfer to another unit without the features with appropriate notice.

Before a family can transfer, a pre-move out inspection will be conduct on the current unit. If the inspection reveals excessive damage to the unit, beyond normal wear and tear or a housekeeping problem is present, the resident will be denied the transfer.

Resident will be given 48 hours' notice before the inspection.

See chapter on Reexaminations for changes in unit size for existing residents.

Chapter 6

DETERMINATION OF TOTAL TENANT PAYMENT [24 CFR 5.609, 5.611, 5.613, 5.615]

INTRODUCTION

These policies have been updated to HOTMA compliance.

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the regulations. HOTMA made significant changes to income, exclusions, deductions, assets, etc. This can also be contained in PIH 2023-27.

This Chapter defines the allowable deductions from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subpart F and further instructions set forth in HUD Notices, Memoranda, Addenda, and HOTMA. However, the Quality Housing and Work Responsibility Act and HOTMA gives SHA broader flexibility in certain areas on policies. SHA's policies in this Chapter address those areas that allow the SHA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. MINIMUM RENT

The minimum rent for SHA is \$-50-. The minimum rent refers to a minimum total tenant payment and not a minimum tenant rent.

The Total Tenant Payment is the greater of:

30% of the adjusted monthly income

10% of the monthly income

The Minimum rent as established by SHA

For Public Housing only, the alternative non-public housing rent, as determined in accordance with 24 CFR 960.102

Alternative non-public housing rent is:

A monthly rent equal to the greater of—

The applicable fair market rent, as defined in 24 CFR part 888, subpart A, for the unit;

or

(ii) The amount of the monthly subsidy provided for the unit, which will be determined by adding the per unit assistance provided to a public housing property as calculated through the applicable formulas for the Public Housing Capital Fund and Public Housing Operating Fund.

(A) For the Public Housing Capital Fund, the amount of Capital Funds provided to the unit will be calculated as the per unit Capital Fund assistance provided to a PHA for the development in which the family resides for the most recent funding year for which Capital Funds have been allocated;

(B) For the Public Housing Operating Fund, the amount of Operating Funds provided to the unit will be calculated as the per unit amount provided to the public housing project where the unit is located for the most recent funding year for which a final funding obligation determination has been made;

(C) HUD will publish such funding amounts no later than December 31 each year.

The Total Tenant Payment does not include other charges.

SHA recognizes that in some instances even the minimum rent may create a financial hardship for families. SHA will review all relevant circumstances brought to the SHA's attention regarding financial hardship as it applies to minimum rent. The following section states the SHA's procedures and policies in regard to minimum rent financial hardship as set forth by the QHWRA. If the SHA establishes a minimum rent greater than zero, the SHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the SHA determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.

The Total Tenant Payment does not include other charges.

SHA recognizes that in some instances even the minimum rent may create a financial hardship for families. SHA will review all relevant circumstances brought to the SHA's attention regarding financial hardship as it applies to minimum rent. The following section states the SHA's procedures and policies in regard to minimum rent financial hardship as set forth by the QHWRA.

SHA Procedures for Notification to Families of Hardship Exceptions

SHA will notify all participant families subject to a minimum rent of their right to request a

minimum rent hardship exception under the law.

SHA notification will advise the family that hardship exception determinations are subject to SHA grievance procedures.

SHA will review all tenant requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent exception are required to be in writing.

Requests for minimum rent exception must state the family circumstances that qualify the family for an exception.

Exceptions to Minimum Rent

SHA will immediately grant the minimum rent exception to all families who request it.

The Minimum Rent will be suspended until SHA determines whether the hardship is:

Covered by statute

Temporary or long term

If SHA determines that the minimum rent is not covered by statute, SHA will impose a minimum rent including payment for minimum rent from the time of suspension.

SHA will use its standard verification procedures to verify circumstances that have resulted in financial hardship, such as loss of employment, death in the family, etc.

HUD Criteria for Hardship Exception

In order for a family to qualify for a hardship exception the family's circumstances must fall into one of the following criteria:

The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance;

The family would be evicted as a result of the imposition of the minimum rent requirement;

The income of the family has decreased because of changed circumstances, including:

Loss of employment

Death in the family

Other circumstances as determined by SHA or HUD

The income of the family has decreased because of changed circumstances, including:

- Loss of employment or decreased hours
- Death in the family
- Other circumstances as determined by SHA or HUD

SHA Policy:

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

For a family to qualify under the eviction provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities. The family must have received an eviction notice.

In order to qualify under the death has occurred in the family provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the SHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The SHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

SHA Policy

The SHA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

The SHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a hardship exemption.

When the minimum rent is suspended, the TTP reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption Assume the SHA has established a minimum rent of \$50.	
TTP – No Hardship	TTP – With Hardship
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$50 Minimum rent	\$50 Minimum rent
Minimum rent applies. TTP = \$50	Hardship exemption granted. TTP = \$15

SHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The SHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the SHA determines there is no financial hardship, the SHA will reinstate the minimum rent and require the family to repay the amounts suspended.

For procedures pertaining to grievance hearing requests based upon the SHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

SHA Policy

The SHA will require the family to repay the suspended amount within 30-90 calendar days of the SHA's notice that a hardship exemption has not been granted depending upon how long the minimum rent was suspended.

Temporary Hardship

If the SHA determines that a qualifying financial hardship is temporary, the SHA must reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption.

The family must resume payment of the minimum rent and must repay the SHA the amounts suspended. HUD requires the SHA to offer a reasonable repayment agreement, on terms and conditions established by the SHA. The SHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

For procedures pertaining to grievance hearing requests based upon the SHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

SHA Policy

The SHA will enter into a repayment agreement in accordance with the SHA's repayment agreement policy (see Chapter 16).

Long-Term Hardship

If the SHA determines that the financial hardship is long-term, the SHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

SHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

Repayment Agreements for Temporary Hardship

SHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period.

If the family owes SHA money for rent arrears incurred during the minimum rent period, SHA will calculate the total amount owed and divide it by 3 to arrive at a reasonable payment increment that will be added to the family's regular monthly rent payment. The family will be required to pay the increased amount until the arrears are paid in full.

Minimum rent arrears that are less than \$50 will be required to be paid in full the first month following the end of the minimum rent period.

If the family goes into default on the repayment agreement for back rent incurred during a minimum rent period, SHA will reevaluate the family's ability to pay the increased rent amount and:

Determine whether the family has the means to meet the obligation and, if so determined, initiate eviction proceedings for nonpayment of rent; or

Determine that the repayment agreement is a financial hardship to the family and if so, restructure the existing repayment agreement.

SHA's policies regarding repayment agreements are further discussed in the chapter entitled "Family Debts to the PHA."

B. INCOME AND ALLOWANCES

Income: Includes all monetary and non-monetary income or benefit amounts that are received on behalf of the family. For purposes of calculating the Total Tenant Payment, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income that is not specifically excluded in the regulations is counted.

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits. 24 CFR § 5.100

Unearned Income *means* any annual income, as calculated under § 5.609, that is not earned income.

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

Annual income.

Regulations: 24 CFR §§ 5.609(a)(1)–(a)(2); and 891.105

Annual income includes all amounts received from all sources by each member of the family who is 18 years of age or older, the head of household, or spouse of the head of household, in addition to unearned income received by or on behalf of each dependent who is under 18 years of age. Annual income does not include amounts specifically excluded in 24 CFR § 5.609. All amounts received by the head of household, co-head, or spouse, including the income of a day laborer, independent contractor, and seasonal worker are included in annual income regardless of age, unless otherwise excluded in 24 CFR § 5.609.

Note: Annual income includes “all amounts received,” not the amount that a family **may be** legally entitled to receive but which they do not receive. For example, a family's child-support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.

Annual income also includes all actual anticipated income from assets even if the asset is excluded from net family assets but the income from the asset is not otherwise excluded. Imputed returns on net family assets are included in annual income only when net family assets exceed \$50,000 (a figure that is annually adjusted for inflation) and actual asset income cannot be calculated for all assets SHA will not impute income from assets if the total value of net family assets is equal to or less than \$50,000 (as adjusted by inflation).

Annual income includes, with respect to the family:

- (1) All amounts, not specifically excluded in the definition under Annual Income received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and
- (2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

Annual Income does not include the following:

- (1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.
- (2) The following types of trust distributions:
 - (i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):
 - (A) Distributions of the principal or corpus of the trust; and
 - (B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
 - (ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
- (3) Earned income of children under 18 years of age.
- (4) Payments received for the care of foster children or foster adults, or State or Tribal

kinship or guardianship care payments. This income exclusion also applies to Kinship Guardian Assistance Payments (Kin- GAP), kinship care payments, and other state-based kinship or guardianship payments that are alternatives to traditional foster care programs.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation continue to be included in annual income.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled. Any amounts recovered are excluded irrespective of whether they are received periodically or in a lump sum payment.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income;

Section 479B provides that certain types of student financial assistance are to be excluded in determining eligibility for benefits made available through federal, state, or local programs financed with federal funds. The types of financial assistance listed below are considered 479B student financial assistance programs; however, this list is not exhaustive, and 479B will be updated as of July 1, 2024.

- Federal Pell Grants;
- Teach Grants;
- Federal Work Study Programs;
- Federal Perkins Loans;
- Student financial assistance received under the Bureau of Indian Education;
- Higher Education Tribal Grant;
- Tribally Controlled Colleges or Universities Grant Program;
- Employment training program under section 134 of the Workforce Innovation and Opportunity Act (WIOA).

and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and

equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—

- (1) The Federal government;
- (2) A State, Tribe, or local government;
- (3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);
- (4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- (5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

- (1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;
- (2) Financial support provided to the student in the form of a fee for services performed (*e.g.*, a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section);
- (3) Gifts, including gifts from family or friends; or
- (4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(E) of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

- (1) Expressly for tuition, books, room and board, or other fees

required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government are excluded from income and net family assets.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (*e.g.*, special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611. Full-time students must be dependent family members for this exclusion to apply. This exclusion does not apply to the head of household, spouse, or co-head. This means that the first amount equal to the dependent deduction of the income earned by dependent full-time students will be included in the family's calculation of annual income.

The dependent deduction will be adjusted annually in accordance with the (CPI-W). Full-time dependent students that are working are eligible to receive both the dependent deduction and the exclusion described in this paragraph (as adjusted for inflation).

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611. This amount will be adjusted annually in accordance with the CPI-W. All dependents, including adopted family members, are eligible to receive the dependent deduction and the exclusion (as adjusted for inflation).

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly

amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse. Certain veterans are eligible for “aid and attendance” payments from the Veterans Affairs (VA) Administration. These payments are distinct from payments made to veterans under other VA programs, including the Veterans Pension program. SHA should carefully review any income documentation provided by the family, because many types of VA income, including the Veterans Pension and the VA Survivors Pension, are included in annual income.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family’s assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family’s assisted unit. A family member with a disability qualifies for this income exclusion. Amounts received may be intended for items such as services, equipment, and compensation provided to a family member. The payments are excluded from income as long as the amounts are provided to enable a family member with a disability to remain in the family’s assisted unit. Both the person providing the care and the person who has the disability must be family members (not household members) and must live in the same assisted household. The exclusion does not apply to income earned by the family for other caregiving services provided to individuals outside of the assisted household.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (*e.g.*, proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car). The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable. Loan proceeds may include, but are not limited to, personal loans (with a loan agreement) and student loans, regardless of whether the proceeds are received in the form of a refund to the student.

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in

paragraph (b) of this section apply. HUD will publish a notice in the **Federal Register** to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing “gap” payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments. Replacement housing “gap” payments should cover a minimum of 42 months of tenancy at the new unit.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family’s upcoming annual reexamination period will be excluded from a family’s annual income as nonrecurring income. This does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended. For example, an increasing number of cities and states are piloting guaranteed income programs that have discrete beginning and end dates. This income can be excluded as nonrecurring in the final year of the pilot program.

For example, for an annual reexamination effective 2/1/2024, guaranteed income that will be repeated in the coming year but will end before the next reexamination on 2/1/2025 will be fully excluded from annual income.

Income amounts excluded under this category may include, but are not limited to, nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities, eviction prevention, security deposits to secure housing, payments for participation in research studies depending on the duration, and general one-time payments received by or on behalf of the family.

(a) Day laborer by regulation means *an* individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. 24 CFR § 5.603.

Income earned as a day laborer is not considered nonrecurring income under 24 CFR § 5.609(b)(24) and must be included, unless specifically excluded in 24 CFR § 5.609(b) (e.g., earnings of full-time students in excess of the dependent deduction (24 CFR §§ 5.609(b)(3), (b)(14), etc.).

(b) Independent contractor by regulation means an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently

subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done. 24 CFR § 5.603

In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. For example, while instructions and route information are generally provided, third-party delivery and transportation service providers are considered independent contractors unless state law dictates otherwise. In addition, individuals considered “gig workers,” such as babysitters, landscapers, rideshare drivers, and house cleaners, typically fall into the category of independent contractor.

Income earned as an independent contractor is not considered nonrecurring income and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., 24 CFR §§ 5.609(b)(3), (b)(14), etc.).

(c) Seasonal worker by regulation means an individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry. 24 CFR § 5.609(b)

A seasonal worker may be in a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and 2) the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry.

Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver.

Income earned as a seasonal worker is not considered nonrecurring income and must be included unless specifically excluded in 24 CFR § 5.609(b) (e.g., § 5.609(b)(14), etc.).

Nonrecurring income includes:

- (i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.
- (ii) Direct Federal or State payments intended for economic stimulus or recovery.
- (iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
- (iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization. When calculating annual income SHA is prohibited from assigning monetary value to non-monetary in-kind donations received by the family. Non-recurring, non-monetary in-kind donations from friends and family may be excluded as non-recurring income. See (24 CFR § 5.609(b)(24)).

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings. However, if invested may be a part of the net family assets.

SHA may accept a self-certification from the family stating that the income will not be repeated in the coming year.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay. Historically HUD has followed a practice of excluding from income civil rights settlements and judgments as lump-sum additions to assets, which would include amounts received as a result of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under nondiscrimination laws. However, this new exclusion clarifies that even where such payments are not lump-sum payments but instead may have a payment schedule, such payments are excluded. Additionally, this exclusion applies to back pay received by the family pursuant to a civil rights settlement or judgment.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

(ii) Any withdrawal of cash or assets from the operation of a business or profession will

be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

(c) Calculation of Income. The SHA must calculate family income as follows:

(1) Initial occupancy or assistance and interim reexaminations.

The SCHASCHA or owner must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the SHA uses a streamlined income determination under §§ 5.657(d), 960.257(c), or 982.516(b) of this title.

(ii) In determining the income of the family for the previous 12-month period, the PHA or owner must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.

(iii) The SHA must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.

(3) Use of other programs' determination of income.

(i) The SHA may, using the verification methods in paragraph (c)(3)(ii) of this section, determine the family's income prior to the application of any deductions applied in accordance with § 5.611 based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance:

(A) The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, *et seq.*).

(B) Medicaid (42 U.S.C. 1396 *et seq.*).

(C) The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 *et seq.*).

(D) The Earned Income Tax Credit (26 U.S.C. 32).

(E) The Low-Income Housing Credit (26 U.S.C. 42).

(F) The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786).

(G) Supplemental Security Income (42 U.S.C. 1381 *et seq.*).

(H) Other programs administered by the Secretary.

(I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.

(J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the **Federal Register**.

(ii) If a PHA or owner intends to use the annual income determination made by an administrator for allowable forms of Federal means-tested public assistance under this paragraph (c)(3), the PHA or owner must obtain it using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA or owner must calculate annual income in accordance with 24 CFR part 5, subpart F. The verification must indicate the tenant's family size and composition and state the amount of the family's annual income. The verification must also meet all HUD requirements related to the length of time that is permitted before the third-party verification is considered out-of-date and is no longer an eligible source of income verification.

(4) *De minimis errors.* The PHA or owner will not be considered out of compliance with the requirements in this paragraph (c) solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA or owner determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.

(i) The PHA or owner must still take any corrective action necessary to credit or repay a family if the family has been overcharged for their rent or family share as a result of the de minimis error in the income determination, but families will not be required to repay the PHA or owner in instances where a PHA or owner has miscalculated income resulting in a family being undercharged for rent or family share.

(ii) HUD may revise the amount of de minimis error in this paragraph (c)(4) through a rulemaking published in the **Federal Register** for public comment.

Adjusted Income. 24 CFR § 5.611

Adjusted income means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions.

(1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(2) \$525 for any elderly family or disabled family, which amount will be adjusted

by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:

(i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(b) Additional deductions.

(1) For public housing, the Housing Choice Voucher (HCV) and the Section 8 moderate rehabilitation programs (including the moderate rehabilitation Single-Room Occupancy (SRO) program), SHA may adopt additional deductions from annual income.

(i) *Public housing.* A PHA that adopts such deductions will not be eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of such deductions. The PHA must establish a written policy for such deductions.

SHA Policy

The SHA does not provide any additional optional deductions.

(c) Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.

(1) *Phased-in relief.* This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expense and reasonable attendant care and auxiliary apparatus expense deductions from annual income.

(i) *Eligibility for relief.* To receive hardship relief under this paragraph (c)(1), the family must have received a deduction from annual income because their sum of expenses under paragraph (a)(3) of this section exceeded 3 percent of annual income as of January 1, 2024.

(ii) *Form of relief.* (A) The family will receive a deduction totaling the sum of the expenses under paragraph (a)(3) of this section that exceed 5 percent of annual

income.

(B) Twelve months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed 7.5 percent of annual income.

(C) Twenty-four months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed ten percent of annual income and the only remaining relief that may be available to the family will be paragraph (d)(1) of this section.

(D) A family may request hardship relief under paragraph (c)(2) of this section prior to the end of the twenty- four-month transition period. If a family making such a request is determined eligible for hardship relief under paragraph (c)(2) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with paragraph (c)(2) of this section. Once a family chooses to obtain relief under paragraph (c)(2) of this section, a family may no longer receive relief under phase-in.

(2) *General.* This paragraph (c)(2) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.

(i) *Eligibility for relief.* (A) To receive hardship relief under this paragraph

(c)(2), a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances (as defined by the responsible entity) that would not otherwise trigger an interim reexamination.

(B) Relief under this paragraph (c)(2) is available regardless of whether the family previously received deductions under paragraph (a)(3) of this section, is currently receiving relief under paragraph (c)(1) of this section, or previously received relief under paragraph (c)(1) of this section.

(i) *Form and duration of relief.*

(A) The family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceed 5 percent of annual income.

(B) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. However, responsible entities may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

(d) *Exemption to continue child care expense deduction.*

A family whose eligibility for the child care expense deduction is ending may

request a financial hardship exemption to continue the child care expense deduction under paragraph (a)(4) of this section. The responsible entity must recalculate the family's adjusted income and continue the child care deduction if the family demonstrates to the responsible entity's satisfaction that the family is unable to pay their rent because of loss of the child care expense deduction, and the child care expense is still necessary even though the family member is no longer employed or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Responsible entities, at their discretion, may extend such hardship exemptions for additional 90-day periods based on family circumstances.

(e) Hardship policy requirements.

(1) Responsible entity determination of family's inability to pay the rent.

The SHA must establish a policy on how it defines what constitutes a hardship under paragraphs (c) and (d) of this section, which includes determining the family's inability to pay the rent, for purposes of determining eligibility for a hardship exemption under paragraph (d) of this section.

(2) Family notification.

The SHA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the hardship exemption. The notice must also inform the family of when the hardship exemption will begin and expire (i.e., the time periods specified under paragraph (c)(1)(ii) of this section or within 90 days or at such time as the responsibility entity determines the exemption is no longer necessary in accordance with paragraphs (c)(2)(ii)(B) or (d) of this section).

Anticipating Expenses

SHA Policy

Generally, the SHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), the SHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the SHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The SHA may require the family to provide documentation of payments made in the preceding year.

Dependent Deduction

Dependent. A member of the family (which excludes foster children and foster

adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.

Regulation: 24 CFR § 5.611(a)(1)

Effective January 1, 2024, the dependent deduction amount is \$480. This amount will be adjusted annually and applies to a family's next annual or interim reexamination after the annual adjustment, whichever is sooner. Not later than September 1 annually, HUD will publish the CPI-W adjusted dependent deduction to the HUD User Web site. SHA must implement the adjusted dependent deduction for all income examinations that are effective on January 1 or later.

Elderly and Disabled Family Deduction Regulation: 24 CFR § 5.611(a)(2)

Effective January 1, 2024, the elderly/disabled family deduction increases from \$400 to \$525 and applies to a family's next interim or annual reexamination, whichever is sooner. The amount of the deduction will be adjusted annually no later than September 1 annually, HUD will publish the CPI-W adjusted elderly/disabled family deduction to the HUD User Web site. SHA must implement the adjusted elderly/disabled family deduction for all income examinations that are effective on January 1 or later.

Unreimbursed Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses Deduction
New Higher Threshold for Deducting Health and Medical Care Expenses and Unreimbursed Reasonable Attendant Care and Auxiliary Apparatus Expenses

Regulation: 24 CFR § 5.611(a)(3)

HOTMA establishes that the sum of unreimbursed health and medical care and reasonable attendant care and auxiliary expenses that exceed 10 percent of the family's annual income can be deducted from annual income. Prior to January 1, 2024, the threshold was 3 percent of the family's annual income.

New Definition of Unreimbursed Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses Deduction

Regulation: 24 CFR § 5.603

Health and medical care expenses, as defined in 24 CFR § 5.603, include costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and

long-term care premiums that are paid or anticipated during the period for which annual income is computed. Medical insurance premiums continue to be eligible health and medical care expenses. However, health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families.

Although HUD revised the definition of health and medical care expenses to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting SHA to specifically align their policies with IRS Publication 502 for determining which expenses are included in HUD's mandatory deduction for health and medical care expenses. IRS Publication 502, in some instances, may instruct that certain expenses are not to be considered medical expenses that would otherwise be allowed under HUD's definition of health and medical care expenses. SHA must review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

SHA Policy

When IRS 502 and HUD regulations of allowable expenses are in conflict, the SHA will use the HUD definition of allowable expenses to determine the deduction.

Unreimbursed Reasonable Attendant Care and Auxiliary Apparatus Expenses

Regulation: 24 CFR § 5.611(a)(3)(ii)

Auxiliary apparatus items can include, for example, expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read, or type or special equipment to assist a person who is deaf or hard of hearing. Some examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day.

In order to claim the deduction for the cost of unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed. If the unreimbursed reasonable attendant care and auxiliary apparatus expense exceeds the amount earned by the person who was enabled to work, the deduction will be capped at the amount earned by that individual.

Hardship Exemptions for Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses

Regulations: 24 CFR §§ 5.611(c)(1); 5.611(c)(1)(D); and 5.611(c)(2)

The threshold to deduct health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses has been increased from an excess of 3 to an excess of 10 percent of annual income. Concurrently with this increase, the regulations provide financial hardship exemptions for unreimbursed health and medical care expenses, and for reasonable attendant care and auxiliary apparatus expenses for eligible families. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of 5 percent of annual income. In order to claim **unreimbursed health and medical care expenses**, the family must have a head, co-head, or spouse that is elderly or a person with a disability. In order to claim **unreimbursed reasonable attendant care and auxiliary apparatus expenses**, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

To initiate, extend, or conclude a hardship exemption only, SHA will process and submit a non-interim reexamination transaction in accordance with HUD requirements.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Note: A family receiving phased-in relief may request to receive general hardship relief instead; **once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.**

Phased-in Relief

The phased-in relief for families affected by the statutory increase in the threshold to receive unreimbursed health and medical care and reasonable attendant care and auxiliary apparatus expense deductions from annual income.

All families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024, will begin receiving the 24- month phased-in relief at their next annual reexamination or interim reexamination, whichever occurs first after January 1, 2024. Families who receive phased-in relief will have eligible expenses deducted that exceed 5 percent of annual income for 12 months. Twelve months after the 5 percent phase-in began, families will have eligible expenses deducted that exceed 7.5 percent of annual income for the immediately following 12 months. After the family has completed the 24 months phase-in at the lower thresholds, as described above, the family will remain at the 10 percent threshold, unless the family qualifies for relief under the general hardship relief provision.

When an eligible family's phased-in relief begins at an interim reexamination, the SHA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

General Relief for Medical and Disability Expense Deductions

General relief may be granted when a family is eligible for general relief related to the health and medical care expense and reasonable attendant care and auxiliary apparatus expense deduction.

To receive general relief, a family must demonstrate that the family's unreimbursed health and medical care expenses or unreimbursed reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.

Relief is available regardless of whether the family previously received an unreimbursed health and medical care expense deduction, unreimbursed reasonable attendant care and auxiliary apparatus expense deduction, are currently receiving phased-in hardship relief, or were previously eligible for either this general relief or the phased-in relief.

If SHA determines that a family is eligible for general relief, the family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income. The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. However, SHA may, pursuant to their own discretionary policy, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

SHA Discretionary Policy

SHA must establish written policies regarding the types of circumstances that will allow a family to qualify for a financial hardship and when such deductions may be eligible for additional 90-day extensions. SHA must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

SHA circumstances constituting a financial hardship may include the following situations:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits;
- The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or
- Other circumstances as determined by the SHA.

SHA must not conduct an interim reexamination to add, remove, or to extend a

hardship exemption, unless another change experienced by the family triggers an interim reexamination under the applicable regulation or in accordance with the SHA's discretionary policies on conducting interim reexaminations for adjusted income decreases that are less than ten percent. Instead, the SHA will process and submit a non-interim reexamination transaction as described in PIH Notice 2023-27 Section 16.4 (Non-Interim Reexamination Transactions).

Definition of Health and *Medical Care Expenses*

Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

SHA Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to help clarify the costs that qualify as medical expenses. However, when in conflict with the regulations, SHA will use the HUD regulations.

Summary of Allowable Medical Expenses from IRS Publication 502	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, non-cosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription and non-prescription medicines and insulin.	Cost and continuing care of necessary service or companion animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance premiums or the cost of a health maintenance organization (HMO)
Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

Families That Qualify for Both Medical and Disability Assistance Expenses

SHA Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the SHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

Disability Assistance Expense Deduction [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed ten percent of annual income, and (4) do not exceed the earned income received by the adult family members who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work.

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. This will be determined by the amount of the earned income that is included in the Annual Income.

SHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the SHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the SHA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members’ incomes

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *PH Occupancy Guidebook* as follows:

“Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member

with a disability, or service animals” [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30].

HUD advises SHA to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

SHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

SHA Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the SHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability expenses may be deducted for payments to a member of a tenant family or live-in aide [23 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the tenant family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

SHA Policy

The SHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the SHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the SHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance Expenses

SHA Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the SHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

Child Care Expense Deduction and Hardship Exemption to Continue Child-Care Expenses Deduction

Regulation: 24 CFR §§ 5.603 Child-Care Expenses and 5.611(d)

See also [Attachment I](#) (paragraph I.4) (Non-Interim Reexamination Transactions in PIH 2023-27).

Under 24 CFR § 5.611(d), any reasonable child-care expenses necessary to enable a member of the family to be employed or to further their education are deducted from income. Reasonable child-care expenses are defined in 24 CFR § 5.603(a) and are expenses for the care of children (including foster children if the unreimbursed child-care expenses are paid from the family's annual income and not from another source, such as a stipend from the child welfare agency), age 12 and younger, when all the following statements are true:

- The care is necessary to enable a family member to be employed or to further his or her education (e.g., work, look for work, or further their education (academic or vocational));
- The expense is not reimbursed by an agency or individual outside the household; and

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- The expenses incurred to enable a family to work do not exceed the amount of employment income that is included in annual income.

A family whose eligibility for the child-care expense deduction **is ending** may receive a hardship exemption to continue receiving a child-care expense deduction in certain circumstances when the family no longer has a member that is working, looking for work, or seeking to further their education, and the deduction is necessary because the family is unable to pay their rent.

When a family requests a hardship exemption to continue receiving a child-care expense deduction that is ending, the SHA must recalculate the family's adjusted income and continue the child-care deduction if the family demonstrates to the SHA's satisfaction that the family is unable to pay their rent because of loss of the child-care expense deduction and the child-care expense is still necessary even though the family member is no longer working, looking for work, or furthering their education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. The SHA, at their discretion, may extend such hardship exemptions for additional 90-day periods based on family circumstances.

To initiate, extend or conclude a hardship exemption, SHA will submit a non-interim transaction code on form HUD-50058, unless there is an accompanying event that triggers an interim reexamination.

Hardship Policy Requirements

Policy for Determination of the Family's Inability to Pay Rent

Regulation: 24 CFR § 5.611(e)

SHA must establish policies on how they define what constitutes a hardship (i.e., when a family is unable to pay rent, triggering eligibility for a hardship exemption).

SHA Discretionary Policy: SHA has discretion to establish policies for the purpose of determining eligibility for general hardship relief for the child-care expense hardship exemption. PHAs/MFH Owners must describe these policies in their ACOPs, Administrative Plans, or Tenant Selection Plans, as applicable.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (child-care expenses or health and medical expenses) is more than 45 percent (for example) of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent. SHA may use different percentage thresholds or methods for determining a family's inability to pay rent.

Family Notification of Hardship Exemption Regulation: 24 CFR § 5.611(e)(2)

SHA must promptly notify families in writing of the change in the determination of adjusted income and the family's rent resulting from the application of the hardship exemption. The written notice must also inform the family of the dates that the hardship exemption will begin and expire and the requirement for the family to report to the SHA if the circumstances that made the family eligible for relief are no longer applicable. The notice must also state that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption. SHA must provide families 30 days' notice of any increase in rent. SHA is encouraged to communicate the availability of hardship exemptions and how to request a hardship to all applicants and families prior to January 1, 2024.

SHA Policy

SHA will notify the family within 30 days of the requested hardship and will further notify them of the ending of a hardship within 30 days.

Family Notification of Hardship Exemption Denial

SHA must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. The notification must specifically state the reason for the denial.

SHA Policy

SHA will notify the family within 30 days of the requested hardship and will further notify them of the ending of a hardship within 30 days.

Family Notification of Hardship Exemption Termination

SHA must notify the family if the hardship exemption is no longer necessary and will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

SHA Policy

SHA will notify the family within 30 days of the requested hardship and will further notify them of the ending of a hardship within 30 days.

Extension of Hardship Exemption for Additional 90-Day Period(s)

SHA may at their discretion extend hardship exemptions for additional 90-day periods if the hardship continues pursuant to the SHA's hardship policies. This provision applies to families receiving hardship exemptions for the child-care expenses deduction and general hardship relief for health and medical care expenses and reasonable attendant care and auxiliary apparatus

expenses.

SHA may extend the hardship relief for as many 90-day periods as the hardship continues to affect the family. Policies for extending hardship relief for additional 90-day periods must be established in SHA's Administrative Plans or ACOPs, and in MFH Owners' Tenant Selection Plans.

SHA must obtain third-party verification of the family's inability to pay rent or must document in the file the reason that third-party verification was not available. SHA must attempt to obtain third-party verification prior to the end of the 90-day period.

SHA Policy

Families must make a written request for the hardship and provide documentation of the need to extend. SHA will provide at least 30 days written notice of the approval or denial of the hardship.

Clarifying the Meaning of *Child* for This Deduction

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in a tenant family's household [VG, p. 26].

SHA Policy

For the purposes of child care expenses, the SHA defines *child* to include any foster children under the age of 13 living in a tenant family's household .

Qualifying for the Child Care Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

SHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, the SHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

SHA Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the

family member's job search efforts are not commensurate with the child care expense being allowed by the SHA.

Furthering Education

SHA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed

SHA Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

The SHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

SHA Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the SHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the tenant family. The SHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

SHA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the SHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

SHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the SHA will use the schedule of child care costs from the local welfare agency. Families may present, and the SHA will consider, justification for costs that exceed typical costs in the area.

Permissive Deductions

SHA may, but is not required to, establish an additional deduction or deductions from a family's annual income. These deductions are also known as "permissive deductions." Note that the public housing Operating Fund formula is not revised to account for any decrease in SHA revenue attributable to implementing permissive deductions. Likewise, the subsidy costs

attributable to implementing permissive deductions will not be taken into consideration in determining the SHA's HCV renewal funding or moderate rehabilitation funding. Should SHA adopt permissive deductions, they are required to incorporate these policies as part of the Administrative Plan or ACOP, as applicable.

Additional (Permissive) Deductions: Public Housing Only Regulation: 24 CFR § 5.611(b)(1)(i)

SHA may continue to adopt additional deductions from annual income in the Public Housing program. Permissive deductions may be used to incentivize or encourage self-sufficiency and economic mobility. **A PHA that adopts such deductions will not be eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of such deductions**, so the financial impact of implementing permissive deductions must be carefully evaluated. PHAs may adopt permissive deductions for Public Housing only if they have established a written policy for such deductions. PHAs must put the total dollar amounts of any permissible deductions in column 8d and line 8e of the form HUD-50058.

SHA Policy

SHA does not permit additional permissive deductions.

Household Composition and Income

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded
Foster child or foster adult	Income from all sources is excluded
Head, spouse, or co-head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income of a minor is excluded. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or co-head)	Employment income above the dependent deduction per year is excluded. All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Absent Full-Time Students

SHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the SHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Court-Ordered Absences

SHA Policy

If a member of the family is subject to a court order that restricts the member from the home, the SHA will determine whether the person will be considered temporarily or permanently absent. If the court order specifies a permanent restriction or if the court restriction exceeds 180 days, the person will no longer be considered a family member. If the individual intends to return to the unit at the end of the restriction, the individual is subject to the eligibility and screening requirements discussed in the chapter on eligibility.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

SHA Policy

If a child has been placed in foster care, the SHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member for up to 12 months after being removed from the home.

Absences Due to Incarceration

SHA Policy

If a family member is expected to be incarcerated for more than 180 consecutive days, the person will not be considered a family member. If the individual intends to return to the unit following incarceration, the individual is subject to the eligibility and screening requirements discussed in the chapter on eligibility.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted.

SHA Policy

The SHA will request verification from a responsible medical professional to determine whether the confinement is temporary or permanent and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent and their income will still be included in the rent calculation. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or co-head qualifies as an elderly person or a person with disabilities.

Joint Custody of Children

SHA Policy

In the case of joint custody, only one family may claim a child as a dependent. When two assisted families could conceivably claim the child, the two families must resolve the issue and declare which household will receive the dependent deduction. If the two households are unable to resolve the issue, the SHA will make the determination on the basis of such factors as who is designated as the residential or custodial parent, which parent's address is used for school purposes and how much time the child spends in each household.

Guardian for a Child

SHA Policy

If neither a parent nor a designated guardian remains in a household receiving assistance, the SHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated guardian will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a guardian has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the guardian will be treated as a visitor for 90 days. After the 90 days has elapsed, the guardian will be considered a family member unless information is provided that would confirm that the guardian's role is temporary. In such cases the SHA will extend the guardian's status as an eligible visitor.
- (3) At any time that custody or guardianship legally has been awarded to a guardian, the lease will be transferred to the guardian, as head of household.
- (4) During any period that a guardian is considered a visitor, the income of the guardian is not counted in annual income and the guardian does not qualify the family for any deductions from income.

In all situations, the SHA must approve any guardian that is to remain in the unit on a permanent basis according to the established eligibility and screening criteria.

Types of Earned Income Included in Annual Income

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and

governmental subsidies for certain benefits), or any cash or in-kind benefits. 24 CFR § 5.100

SHA Policy

For persons who regularly receive bonuses or commissions, the SHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the SHA will use the prior year amounts. In either case the family may provide, and the SHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the SHA will count only the amount estimated by the employer.

Some Types of Military Pay. All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Income Earned under Certain Federal Programs. Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Resident Service Stipend. Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the SHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the SHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

State and Local Employment Training Programs. Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

SHA Policy

The SHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The SHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the SHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the SHA's interim reporting requirements (see chapter on reexaminations).

HUD-Funded Training Programs. Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

SHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee’s payroll check.

C. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS

Limitation. This section applies to a family that is receiving the disallowance of earned income and in the window of opportunity under this section on December 31, 2023 or Eligible to receive the Jobs Plus program rent incentive pursuant to the Jobs Plus FY2023 notice of funding opportunity (NOFO) or earlier appropriations and distributed through prior Jobs Plus NOFOs.

The Earned Income Disregard (EID) will not apply to any family who is not eligible for and already participating in the disallowance as of December 31, 2023.

Sunset. This section will lapse on all families including Job Plus on January 1, 2030.

Although HOTMA eliminates the EID from HUD regulations, families who were receiving the EID benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID lasts up to 24 consecutive months, no family will still be receiving the EID benefit after December 31, 2025.

Note: The EID policies described above are distinct from similar policies in the Jobs Plus program. Families eligible to receive the Jobs Plus program rent incentive (Jobs Plus Earned Income Disregard (JPEID)) pursuant to the FY2023 Notice of Funding Opportunity (NOFO) or earlier appropriation distributed through prior Jobs Plus NOFOs may continue to receive JPEID under the terms of the NOFO. The JPEID was established by HUD as an alternative requirement to EID for Jobs Plus grantees by waiving section 3(d) of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(d)) and § 960.255(b) and (d). For more information about JPEID waivers and alternative requirements, please review the following *Federal Register* notices: [80 FR 13415 \(March 13, 2015\)](#) and [83 FR 13506 \(March 29, 2018\)](#).

The annual income for qualified families may not be increased as a result of increases in earned income of a family member beginning on the date on which the increase in earned income begins and continuing for an initial 12 calendar month period. For calculation purposes, the disallowance shall begin the first of the month after the employment begins. After the initial 12 calendar months expires, the following 12 calendar month period will include a phase-in of half the allowable earned income exclusion from annual income.

A family qualified for the earned income exclusion is a family that is receiving assistance under the public housing program; and

- Whose annual income increases as a result of employment of an adult family member and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings and who earned less than 10 hours @ minimum wage x 50 weeks during the previous 12 months?
- Whose annual income increases as a result of increased earnings by an adult family member during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of an adult family member during or within six months after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least \$500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

The HUD definition of "previously unemployed" includes a person who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality if it is higher than the federal minimum wage.

The HUD definition of economic self-sufficiency program is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member during participation in an economic self-sufficiency or job training program and may include increases that occur after participation provided the training provides assistance, placement, training or mentoring after the training that leads to employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member. The incremental increase in income is calculated by comparing the amount of the family member's income before the beginning of qualifying employment (baseline) to the amount of such income after the employment.

Initial Twelve-Month Exclusion

During the initial 12-calendar month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the SHA will exclude from annual income 100% of any incremental increase in income of the family member as a result of employment over the prior income of that family member (baseline).

Second Twelve-Month Exclusion and Phase-in

During the second 12-calendar month period after the expiration of the initial 12-calendar month period referred to above, the SHA must exclude from annual income 50% of any incremental increase in income of the family member as a result of employment over the prior income of that family member (baseline) before the beginning of such employment.

Maximum Two Year Disallowance

The earned income disallowance is limited to a 24-calendar month period for each family member during their entire lifetime; regardless of whether they go to a different federally subsidized housing provider. For each family member, the disallowance only applies for a maximum of the initial 12 calendar months period of full exclusion of incremental increase, and a maximum of 12 calendar months period of phase-in exclusion during the -24 calendar month period starting from the date of the initial exclusion. There is a lifetime limit of 24 months once the initial time period begins, even if the family member does not use their whole 12 month full and/or 12 month phase-in exclusion period.

If the initial period of increased income does not last for 12 consecutive months, the 100% disallowance period will expire even if the family member's income has not been excluded for each of the 12 months. The second 12 calendar months phase in period will immediately follow the initial 12 calendar months. Increase in earned income that starts and stops during the 24 calendar month total exclusion period, will be excluded at the rate in effect when the increased income resumes (the initial 12-month full exclusion and the second 12-month phase-in exclusion).

No earned income disallowance will be applied after the 24 calendar-month period following the initial date the exclusion was applied.

Applicability to Child Care Expense Deductions

The amount deducted for childcare necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for childcare deduction in the case of the deduction that is allowed due to employment.

Applicability to Disability Expense Deductions

The amount deducted for disability expense deduction that is necessary to permit employment shall not exceed the amount of employment income that is included in Annual Income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for the disability expense deduction.

Applicability to Families that Receive both Child Care Expense and Disability Deductions

The amount deducted for both childcare and disability expense deductions necessary to permit employment shall not exceed the amount of employment income that is included in Annual Income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for childcare deduction and disability expenses combined in the case of the deduction that is allowed due to employment.

Tracking the Earned Income Exclusion

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

*Such documentation will include:

- Date the increase in earned income was reported by the family
- Name of the family member whose earned income increased
- Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income
- Amount of the increase in earned income (amount to be excluded)
- Date the increase in income is first excluded from annual income

Date the 12-month phase-in period began
Ending date of the maximum 24 calendar-month (two year) disallowance period (24 months from the date of the initial earned income disallowance)

The SHA will maintain a tracking system to ensure correct application of the earned income disallowance.

It is a SHA policy decision to conduct an interim reexamination for income increases for the purpose of calculating the earned income disallowance during the initial, phase in and expiration periods.

Inapplicability to Admission

The earned income disallowance is only applied to determine the Annual Income of families who are participants in the public housing program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

D. INDIVIDUAL SAVINGS ACCOUNTS

SHA chooses not to establish a system of individual savings accounts for families who qualify for the disallowance of earned income. This will sunset when EID sunsets.

E. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

Business Expenses

Net income is “gross income less business expense” [HCV GB, p. 5-19].

SHA Policy

To determine business expenses that may be deducted from gross income, the SHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

Business Expansion

HUD regulations do not permit the SHA to deduct from gross income expenses for business expansion.

SHA Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit the SHA to deduct from gross income the amortization of capital indebtedness.

SHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the SHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require the SHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

SHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of \$2,000 to help a business get started, the SHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

SHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

F. ASSETS

Overview

For Public housing and the HCV program- HUD has established an asset limitation and homeowner limitation policy.

24 CFR § 5.618 Restriction on assistance to families based on assets.

(a) Restrictions based on net assets and property ownership.

(1) A dwelling unit in the public housing program may not be rented, and assistance under the Section 8 (tenant-based and project-based) programs may not be provided, either initially or upon reexamination of family income, to any family if:

(i) The family's net assets (as defined in § 5.603) exceed \$100,000, which amount will be adjusted annually by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers; or

(ii) The family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell, based on State or local laws of the jurisdiction where the property is located, real property that is suitable for occupancy by the family as a residence, except this real property restriction does not apply to:

(A) Any property for which the family is receiving assistance under 24 CFR 982.620; or under the Homeownership Option in 24 CFR part 982;

(B) Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property;

(C) Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking, as defined in this part 5 (subpart L); or

(D) Any family that is offering such property for sale.

(2) A property will be considered "suitable for occupancy" under paragraph (a)(1)(ii) of this section unless the family demonstrates that it:

(i) Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);

- (ii) Is not sufficient for the size of the family;
- (iii) Is geographically located so as to be a hardship for the family (*e.g.*, the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the PHA or owner);
- (iv) Is not safe to reside in because of the physical condition of the property (*e.g.*, property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- (v) Is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located.

(b) Acceptable documentation; confidentiality.

(1) A PHA or owner may determine the net assets of a family based on a certification by the family that the net family assets (as defined in § 5.603) do not exceed \$50,000, which amount will be adjusted annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, without taking additional steps to verify the accuracy of the declaration. The declaration must state the amount of income the family expects to receive from such assets; this amount must be included in the family's income.

(2) A PHA or owner may determine compliance with paragraph (a)(1)(ii) of this section based on a certification by a family that certifies that such family does not have any present ownership interest in any real property at the time of the income determination or review.

(3) When a family asks for or about an exception to the real property restriction because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA or owner must comply with the confidentiality requirements under § 5.2007. The PHA or owner must accept a self-certification from the family member, and the restrictions on requesting documentation under § 5.2007 apply.

(c) Enforcement.

(1) When recertifying the income of a family that is subject to the restrictions in asset limitations, a PHA or owner may choose not to enforce such restrictions, or alternatively, may establish exceptions to the restrictions based on eligibility criteria.

(2) The PHA or owner may choose not to enforce the restrictions in asset limitations or establish exceptions to such restrictions only pursuant to a policy adopted by the PHA or owner.

(3) Eligibility criteria for establishing exceptions may provide for separate treatment

based on family type and may be based on different factors, such as age, disability, income, the ability of the family to find suitable alternative housing, and whether supportive services are being provided. Such policies must be in conformance with all applicable fair housing statutes and regulations.

(d) Delay of eviction or termination of assistance. The PHA or owner may delay for a period of not more than 6 months the initiation of eviction or termination proceedings of a family based on noncompliance under this provision unless it conflicts with other provisions of law.

(e) Applicability. This section applies to the Section 8 (tenant-based and project-based) and public housing programs.

Net Family Assets- Definition

Regulations: 24 CFR §§ 5.100 and 5.603

(1) Net family assets are the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, SHA must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are:

(i) The value of necessary items of personal property, See (Necessary and Non-Necessary Personal Property);

(ii) The combined value of all non- necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) See (Necessary and Non-Necessary Personal Property);

(iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs),

employer retirement plans, and retirement plans for self-employed individuals;

(iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. Examples of this include but are not limited to: co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; inherited property in dispute.;

(v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;

(vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government.

(vii) Interests in Indian trust land;

(viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982;

(ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982;

(x) Family Self-Sufficiency Accounts; and

(xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(xii) The full amount of assets held in an irrevocable trust.

(xiii) The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

Necessary and Non-Necessary Personal

Property Regulation: 24 CFR § 5.603

Necessary personal property is excluded from net family assets. Non-necessary personal property with a combined value greater than \$50,000, as adjusted by inflation, is considered part of net family assets. When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.

All assets are categorized as either real property (e.g., land, a home) or personal property. Personal property includes tangible items, like boats, as well as intangible items, like bank accounts. For example, a family could have non-necessary personal property with a combined value that does not exceed \$50,000 but also own real property such as a parcel of land. Even though the non-necessary personal property would be excluded from net family assets, the real property would be included in net family assets regardless of its value unless the real property meets a different exclusion under 24 CFR § 5.603.

Necessary personal property are items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability.

Necessary personal property does not include bank accounts, other financial investments, or luxury items.

Determining what is a necessary item of personal property is a highly fact-specific determination, and therefore it is incumbent on SHA to gather enough facts to qualify whether an asset is necessary or non-necessary personal property.

Items of personal property that do not qualify as necessary personal property will be classified as non-necessary personal property.

The following table lists examples of necessary and non-necessary personal property. **This is not an exhaustive list.**

Examples of Necessary and Non-Necessary Personal Property

Necessary Personal Property	Non-Necessary Personal Property
• Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) • Furniture, carpets, linens, kitchenware • Common appliances • Common electronics (e.g., radio, television, DVD player, gaming system) • Clothing • Personal effects that are not luxury items (e.g., toys, books) • Wedding and engagement rings • Jewelry used in religious/cultural celebrations and ceremonies • Religious and cultural items • Medical equipment and supplies • Health care–related supplies • Musical instruments used by the family • Personal computers, phones, tablets, and related equipment • Professional tools of trade of the family, for example professional books • Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities • Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	• Recreational car/vehicle not needed for day- to-day transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs)) • Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) • Recreational boat/watercraft • Expensive jewelry without religious or cultural value, or which does not hold family significance • Collectibles (e.g., coins/stamps) • Equipment/machinery that is not used to generate income for a business • Items such as gems/precious metals, antique cars, artwork, etc.

Assets with negative equity. The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

General Policies

Income from Assets

The SHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, for admission and interim

recertifications, HUD authorizes the SHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the SHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the SHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

SHA Policy

Admission and interim, any time current circumstances or anticipated income are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the SHA to show why the asset income determination does not represent the family's anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires the SHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash. Examples of acceptable costs include penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH, p. 121].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account)

Imputing Income from Assets

When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

Imputed income from assets is no longer determined based on the greater of actual or imputed income from the assets. Instead, imputed asset income must be calculated for specific assets when three conditions are met:

- The value of net family assets exceeds \$50,000 (as adjusted for inflation);
- The specific asset is included in net family assets; and

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- Actual asset income cannot be calculated for the specific asset.

If the actual income from assets can be computed for some assets but not all assets, then SHA must add up the actual income from the assets, where actual income can be calculated, then calculate the imputed income for the assets where actual income could not be calculated. After the SHA has calculated both the actual income and imputed income, the housing provider must combine both amounts to account for income on net family assets with a combined value of over \$50,000.

When the family's net family assets do not exceed \$50,000 (as adjusted for inflation), imputed income is not calculated. Imputed asset income is never calculated on assets that are excluded from net family assets. When actual income for an asset — which can equal \$0 — can be calculated, imputed income is not calculated for that asset.

SHA should not conflate an asset with an actual return of \$0 (as in the example above), with an asset for which an actual return cannot be computed, such as could be the case for some non-financial assets that are items of non-necessary personal property. If the asset is a financial asset and there is no income generated (for example, a bank account with a 0 percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is \$0. When the stock never issues dividends, the actual return is consistently \$0.

Annual Income does not include any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

Actual and Imputed Income from Assets Regulation: 24 CFR § 5.609(a)(2)

Actual Income

Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR § 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the SHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

Jointly Owned Assets

For assets jointly owned by the family and one or more individuals outside of the assisted family, SHA must include the total value of the asset in the calculation of net family assets, unless the asset is otherwise excluded, or unless the assisted family can demonstrate that the asset is inaccessible to them, or that they cannot dispose of any portion of the asset without the consent of another owner who refuses to comply. If the family demonstrates that they can only access a portion of an asset, then only that portion's value shall be included in the calculation of net family assets for the family. Likewise, any income from a jointly owned asset must be included in annual income, unless that income is specifically excluded or unless the family demonstrates that they do not have access to the income from that asset, or that they only have access to a portion of the income from that asset.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

SHA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the SHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the SHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the SHA will prorate the asset evenly among all owners.

Asset owned by business entity.

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets.

However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant).

Assets Disposed of Less than Fair Market Value [24 CFR 5.603(b)]

Assets disposed of for less than fair market value. In determining the value of net family assets, PHAs/MFH Owners must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received.

For example, if a family gave away a home with a net value of \$80,000, the value of the home must be included in the calculation of net family assets for two years following the transfer of property. If a family sold a home for less than fair market value, the difference between the value and the amount for which they sold it would be included in net family assets for two years following the transfer of property. For example, if a family sold a property with a fair market value of \$80,000 to a friend for \$20,000, then the difference in value (\$60,000) minus the cost to dispose of the property (\$10,000), which in this example totals \$50,000, would be counted in net family assets for two years from the date of the property's transfer to the other party.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.

HUD regulations require the SHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The SHA may set a threshold below which assets disposed of for less than fair market value will not be counted.

SHA Policy

The SHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$5,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

SHA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

SHA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The SHA may verify the value of the assets disposed of if other information available to the SHA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

SHA Policy

In determining the value of a checking account, the SHA will use the current monthly balance.

In determining the value of a savings account, the SHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the SHA will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

SHA Policy

In determining the market value of an investment account, the SHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the SHA will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Real property as used in this chapter has the same meaning as that provided under the law of the State in which the property is located.

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [PH, p. 121].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation

A family may not have real property as an asset, unless exempted under the asset provisions. Ownership can be in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of an exempted property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

SHA Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset.

Trusts Regulations: 24 CFR §§ 5.603 and 5.609

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Whether the value of a trust counts as a net family asset and whether distributions from the trust count as annual income to the family depends on the following three factors:

- Whether the trust is under the control of the family;
- Whether distributions are made from the trust's principal; and
- The purpose of the distribution, if the distribution is made from income earned on the trust's principal.

Trusts as Net Family Assets

The value of irrevocable trusts and revocable trusts that are not under the control of the family are both excluded from net family assets.

The distinguishing feature of a revocable trust is that the grantor can terminate and/or amend the trust at any time for any reason before his or her death. In circumstances when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family, the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

A revocable trust that is under the control of the family or household (e.g., the grantor is a member of the assisted family or household) **is** included in net family assets, and, therefore, income earned on the trust is included in the family's income from assets. This also means that SHA will calculate imputed income on the revocable trust if net family assets are more than \$50,000, as adjusted by inflation, and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).

Actual Income from a Trust

If the SHA Owner determines that the revocable trust is included in the calculation of net family

assets, then the actual income earned by the revocable trust is also included in the family's income.

Where an irrevocable trust is excluded from net family assets, the SHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

Trust Distributions and Annual Income

Revocable trust considered part of net family assets: If the value of the trust is considered part of the family's net assets, then distributions from the trust are not considered income to the family.

Revocable or irrevocable trust not considered part of net family assets: If the value of the trust is not considered part of the family's net assets, then distributions from the trust are treated as follows:

All distributions from the trust's principal are excluded from income.

Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

SHA must be careful to distinguish between distributions of principal and distributions of earnings on a trust's principal when verifying family income from irrevocable trusts and revocable trusts where the grantor is not part of the assisted family or household, so as not to unintentionally include distributions of principal that are not considered income.

Note: The policy implemented under HOTMA is a change from the previous policies of both PIH and MFH. Previously, PIH considered all distributions of principal or income earned on the principal as income unless the distribution qualified as an income exclusion. In determining whether a distribution from a trust should be counted as income to the beneficiary, MFH considered how the trust was funded, whether the distribution was from trust income or principal, and whether any distribution from trust income met an existing income exclusion. The policy under HOTMA aligns the policies of MFH and PIH and clarifies that the term "income" means "trust income" and not **any** distribution from the trust to the beneficiary.

Federal Tax Refunds or Refundable Tax Credits: 24 CFR

§ 5.603

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

Taxpayers have several options for receiving their tax refunds: via paper check or direct deposit into a checking or savings account; via TreasuryDirect to buy savings bonds; via direct deposit into a Traditional, Roth, or Simplified Employee Pension Plan-IRA; or via purchase of savings bonds, a Health Savings Account, an Archer Medical Savings Account, or a Coverdell Education Savings Account. Refundable tax credits, such as the Earned Income Tax Credit (EITC), are determined as part of an overall tax return submission to the Internal Revenue Service (IRS). Taxpayers receive one federal tax refund reflecting the taxpayer's tax liability, if negative, including any applicable refundable tax credits.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of the account in which the federal tax refund or refundable tax credits were deposited. When the subtraction results in a negative number, then the balance of the asset is considered \$0. If the tax refund or refundable tax credit is deposited into another excluded asset, such as a retirement account or a Coverdell Education Savings Account, then the deposit will have no effect on the balance of the asset (i.e., there is no need for the PHA/MFH Owner to subtract the amount of the deposit from the value of the excluded asset).

Note: Only the amount that the family receives is excluded from net family assets. For example, if a family anticipates a \$500 federal tax refund but only receives \$250, then only \$250 will be excluded from the net family assets because that is the amount that the family received.

SHA is not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are equal to or below \$50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if the SHA does not accept self-certification of assets. SHA must verify the amount of the family's federal tax refund or refundable tax credits if the family's net assets are greater than \$50,000.

The anticipated income earned by the assets in which a family has deposited their federal tax refund or refundable tax credits must be included in the family's annual income unless the income is specifically excluded under 24 CFR § 5.609(b).

Retirement Accounts

Company Retirement/Pension Accounts

The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plan, and retirement plans for self-employed individuals is not part of the net family assets.

Any income earned on the funds while stored in such a retirement account is not considered actual income from assets.

However, any distribution of periodic payments from the retirement account is considered income at the time it is received by the family (§ 5.609(b)(26)).

Civil Rights Settlements

A civil rights settlement, regardless of how the settlement is paid (lump sum or several distributions), is excluded from annual income; however, the amounts would be considered part of net family assets, if held in a savings account, revocable trust, or in some other asset that is not excluded from the definition of net family assets.

Passbook Rate

Regulation: 24 CFR § 5.609(a)(2)

HUD will annually publish a passbook rate based on the Federal Deposit Insurance Corporation (FDIC) National Deposit Rate for savings accounts, which is an average of national savings rates published on a monthly basis. SHA must use the HUD-published passbook rate when calculating imputed asset income for net family assets that exceed \$50,000 (a figure that is annually adjusted for inflation). The HUD-published passbook rate will be posted to a dataset on the HUDUser Web site, alongside annual inflationary adjustments to determine the passbook rate for the next calendar year, HUD will average the most recent three months of FDIC updates to the National Deposit Rate for savings accounts, rounded to the nearest hundredth of 1 percent. In order to ensure updated passbook rates may be used for reexaminations with an effective date of January 1, HUD will calculate the update in July each year, using FDIC data from April, May, and June. for publication on HUDUser not later than September 1.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

SHA Policy

In determining the value of personal property held as an investment, the SHA will use the family's estimate of the value. However, the SHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

SHA Policy

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of life insurance policies that are available to the participant before death are included in net family assets (e.g., the surrender value of a whole life policy or a universal life policy). Net family assets will not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (as adjusted for inflation)

Regulations: 24 CFR §§ 5.603; 5.609; 5.618; 5.659(e); 882.515(a); 882.808(i)(1); 891.105; 960.259(c)(2); and 982.516(a)(3)

SHA may determine net family assets based on a self-certification by the family that the family's total assets are equal to or less than \$50,000, adjusted annually for inflation, without taking additional steps to verify the accuracy of the declaration at admission and/or reexamination. SHA is not required to obtain third-party verification of assets if they accept the family's self-certification of net family assets. When SHA accepts self-certification of net family assets at reexamination, the SHA must fully verify the family's assets every three years.

SHA may follow a pattern of relying on self-certification for two years in a row and fully verifying assets in the third year.

The family's self-certification must state the amount of income the family anticipates receiving from such assets. The actual income declared by the family must be included in the family's income, unless specifically excluded from income under 24 CFR § 5.609(b). SHA must clarify, during the self-certification process, which assets are included/excluded from net family assets.

SHA may combine the self-certification of net family assets and questions inquiring about a family's present ownership interest in any real property into one form.

SHA Policy

SHA will accept self-certification when the Net Family Assets are equal to or less than \$50,000 (as adjusted for inflation)

G. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].

Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security, VA or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)].

SHA Policy

When a delayed-start payment is received and reported during the period in which the SHA is processing an annual reexamination, the SHA will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the SHA.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

Periodic Payments Excluded from Annual Income

Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]

SHA Policy

The SHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]

Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]

Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]

Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].

Note: EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.

Lump sums received as a result of delays in processing Social Security, VA and SSI payments HUD FAQ and [24 CFR 5.609(b)(4)].

H. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)].

I. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) or Ohio Works First (OWF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The SHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The requirements are summarized below. This rule applies only if a family was a public housing resident at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the SHA must include in annual income "imputed" welfare income. The SHA must request that the welfare agency inform the SHA when the benefits of a public housing resident are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

J. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

Alimony and Child Support

The SHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

SHA Policy

The SHA will count court-awarded amounts for alimony and child support unless the SHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

The SHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

SHA Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets

provided to any family member on a regular basis, and (3) “in-kind” contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the SHA. For contributions that may vary from month to month (e.g., utility payments), the SHA will include an average amount based upon past history.

K. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
- (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (e) Payments or allowances made under the Department of Health and Human Services’ Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)
- (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu)
- (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)

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- (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
 - (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
 - (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
 - (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
 - (p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
 - (q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)
 - (r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
 - (s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
 - (t) ABLE accounts are excluded from the definition of net family assets, and therefore income generated from such accounts is not considered when calculating income from assets. Distributions from these accounts are also excluded from income. HUD developed specific guidance on ABLE accounts based on language included in the ABLE Act of 2014. Certain contributions deposited into ABLE accounts are excluded in addition to the above-mentioned exclusions. See [*Treatment of ABLE Accounts in HUD- Assisted Programs*](#) (Notice H 2019–06/PIH 2019–09).

L. CONTRIBUTIONS TO RETIREMENT FUNDS – ASSETS

Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum less the amount the employee contributed to the retirement.

M. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

SHA must count assets disposed of for less than fair market value during the two years preceding the date of divestiture. SHA will count the difference between the market value and the actual payment received for less than market value in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

SHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$5,000. If the total value of assets disposed of within the two-year period is less than \$5,000, they will not be considered an asset.

N. CHECKING AND SAVINGS ACCOUNTS

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

- In determining the value of a checking account, the SHA will use the current balance.
- In determining the value of a savings account, the SHA will use the current balance.
- In determining the anticipated income from an interest-bearing checking or savings account, the SHA will multiply the value of the account by the current rate of interest paid on the account.

In lieu of the calculation described above, the SHA can use the actual received over the last calendar year in determining the anticipated amount of interest if it is anticipated that the average balance will remain constant (similar to the balance for the last twelve months).

O. CHILD CARE EXPENSES

Child-care expenses for children under 13 may be deducted from annual income, to determine adjusted income, if they enable an adult to work or attend school, or to actively seek employment.

In the case of a child attending private school, only after-hours care can be counted as child-care expenses.

Child care expenses must be reasonable. Reasonable is determined by what the average child care rates that have been determined by the TANF Agency in the SHA's jurisdiction.

Allowance of deductions for child-care expenses is based on the following guidelines:

Child-care to work: The maximum child-care expense allowed cannot exceed the amount of earned income by the person enabled to work which is included in the family's annual income. **The "person enabled to work" will be the adult member of the household that is now released to perform work.**

Child-care for school: The number of hours claimed for child-care may not exceed the

number of hours the family member is attending school and study time, including reasonable travel time to and from school.

For determining reasonable child-care expenses for education, training or seeking employment: The SHA will determine reasonable limits to be the amount determined by the state welfare agency. If the rate per child verified by the family exceeds the guideline, the SHA may use the state welfare agency's determination for the area to be the cap in order to calculate the allowance. Family's seeking employment shall be limited to 60 days of child-care each year and must provide additional documentation (verification) of where the family member has sought employment.

Child Care Expense Verification Information/Form

The form to be completed by the child-care provider that will be used to verify child-care expense will include:

- The name of the care provider;
- The address of the care provider;
- The telephone number of the care provider;
- The Social Security number of the care provider;
- The names and ages of the children for whom care is being provided;
- The hours of care provided for each child for each day of the week;
- The amount actually paid by the family;
- The amount reimbursed from other sources for the child-care expenses

P. MEDICAL EXPENSES [24 CFR 5.603]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, or the amount that will be allowed, the current IRS Publication 502 will be used as a guide.

Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnishes legible receipts with identification of the type of purchase.

Chiropractic services are included under IRS Publication 502 and will be considered allowable medical expenses.

Q. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.520]

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

An applicant mixed-family is entitled to prorated assistance. Tenant families that become mixed families by the addition of an ineligible member are entitled to prorated assistance.

Prorated Assistance Calculation

Prorated assistance will be calculated by subtracting the Total Tenant Payment from the applicable Flat Rent for the unit the family occupies to determine the Family Maximum Subsidy.

The specific method of prorating assistance for Public Housing covered programs is as follows:

Step 1. Determine the total tenant payment in accordance with section 5.628. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)

Step 2. Subtract the total tenant payment from the SHA-established flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible ("family maximum subsidy").

Step 3. Divide the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status ("eligible family member"). The subsidy per eligible family member is the "member maximum subsidy."

Step 4. Multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status ("eligible family members").

The product of steps 1 through 4 of this section is the amount of subsidy for which the family is eligible ("eligible subsidy").

The family's rent is the SHA- established flat rent minus the amount of the eligible subsidy.

Method of prorating assistance when the mixed family's total tenant payment (TTP) is greater than the public housing flat rent.

When the mixed family's TTP is greater than the flat rent, the HSHA must use the TTP as the mixed family TTP. The HSHA subtracts from the mixed family TTP any established utility allowance, and the sum becomes the mixed family rent.

Mixed families with the TTP is less than the Flat rent can pay the flat rent. In the case of paying the flat rent, they shall not receive a prorated rent calculation. An adult member that is ineligible for assistance in a mixed family is also ineligible for an earned income disallowance.

R. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

QHWRA revised the situations in which a PHA is required to reduce rent for special cases. In order to comply with the requirement, SHA will make income revisions for changes resulting from Welfare program requirements as follows:

The SHA will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- fraud by a family member in connection with the welfare program; or
- failure to participate in an economic self-sufficiency program; or
- noncompliance with a work activities requirement

However, the SHA will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where a family member has not complied with a general welfare agency requirements; or
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits; or
- A situation of an inadvertent overpayment.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income (new income) a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

Verification Before Denying a Request to Reduce Rent

SHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

Cooperation Agreements

SHA has an unwritten cooperation agreement in place with the local welfare agency that assists

the PHA in obtaining the necessary information regarding welfare sanctions.

S. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

If the cost of utilities (excluding telephone) is not included in the Tenant Rent, a utility allowance will be deducted from the total tenant payment. The Utility allowance is intended to help defray the cost of utilities not included in the rent. The allowances are based on the monthly cost of reasonable consumption utilities in an energy conservative household, not on a family's actual consumption.

When the Utility Allowance exceeds the family's Total Tenant Payment, SHA may provide a Utility Reimbursement Payment for the family each month or in the case of the reimbursement amount totaling less than \$45 per quarter, the reimbursement may be quarterly. The SHA has the option of making utility reimbursement payments not less than once per calendar-year quarter, for reimbursements totaling \$45 or less per quarter. In the event a family leaves the program in advance of its next quarterly reimbursement, the SHA must reimburse the family for a prorated share of the applicable reimbursement. If and when SHA exercises this option, the SHA must have a hardship policy in place for tenants. The policy is that the hardship must be verified and it is no fault of the participant and will be of a long term nature. A hardship would include no income for a period of a least 90 days.

If at any time in the future the SHA elects to pay the utility supplier, the SHA must notify the family of the amount of utility reimbursement paid to the utility supplier.

SHA's current UAP policy is the check will be made out directly to the tenant.

Resident-Paid Utilities

The following requirements apply to residents living in developments with resident-paid utilities or applicants being admitted to such developments:

If a resident or applicant is unable to get utilities connected because of a previous balance owed to the utility company, the resident/applicant will not be permitted to move into a unit with resident paid utilities. This may mean that a current resident cannot transfer to a scattered site or that an applicant cannot be admitted to a unit with resident-paid utilities.

Paying the utility bill is the resident's obligation under the lease. Failure to pay utilities is grounds for eviction.

Reasonable Accommodations in Adjusting the Utility Allowances

It is the policy of the SHA to adjust the amount of tenant-paid utilities or SHA consumption levels for tenant allowances in documented situations when a qualified family is entitled to the adjustments. Such adjustments shall be made based on the qualification of the disabled individual's special need, and shall be no more than the difference of the usage of the reasonable

cost of a reasonable increased consumption level for the additional required apparatus used to address the need.

Unvented Space Heaters

Unvented space heaters are prohibited from any unit.

T. EXCESS UTILITY PAYMENTS

Residents in units where SHA pays the utilities will be charged for excess utilities if additional appliances or equipment are used in the unit. When there is a checkmeter, if the tenant uses in excess of the consumption allowance, the tenant shall pay the excess. This charge shall be applied as specified in the lease. [24CFR 966.4(b)(2)] Residents that are paying flat rent and in units that are individually metered will be charged for the excess utilities used above the allowable level.

U. FAMILY CHOICE IN RENTS

Authority for Family to Select

SHA shall provide for each family residing in a public housing unit to elect annually whether the rent paid by such family shall be 1) determined based on family income or 2) the flat rent. SHA may not at any time fail to provide both such rent options for any public housing unit owned, assisted or operated by SHA.

Annual choice: SHA shall provide for families residing in public housing units to elect annually whether to pay income-based or flat rent at the time of the annual recertification.

Allowable Rent Structures

Flat Rents

SHA has established, for each dwelling unit in public housing, a flat rental amount for the dwelling unit, which:

Is based on 80% of the Fair Market Rent as published by HUD on an annual basis. ; and

Is designed so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

SHA shall review the income of families paying flat rent not less than once every three years.

Income-Based Rents

The monthly Total Tenant Payment amount for a family shall be an amount, as verified by the

SHA, that does not exceed the greatest of the following amounts:

- 30 percent of the family's monthly adjusted income
- 10 percent of the family's monthly gross income (annual income divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the SHA
- For Public Housing only, the alternative non-public housing rent, as determined in accordance with 24 CFR 960.102

Switching Rent Determination Methods Because of Hardship Circumstances

In the case of a family that has elected to pay SHA's flat rent, SHA shall immediately provide for the family to pay rent in the amount determined under income-based rent, during the period for which such choice was made, upon a determination that the family is unable to the flat rent because of financial hardship, including:

- Situations in which the income of the family has decreased because of changed circumstances, loss of or reduction of employment, death in the family, and reduction in or loss of income or other assistance; or
- An increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; or
- Such other situations as may be determined by SHA.

All hardship situations will be verified.

Authority for Family to Select

SHA shall provide for each family residing in a public housing unit to elect annually whether the rent paid by such family shall be 1) determined based on family income or 2) the flat rent. SHA may not at any time fail to provide both such rent options for any public housing unit owned, assisted or operated by SHA.

Annual choice: SHA shall provide for families residing in public housing units to elect annually whether to pay income-based or flat rent at the time of the annual recertification.

Allowable Rent Structures

Flat Rent, FMRs AND Utility Payments

Fair Market Rents (FMRs) are gross rent estimates that cover the shelter rent plus the cost of all necessary utilities regardless of who actually pays the utilities. Although the inclusion of utilities in the FMR is an accurate estimate of the cost of renting a unit in a particular area, their inclusion for purposes of setting Public Housing flat rents may lead to families paying more in gross rent if the shelter rent is not adjusted to reflect utility payments. Specifically, families that pay a flat rent for public housing units and that pay their own utilities would pay more in gross rent (i.e., shelter rent plus utilities) than a family in a similarly situated unit where the PHA pays the utilities.

For example, if SHA sets the flat rent for 1-BR units at exactly 80 percent of the FMR, totaling (\$400), a family renting a unit where the SHA pays the utilities would pay

\$400, and a family that rents a unit where they are responsible for paying utilities would pay \$400 plus the cost of utilities. In this case, the family paying for utilities directly pays more because they are renting a unit where they are responsible for their own utility payments.

To address this issue when establishing flat rents, SHA must consider who is responsible for direct utility payments to the utility company, and adjust the flat rent accordingly.

Specifically, if the SHA is responsible for paying for utilities to the utility company, no adjustment is necessary when setting flat rents. However, if the family is responsible for making direct utility payments to the utility company, the SHA must adjust the flat rent amount downward, using a utility allowance, to account for reasonable utility costs of an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment. For flat rents that are set at 80 percent of FMR, the SHA must first determine 80 percent of FMR for each bedroom-size, and then reduce that amount by the utility allowance. For example, if 80 percent of FMR for a 1-BR unit is \$400, then the resulting rent after a reasonable utilities reduction of \$50 per month would be \$350. SHA should also consider utility payments where flat rents are set above 80 percent of FMR and incorporate such adjustments as necessary.

SHA will adjust fair market rents downward to account for reasonable utility cost by subtracting the utility allowance allowed for the appropriate size apartment from the published fair market rent to establish the flat rate rent that will be charged to the family.

SHA shall review the income of families paying flat rent not less than once every three years.

Effective no later than October 31, 2014 all new admissions will be charged FMR (fair market rents) and all current families at the time of their annual re-certifications will be phased in at a rate not to exceed 35 percent until they have reached the new flat rate rents.

SHA shall review the income of families paying flat rent not less than once every three years.

Exceptions to Flat Rent

The FY 2015 Appropriations Act permits SHA to request an exception flat rent that is lower than either 80 percent of the lower of the FMR or SAFMR/unadjusted rent if the SHA can demonstrate that these FMRs do not reflect the market value of a particular property or unit.

In order to demonstrate the need for an exception flat rent, SHA is required to submit a market analysis methodology that demonstrates the value for the unit. While HUD does not prescribe a particular formula for determining the market analysis, SHA must compare the public housing unit to unassisted units in the area using the following factors:

- Location, quality, size, unit type, age of the unit, and
- Amenities, housing services, maintenance, and utilities the PHA will provide under the lease.

These criteria are meant to assist SHA in developing a common sense approach to valuing a unit. It remains important to note that HUD places a high priority on accurate rent determinations and requires that such determinations be performed in a documented, reasonable, and consistent manner. It is not, however, necessary or cost-effective to try to quantifiably document or separately evaluate each of these criteria. To the extent possible, rent valuation should be based on rents paid for similar units in the same general location that are also generally similar in terms of the overall quality of housing services provided. Any procedures or documentation used should reflect this approach.

SHA may request an exception flat rent by sending an e-mail to flatrentexceptionrequests@HUD.GOV with the following information attached:

- The address, including unit number(s) of the unit or property for which the SHA is seeking an exception flat rent;
- The market analysis; and
- The proposed flat rent schedule.

FHAs must receive written HUD approval to utilize an exception flat rent prior to implementing the exception flat rent. When SHA utilizes exception flat rents, they must conduct a new market analysis, and obtain HUD approval, annually.

If HUD denies an exception flat rent request, HUD will provide a detailed written response regarding the reasons for the denial. If, after reviewing HUD's written denial, SHA believes that HUD's decision was in error, SHA may appeal the decision in writing to their local HUD field office no later than 30 days after receiving notification of the denial. The appeal should include any new information the SHA believes is necessary to supplement the original submission. If HUD denies the appeal, SHA must immediately set flat rents at no less than the lower of 80 percent of the FMR or SAFMR pursuant to PIH 2015-13. While awaiting HUD response for any exception request or the appeal for an exception request, flat rents must be set at no less than 80 percent of the lower of the FMR or SAFMR, or at the exception flat rent level previously approved by HUD.

Flat Rent Increase Phase-in Requirements

The FY 2015 Appropriations Act provides SHA additional flexibility to establish flat rents at lower amounts, thereby eliminating the need for the three-year phase-in of all flat rent increases. Therefore, pursuant to PIH 2015-13, the only flat rent increases that may be phased-in are those where a family's rent will increase by more than 35 percent. SHA that began phase-ins for families with rent increases at 35 percent or less do not need to take any immediate action to update the flat rents for such families, but at the family's next annual rent option, the requirements outlined below shall apply.

In order to determine how to phase-in increases in rental payments, SHA must:

- 1) On a case-by-case basis, at the family's next annual rent option, compare the updated flat rent amount applicable to the unit to the rent that was being paid by the family immediately prior to the annual rent option;
 - a. If the new flat rent amount would not increase a family's rental payment by more than 35 percent, the family may choose to pay either the updated flat rent amount or the previously calculated income-based rent;

If the SHA determines that the updated flat rent amount would increase a household's rental payment by more than 35 percent, the family may choose to pay the phased-in flat rent amount resulting from the flat rent impact analysis or the previously calculated income-based rent.

Income-Based Rents

The monthly Total Tenant Payment amount for a family shall be an amount, as verified by the PHA, which does not exceed the greatest of the following amounts:

30 percent of the family's monthly adjusted income;

10 percent of the family's monthly income; or

SHA's Minimum TTP of \$50

Switching Rent Determination Methods Because of Hardship Circumstances

In the case of a family that has elected to pay SHA's flat rent, SHA shall immediately provide for the family to pay rent in the amount determined under income-based rent, during the period for which such choice was made, upon a determination that the family is unable to pay the flat rent because of financial hardship, including:

- Situations in which the income of the family has decreased because of changed

circumstances, loss of or reduction of employment, death in the family, and reduction in or loss of income or other assistance; or

- An increase, because of changed circumstances, in the family's expenses for medical costs, child-care, transportation, education, or similar items; or
- Such other situations as may be determined by SHA.

All hardship situations will be verified.

Annual Reexamination

120 days in advance of annual reexamination, the family will be notified of their annual reexamination. During this reexamination period, the family will be given the option to choose flat rent or income-based rent. SHA will provide a form that states what the flat rent would be and what the family's income-based rent would be. The family will be required to make a choice and sign the form prior to the effective date of their reexamination. The form will be retained in the tenant's file. (See Chapter 11 for further details).

Whether the family indicates they choose income-based or a flat rent, a reexamination appointment will be scheduled according to SHA policy. The family during the reexamination will be provided information on the anticipated rent and may choose to pay flat rent prior to the new rent going into effect.

U. SHA'S FLAT RENT METHODOLOGY

In order to comply with the flat rent requirements annually, no later than 90 days after issuance of new FMRs or SAFMRs by HUD, the SHA must:

- 1) Compare the current flat rent amount to the applicable FMR and SAFMR/unadjusted rent:
 - a) If the flat rent is at least 80 percent of the lower of the FMR or SAFMR/unadjusted rent, the SHA is in compliance with the law, and no further steps are necessary;
 - b) If the flat rent is less than 80 percent of the lower of the FMR and SAFMR, the SHA must set flat rents at no less than 80 percent of the lower of the FMR or SAFMR/unadjusted rent, subject to the utility's adjustment in section 5 of PIH 2015-13, or the PHA may request an exception flat rent pursuant to the requirements of Section 4 of this notice;
- 2) Update the flat rent policies in the Admissions and Continued Occupancy Policies (ACOP) as necessary;
- 3) At all new admissions, permit the family to choose between the flat rent amount and the income-based rent; and
- 4) For families that are current public housing residents, offer the updated flat rent amount at the next annual rent option, and permit the family to choose between the flat rent amount and the income-based rent, subject to the requirements of Section 7 of PIH

2015-13.

The Schedule of Flat Rents is posted at the public housing developments and designated posting areas within the SHA.

V. SHA’S CEILING RENT

The ceiling rent will mirror the flat rent (of exactly the same amount as the flat rent plus the utility allowance).

Ceiling rents, which capped income-based rents are optional rents that SHA has adopted and maintained. The institution of flat rents, under QHWRA, has changed the future function and usefulness of ceiling rents. Some general principles concerning ceiling rents include:

1. SHA had ceiling rents in effect on October 1, 1999 and has optioned to continue these rents. SHA is required to adjust these ceiling rents to the level of flat rents.
2. With ceiling rents, utility allowances are retained in the calculation;
3. Ceiling rents fostered upward mobility and income-mixing;
4. Once the SHA has established flat rents, ceiling rents are set at the same level (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities).

At this point, the function of the ceiling rent is to assist flat rent families whose incomes are reduced, causing the families to be placed on income-based rents. If their incomes increase before the annual reexamination date, the families cannot be placed back on flat rents until the reexamination, but since the SHA has maintained the ceiling rents, the family whose income would exceed the ceiling rent will be placed on a ceiling rent (of exactly the same amount as the flat rent plus the utility allowance) until the annual reexamination.

1.

Chapter 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, 960.259]

INTRODUCTION

The SHA must 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 program participants must cooperate with the verification process as a condition of receiving assistance. The SHA must not pass on the cost of verification to the family.

The SHA will follow the verification guidance provided by HUD in PIH Notice 2004-01, PIH 2010-19 Verification Guidance, PIH 2012-26, PIH 2013-3, PIH 2013-4, PIH 2013-23, PIH 2013-26, PIH 2015-02, PIH 2015-04 streamlining verification, HOTMA provisions, PIH 2023-27 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary SHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the SHA.

PART I. GENERAL VERIFICATION REQUIREMENTS

A. FAMILY CONSENT TO RELEASE OF INFORMATION

Regulations: 24 CFR §§ 5.230; 5.232; 891.105; 891.410(b)-(c); and 891.610(b)-(c)

In accordance with the final rule, all applicants must sign the consent form at admission, and participants must sign the consent form no later than their next interim or regularly scheduled income reexamination. After an applicant or participant has signed and submitted a consent form either on or after January 1, 2024 (regardless of SCHAs compliance date), they do not need to sign and submit subsequent consent forms at the next interim or regularly scheduled income examination except under the following circumstances:

- ☐ When any person 18 years or older becomes a member of the family;
- ☐ When a member of the family turns 18 years of age; and
- ☐ As required by HUD or the PHA in administrative instructions.

These consent forms contain provisions authorizing HUD and the SHA to obtain necessary information for verification of an application or to maintain a family's assistance, including income

information and tax return information. The executed consent forms will remain effective until the family is denied assistance, the assistance is terminated, or if the family provides written notification to the PHA to revoke consent. If a family voluntarily leaves a HUD program, the family's assistance is considered to be terminated and the signed consent forms will no longer be in effect.

HUD will publish a new form HUD-9886-A to conform with the final rule. HUD will include language in the forms allowing SHA to obtain financial records from financial institutions whenever the PHA determines that such a record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits.

SHA Discretion: SHA has the discretion to establish policies around when family members must sign the consent forms when they turn 18 between reexaminations. SHA must establish these policies in their ACOPs, Administrative Plans, and Tenant Selection Plans, if requiring family members to sign consent forms at intervals other than at reexamination.

SHA Policy

SHA will require signatures upon admission and if needed at the Annual or Interim Recertification

Revocation of Consent

Regulations: 24 CFR §§ 5.230(c)(5)(iii); 24 CFR 5.232(c); 891.105; 891.410(g)(3)(ii); and 891.610(g)(3)(ii)

The executed consent forms will remain effective until the family is denied assistance, the assistance is terminated, or if the family provides written notification to the SHA to revoke consent. Revocation of consent or refusal to sign the consent forms prohibits the SHA from requesting and accessing income information and financial records, including pulling EIV reports and using the EIV data to verify income (although the data matches between HUD and other agencies will continue to occur automatically if the family is not terminated from the program). SHA will not be able to process interim or annual reexaminations of income, including when a family's income decreases and the family requests an interim reexamination to decrease tenant rent, without the family's executed consent form(s).

Families have the right to revoke consent by providing written notice to the SHA; however, revoking consent may result in termination of assistance or denial of admission, if the SHA has a policy that the revocation of consent will result in termination of assistance or denial of admission. When the SHA does not establish such a policy, the family is required to sign a new consent form by the next reexamination, whichever occurs first, in order to avoid termination of assistance or be reviewed for eligibility for admission. SHA must explain to families the consequences, if any, of revoking their consent.

SHA must notify their local HUD office of a family's revocation of consent.

SHA Discretion: SHA may decide whether revocation of a family's consent will result in termination of assistance or denial of admission. Such a policy must be included in the SHA's Administrative Plan, ACOP, or Tenant Selection Plan, as applicable.

SHA Policy

SHA will deny the admission and/or terminate the family for failure to execute all release forms including the HUD-9886

Consent Forms

It is required that all adult applicants and participants sign form HUD-9886-A, Authorization for Release of Information. The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the SHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). All adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the SHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with SHA procedures.

B. OVERVIEW OF VERIFICATION REQUIREMENTS

Overview

On December 29, 2009 and additional updates, HUD issued the final rule entitled *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification (EIV) System-Amendments*, which requires PHAs to use the EIV system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income; and reduce administrative and subsidy payment errors in accordance with 24 CFR §5.236 and administrative guidance issued by HUD.

Using EIV as an upfront income verification (UIV) technique is valuable in validating tenant-reported income during interim and annual reexaminations of family income; as well as streamlining the income verification process. This will result in less administrative burden in complying with third party verification requirements. Additionally, EIV will help to identify and cure inaccuracies in housing subsidy determinations, which will benefit PHAs, tenants, and taxpayers by ensuring that the level of benefits provided on behalf of families is proper and will prevent fraud and abuse within Public and Indian Housing (PIH) rental assistance programs.

SHA Policy

The SHA is required to use the EIV system in its entirety. This means the SHA must use all

features of the EIV system to:

- Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
- Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

Streamlining Verification of Assets

The SHA has elected to use the streamlining verification of assets. For a family with net assets equal to or less than \$50,000, the SHA may accept, for purposes of recertification of income, a family's declaration that it has net assets equal to or less than \$50,000, without taking additional steps to verify the accuracy of the declaration.

- The declaration must state the amount of income the family expects to receive from such assets; this amount must be included in the family's income.
- The SHA must obtain third-party verification of all family assets every 3 years.

Streamlining Verification of Income

SHA has elected to use the streamlining verification of income. For any family member with a fixed source of income, the SHA may elect to determine that family member's income by means of a streamlined income determination. A streamlined income determination must be conducted by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

The "Family member with a fixed source of income" is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:

- Social Security, Supplemental Security Income, Supplemental Disability Insurance;
- Federal, state, local, or private pension plans;
- Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

In using the streamlining, the SHA must use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount. The SHA must verify the appropriate COLA or current rate of interest from a public source or through tenant-

provided, third party– generated documentation. If no such verification is available, then the MHA must obtain third-party verification of income amounts in order to calculate the change in income for the source.

For any family member whose income is determined pursuant to a streamlined income determination, the SHA must obtain third-party verification of all income amounts every 3 years. If 90 % of the annual income for a family is received from a fixed income source, the SHA will apply the streamlining process and reverify the fixed income every 3 years. All other incomes will be verified annually.

C. THE EIV SYSTEM

Mandated and Discretionary use of HUD’s Enterprise Income Verification (EIV) System

Regulation: 24 CFR § 5.233

The regulation clarifies that SHA must use EIV to verify tenant employment and income information at annual and streamlined reexaminations of family composition and income. However, SHA is no longer required to use EIV to verify tenant employment and income information during an interim reexamination of family composition and income.

SHA is still required to use EIV in its entirety, including using all of the required reports, such as the Existing Tenant Search and Income Reports, to verify tenant employment and income information at all other times.

HUD intends to update the discrepancy logic for the Public Housing Income Discrepancy Reports and the Income Verification Tools (IVTs) to conform to the requirements of the final rule. SHA is not required to investigate discrepancies resulting from the Public Housing Income Discrepancy Reports and the IVT Tools until HUD updates the discrepancy logic. HUD will notify SHA when the new reports are ready for use.

The Table provides guidance on the frequency with which individual EIV reports must be utilized by the SHA.

Table Mandatory and Discretionary Use of EIV by PHA (SHA)

Report Title	Report Description	Frequency of Use	PHAs
Debts Owed to PHAs & Terminations	Allows users to access information concerning former tenants who left owing a debt to a PHA or who had their voucher terminated for cause.	At the time of processing an applicant family for admission, and to enter debt information or terminations for families who have ended program participation.	PHAs
Deceased Tenants Report	Identifies tenants reported by Social Security Administration (SSA) as being deceased.	At least quarterly	PHAs
Existing Tenant Search	Identifies applicants who may be receiving assistance at another Multifamily project or PIH location.	At the time of processing an applicant family for admission	PHAs
Failed EIV Prescreening Report	Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in HIP/TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.	Monthly	PHAs
Failed Verification Report (Failed SSA Identity Test)	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database. *PHAs that admit families using a self- certification of SSN must review the Failed SSN Verification Report monthly to identify and follow up on new issues.	Monthly	PHAs/
Identity Verification Report	Identifies tenants that, failed SSA verification, and failed EIV pre-screening.	Monthly	PHAs

Income Information for PIH Programs	Provides employment and income reported by HHS and SSA for each household member that passes the SSA identity test. Identifies tenants who: • May not have reported complete and accurate income information; and/or • May be receiving multiple subsidies.	Must be used at annual reexamination; not required at interim reexaminations. PHAs may use, if desired. PHAs are not required to use at annual reexamination if they use Safe Harbor verification to determine the family's income.	PHAs
Income Validation Tool Report for PIH Programs	Provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with the Department of Health and Human Services (HHS) using the National Directory of New Hires (NDNH) database, and the SSA.	PHAs are required to obtain an EIV Income and Income Validation Tool Report for each family any time the PHA conducts an annual reexamination of family income and composition. PHAs may use the report at other intervals, in accordance with the PHA's ACOP or Administrative Plan. PHAs are not required to use the report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination. *See note under Summary above about updates to the Public Housing Income Discrepancy Reports.	PHAs
Multiple Subsidy Report	Identifies tenants who may be receiving rental assistance at more than one location.	At least quarterly	PHAs
		PHAs must review this information at annual reexamination except when the PHA uses Safe Harbor verification to determine the family's income. PHAs that do not require	

New Hires Report	Identifies tenants who have new employment within the last six months. Report is updated monthly.	families to undergo interim reexaminations (IRs) for income increases after an IR decrease do not need to review this report at all between a family's annual reexamination. If the PHA's policy is to require an IR for increases in income after an IR decrease, then the PHA must review the report quarterly after the family's IR decrease.	PHAs
No Income Reported by HHS or SSA	Identifies tenants who passed the SSA identity test but where no income was reported by HHS or SSA. This scenario does not mean that the tenant does not have any income. PHAs/MFH Owners must obtain written, third-party verification of any income reported by the tenant.	As identified in a PHA's ACOP or Administrative Plan or have written EIV policies and procedures.	PHAs

SHA Discretion on EIV at Interim Reexaminations

SHA may choose to use EIV to verify tenant employment and income information at interim reexaminations of family composition and income. If SHA chooses to use EIV to verify income information at interim reexaminations must include this information in the SHA's ACOP and/or Administrative Plan. Any policy adopted by the SHA must be applied consistently for all households.

SHA Policy

SHA may use the EIV reports during an interim reexamination but is not required in all circumstances.

The EIV System is a web-based application, which provides SHA with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). This system is available to SHA. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058.

SHA is required to review the EIV Income Report of each family before or during mandatory annual and interim reexaminations of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments. EIV is classified as an UIV technique (or automated written third party verification), which helps to identify income sources and/or amounts that the tenant may not have disclosed. This UIV technique in many instances will reduce the need to mail or fax third party verification request forms to an income source. EIV also provides various reports to assist SHA with the following:

- Identifying tenants whose reported personal identifiers do not match the SSA database;
- Identifying tenants who need to disclose a SSN;
- Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN;
- Identifying tenants who may not have reported complete and accurate income information;
- Identifying tenants who have started a new job;
- Identifying tenants who may be receiving duplicate rental assistance;
- Identifying tenants who are deceased and possibly continuing to receive rental assistance;
- Identifying former tenants of PIH rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a PHA or Section 8 landlord.

SHA Policy

All SHA staff (including SHA-hired management agents), who have a need to access the EIV system, is required to complete and submit the EIV Access Authorization Form & Rules of Behavior and User Agreement to their designated EIV Coordinator in the local HUD office. The form is available online at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>.

The user's access must be approved by the SHA Executive Director or designee in order for the local HUD office to process all EIV access requests. Individuals who will not directly access the EIV system, but will have access to the EIV data in printed or electronic form is also required to complete the EIV Access Authorization Form & Rules of Behavior and User Agreement and maintain on file (do not submit the form to the local HUD office).

Requirements for Acceptable Documents

PHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to the PHA. The documents must not be damaged, altered or in any way illegible.

The PHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the PHA and must be signed in the presence of a PHA representative.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

The Verification Hierarchy

Regulation: 24 CFR §§ 5.240(c); 5.659(d); 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g); 960.259(c); 982.201(e); and 982.516(a)(2)

SHA is responsible for obtaining third-party verification of reported family annual income, the value of assets, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income. Third-party verification is a process by which SHA gathers information (e.g., about the family's annual income, value of assets, etc.) independently from the source of the income, assets, expenses, or other factors that affect the determination of adjusted income. Third-party verification may be obtained directly from the third party or through the family. SHA must document in the tenant file the reason why third-party verification was not available unless HUD's regulations specifically permit families to self-certify a particular component of adjusted income.

HUD developed a hierarchy that describes verification documentation from most acceptable to least acceptable. The SHA must demonstrate efforts to obtain third party verification prior to

accepting self-certification except instances when self-certification is explicitly allowed (e.g., net family assets that do not exceed \$50,000).

SHA Policy

The SHA will begin with the highest level of verification techniques. The SHA is required to access the EIV system and obtain an Income Report for each household. The SHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the SHA will attempt the next lower level verification technique, as noted in the below chart.

Level Verification Technique Ranking

Level	Verification Technique	Ranking
6	Upfront Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system (generally not available for income verifications of applicants)	Highest (Mandatory) SHA must pull the EIV Income Report for each family at every Annual Reexamination. EIV may be used as the sole verification of Social Security income. EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	Upfront Income Verification (UIV) using non-HUD system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest
4	Written third Party Verification Written, third-party verification from the source, also known as “tenant-provided verification”	High • Written, third-party verification is used when tenant disputes EIV-reported employment and income

	OR EIV + Self-Certification SHA can choose either option when both are available to verify income. SHA must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)	information. The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.
3	Written Third Party Verification Form	Medium - Use if Level 5 or Level 4 verification is not available or is rejected by the SHA and when the applicant or tenant is unable to provide acceptable documentation. - May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third Party Verification	Low (Mandatory if written third party verification is not available)
1	Self-Certification/Tenant Declaration (not third-party verification)	Low Use as a last resort when unable to obtain any type of third-party verification or if specifically permitted, such as to determine actual income from assets when the family certifies that net family assets do not exceed \$50,000.

This verification hierarchy applies to income determinations for applicants and participants.

However, EIV is not always available for verifying income of applicants. The SHA is still required to use EIV for applicants to determine other factors as relates to eligibility and maintain a copy of the record in the file.

Third-Party Verification Descriptions and Guidance

- **Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. It should be noted that the EIV system is available to SHA as a UIV technique and that SHA is required to use EIV in its entirety (see Mandated and Discretionary Use of EIV). SHA is encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to verify tenant-reported income.
- **Written, Third-Party Verification (Level 4):** An original or authentic document generated by a third-party source dated within 120 days of the date received by the SHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

Such documentation may be in the possession of the tenant (or applicant) and is commonly referred to as tenant-provided documents. SHA may obtain any tenant-provided documents and follow up directly with the third-party source to obtain necessary verification of information, when necessary.

Examples of acceptable tenant-provided documentation (generated by a third-party source) include but are not limited to the following: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

SHA is required to obtain a minimum of two current and consecutive pay stubs for determining annual income from wages when they do not elect to use EIV + Self-Certification or the income type is not reported in EIV. For new income sources or when two pay stubs are not available, the SHA should determine income based on the information from a traditional written, third-party verification form or the best available information.

Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of written, third-party verification.

When verification of assets is required, SHA is required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

EIV may be used as Level 4 verification and may be used to calculate income as long as the family agrees with the information in EIV; this practice is known as "EIV + Self-Certification." The SHA may use their discretion to determine which method of calculation

is reasonable: the last 4 quarters combined or an average of any number of quarters. The EIV Income report must be pulled within 120 days prior to the reexamination effective date.

- **Written, Third-Party Verification Form (Level 3):** This practice is also known as “traditional third-party verification.” This type of verification is a form developed by the SHA and used uniformly for all families when needed to collect information from a third-party source. The form is completed by the third party by hand (in writing or typeset). SHA sends the form directly to the third-party source by mail, fax, or email.

The SHA may skip this level of verification before attempting Level 2, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

- **Oral Third-Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique, or identified by the family, via telephone or in-person visit. SHA staff must document in the tenant file the date and time of the telephone call (or visit to the third party) and the name of the person contacted and their telephone number, along with the confirmed information.

This verification method is commonly used when the independent source does not respond to the SHA’s faxed, mailed, or e-mailed request for information in a reasonable time frame (e.g., 10 business days).

The SHA may skip this level of verification if they attempted Level 3, which means they will have only completed Level 3 or Level 2 verification before moving to Self-Certification.

- **Non-Third-Party Verification Technique: Self-Certification (Level 1):** The tenant submits a signed statement of reported income and/or expenses to the SHA. This verification method should be used as a last resort when the SHA has not been successful in obtaining information via all other required verification techniques. When the SHA relies on self-certification to verify income or expenses, the SHA must document in the tenant file why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

Sample language: “I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)”

Exceptions to Third Party Verification Requirements 24 CFR §960.259(c)(1) and §982.516(a)(2)

The exception to third party verification is, “The PHA must obtain and document in the family file third party verification of the following factors, **or must document in the file why third**

party verification was not available.”

Third party verification may not be available for a variety of reasons. These reasons include:

- The SHA may have made numerous attempts to obtain the required verifications with no success, or
- It may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal.

In these cases, the SHA is **required to document in the family file the reason(s) why third party verification was not available.**

The exception to third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2).

Third party verification requirements 24 CFR §960.259(c)(1) and 24 CFR §982.516(a)(2)

In accordance with requirements for the Public Housing and the HCV programs, respectively, the SHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:

- Reported family annual income
- The value of assets
- Expenses related to deductions from annual income
- Other factors that affect the determination of adjusted income.

Compliance and reduction of the administrative burden of third party verification requirements of family annual income

SHA can comply with and reduce administrative burden of third party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by all of the following:

- Reviewing the EIV Income Report to confirm/validate tenant-reported income
- Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations) in the tenant file
- Obtaining current acceptable tenant-provided documentation to supplement EIV information
- Using current tenant-provided documentation and/or third party verification to calculate annual income.

Note: Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, SHA does not need to obtain or request a benefit verification letter from the tenant.

The SHA may also reduce the administrative burden of obtaining third party verification by relying on acceptable documents that are generated by a third party, but provided by the tenant. Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The SHA must request written third party verification under the following circumstances:

- When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b))
- When the SHA requires additional information that is not available in EIV and /or the tenant is unable to provide the SHA with current acceptable tenant-provided documentation.

Examples of additional information, includes but is not limited to:

- Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
- For new employment: pay rate, number of hours worked per week, pay frequency, etc.
- Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

Note: 24 CFR §5.236(a), prohibits SHA from taking adverse action based solely on EIV information.

Types of file documentation required to demonstrate SHA compliance with mandated use of EIV as a third party source to verify tenant employment and income information (24 CFR §5.233(a)(2)(i)).

1. For each new admission (form HUD-50058 action type 1), the SHA is required to do the following:
 - Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - Print and maintain a copy of the EIV Income Report in the tenant file; and
 - Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

2. For each historical adjustment (form HUD-50058 action type 14), the SHA is required to do the following:
 - Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - Print and maintain a copy of the EIV Income Report in the tenant file;
 - Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
3. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
 - **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. The SHA has the discretion to print the EIV Income report, however, only the ICN page is required.

EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.

For each annual reexamination of family income and composition, the SHA is required to have the following documentation in the tenant file:

- **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the SHA), traditional third party verification form(s).
- **Disputed EIV Information:** EIV Income report, current acceptable tenant- provided documentation, and/or traditional third party verification form(s) for disputed information.
- **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the SHA), traditional third party verification form(s).

Tenants That Do Not Provide the SHA with Requested Information

If the tenant does not provide the requested information, the SHA may mail or fax a third party verification request form to the third party source. The SHA is **required** to request third party verification when the tenant disputes EIV information and the tenant is unable to provide

acceptable documentation to support disputed information. However, the SHA shall remind the tenant that s/he is required to supply any information requested by the SHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The SHA may determine that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner,

Using the EIV to Reduce Administrative and Subsidy Payment Errors.

EIV has the ability to identify other potential issues, which may impact a family's level of assistance. EIV contains stand-alone reports, which the SHA may generate at any time i.e.;

- Deceased Tenants Report,
- New Hires Report,
- Multiple Subsidy Report,
- Identity Verification Report,
- Income Discrepancy Report,
- Debts Owed to PHAs & Termination Report
- Immigration Report

However, it should be noted that the information from these stand-alone reports are contained in the Income Report for each household. The SHA is **required** to address any and all potential issues at the time of the annual or interim re-exam, as conveyed in the Income Report.

The SHA may use the stand-alone reports to monitor staff's progress in reducing the following administrative and subsidy payment errors by using the listed reports:

- Incorrect/invalid SSNs/name/date of birth – Identity Verification Report
- Follow- up with families who need to disclose a SSN – Immigration Report
- Duplicate rental assistance – Multiple Subsidy Report
- Unreported increase in income – Income discrepancy Report
- Improper payments on behalf of deceased tenants – Deceased Tenants Report
- Unreported new employment (PHAs with interim increase policy) – New Hires Report
- Adverse Termination/Outstanding Debt to PHA – Debts Owed to PHAs & Termination

Search

In order to ensure the SHA is aware of potential subsidy payment errors, the SHA is **required** to monitor the following EIV reports on a **monthly** basis:

- Deceased Tenants Report
- Identity Verification Report
- Immigration Report

In order to ensure the SHA is aware of potential subsidy payment errors, the SHA is required to monitor the following EIV reports on a quarterly basis:

- Income Discrepancy Report
- Multiple Subsidy Report
- New Hires Report (if SHA has an interim increase policy)

EIV Requirements for Recertification

To minimize tenant underreporting of income, the SHA is required to obtain an EIV Income Report for each family any time the PHA conducts an annual or interim reexamination of family income and composition.

In accordance with 24 CFR §5.236(b)(2)(3), SHA is required to compare the information on the EIV report with the family-reported information. If the EIV report reveals an income source that was not reported by the tenant or a substantial difference in the reported income information, the SHA is required to take the following actions:

- Discuss the income discrepancy with the tenant
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/ or income sources;
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the SHA is required to request from the third party source, any information necessary to resolve the income discrepancy

-
- If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively.

Take any other appropriate action as directed by HUD or the SHA's administrative policies.

- The SHA is required to determine the retroactive rent as far back as the existence of complete file documentation (form HUD-50058 and supporting documentation) to support such retroactive rent determinations.

***Note:** A substantial difference is defined as an amount equal to or greater than \$2,400, annually.*

When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the SHA is required to obtain from the tenant, any necessary documentation to complete the income determination process. As noted previously, the SHA may reject any tenant-provided documentation, if the SHA deems the documentation unacceptable. The SHA may reject documentation provided by the tenant for only the following HUD-approved reasons:

- The document is not an original; or
- The original document has been altered, mutilated, or is not legible; or
- The document appears to be a forged document (i.e. does not appear to be authentic).

The SHA will explain to the tenant, the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the SHA deems necessary to complete the income determination process, the SHA is required to submit a traditional third party verification form to the third party source for completion and submission to the SHA.

If the third party source does not respond to the SHA's request for information, the SHA is required to document the tenant file of its attempt to obtain third party verification and that no response to the third party verification request was received.

The SHA should then pursue lower level verifications in accordance with the verification hierarchy.

Tenant Actions for SHA Underpayments of Rent

SHA Policy

The tenant must be provided an opportunity to contest the SHA's determination of tenant rent underpayment. HUD regulations require the SHA to promptly notify tenants in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The tenant may contest the findings in accordance with the SHA's established grievance procedures, as required by HUD. The SHA may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period.

Tenant Repayment Agreement and Failure to Report Income

Tenants are required to reimburse the SHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the SHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent.

If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the SHA **must** terminate the family's tenancy or assistance, or both. HUD does **not** authorize any SHA-sponsored amnesty or debt forgiveness programs, therefore, no amnesty or debt forgiveness program will be provided.

All repayment agreements must be in writing, dated, signed by both the tenant and the SHA, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- Reference to the paragraphs in the Public Housing lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the SHA.
- The terms of the agreement that may be renegotiated if there is a decrease or increase in the family's income.
- Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.
- The SHA is required to determine retroactive rent amount as far back as the PHA has documentation of family reported income. For example, if the SHA determines that the family has not reported income for a period of five years and only has documentation for the last three years, the SHA is only able to determine retroactive rent for the three years for which documentation is available.

Repayments shall be in accordance with SHA's repayment policies and agreement.

EIV Record Retention

SHA Policy

The SHA's record retention policy will determine the length of time the PHA should

maintain EIV printouts in a tenant file. PHAs are authorized to maintain the EIV Income Report in the tenant file for the duration of tenancy and no longer than three years from the end of participation (EOP) date. In accordance with revised regulation, 24 CFR §908.101, the SHA is required to maintain at a minimum, the last three years of the form HUD-50058, and supporting documentation for all annual and interim reexaminations of family income. All records are to be maintained for a period of at least three years from the effective date of the action.

Disclosure of an Individual's EIV Information

The Federal Privacy Act (5USC§552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual. As such, the EIV data of an adult household member may not be shared (or a copy provided or displayed) with another adult household member, unless the individual has provided written consent to disclose such information.

However, the SHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified.

SHA Policy

EIV information and any other information obtained by the SHA for the purpose of determining eligibility and level of assistance for a PIH rental assistance program may not be disclosed to third parties for any reason (even for similar verifications under other programs, such as eligibility for low income housing tax credit units, other federal or state assistance programs), unless the tenant has authorized such disclosure in writing.

Incorrect EIV Information

Sometimes the source or originator of EIV information may make an error when submitting or reporting information about tenants. HUD cannot correct data in the EIV system. Only the originator of the data can correct the information. When the originator corrects the data, HUD will obtain the updated information with its next computer matching process. Below are the procedures tenants and the SHA will follow regarding incorrect EIV information.

Employment and wage information reported in EIV originates from the employer. The employer reports this information to the local State Workforce Agency (SWA), who in turn, reports the information to HHS' (Health and Human Services) National Directory of New Hires (NDNH) database.

If the tenant disputes this information, s/he should contact the employer directly, in writing to dispute the employment and/or wage information, and request that the employer correct erroneous information.

The tenant should provide the SHA with this written correspondence so that it may be

maintained in the tenant file. If employer resolution is not possible, the tenant should contact the local SWA for assistance.

Unemployment benefit information reported in EIV originates from the local SWA. If the tenant disputes this information, s/he should contact the SWA directly, in writing to dispute the unemployment benefit information, and request that the SWA correct erroneous information. The tenant should provide the SHA with this written correspondence so that it may be maintained in the tenant file.

SS and SSI benefit information reported in EIV originates from the SSA. If the tenant disputes this information, s/he should contact the SSA at (800) 772-1213, or visit the local SSA office. SSA office information is available in the government pages of the local telephone directory or online at <http://www.socialsecurity.gov>.

Note: The tenant may also provide the SHA with third party documents which are in the tenant's possession to support their dispute of EIV information. The SHA, with the tenant's consent, is required to submit a third party verification form to third party sources for completion and submission to the SHA, when the tenant disputes EIV information and is unable to provide documentation to validate the disputed information. **The tenant's failure to sign the consent form is grounds for termination of tenancy and/or assistance in accordance with 24 CFR §5.232.**

Debts owed to PHAs and termination information reported in EIV originates from the PHA. If a current or former tenant disputes this information, s/he should contact the PHA (who reported the information) directly in writing to dispute this information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV.

Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the PIH program.

Identity Theft

Seemingly incorrect information in EIV may be a sign of identity theft. Sometimes someone else may use an individual's SSN, either on purpose or by accident. SSA does not require an individual to report a lost or stolen SSN card, and reporting a lost or stolen SSN card to SSA will not prevent the misuse of an individual's SSN.

However, a person using an individual's SSN can get other personal information about that individual and apply for credit in that individual's name. So, if the tenant suspects someone is using his/her SSN, s/he should check their Social Security records to ensure their records are correct (call SSA at (800) 772-1213); file an identity theft complaint with the local police department and/or Federal Trade Commission (call FTC at (877) 438-4338, or visit their website at: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>); and s/he should also monitor their credit

reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian). The tenant should provide the SHA written documentation of filed identity theft complaint. (Refer back to paragraph on Employment and wage information regarding disputed EIV information related to identity theft).

Tenants may request their credit report and place a fraud alert on their credit report with the three national credit reporting agencies at: www.annualcreditreport.com or by contacting the credit reporting agency directly.

Security of EIV Data

The data in EIV contains personal information on individual tenants which is protected under the Federal Privacy Act. The information in EIV may only be used for limited official purposes, as noted below

Official Purposes Include:

- The SHA, in connection with the administration of PIH programs, for verifying the employment and income at the time of interim and annual reexaminations.
- HUD staff for monitoring and oversight of SHA compliance with HUD program requirements.
- Independent Auditors hired by the SHA or HUD to perform a financial audit for use in determining the SHA's compliance with HUD program requirements, including verifying income and determining the accuracy of the rent and subsidy calculations.

Restrictions on disclosure requirements for Independent Auditors

Independent Auditors:

- May only access EIV income information within family files and only within the offices of the SHA or SHA- hired management agent;
- May not transmit or transport EIV income information in any form;
- May not enter EIV income information on any portable media;
- Must sign non-disclosure oaths that the EIV income information will be used only for the purpose of the audit; and
- May not duplicate EIV income information or re-disclose EIV income information to any user not authorized by Section 435(j)(7) of the Social Security Act to have access to the EIV income data.

Official Purposes for Disclosure of EIV Do NOT Include:

Sharing the information with governmental or private entities not involved in the reexamination process specifically used for PIH rental assistance programs.

Disclosing the EIV information to other private or public entities for purposes other than determining eligibility and level of assistance for PIH rental assistance programs is prohibited since these entities are not a party to the computer matching agreements with the HHS and SSA.

The fact that these entities may find the EIV beneficial for similar eligibility and determination purposes for other low- income housing programs or public benefits, does not permit these entities to use or view information in the EIV system that is covered by the computer matching agreements.

The computer matching agreements are governed by the Privacy Act and the Social Security Act. Specifically, sections 453(j)(7)(E)(ii) and (iv) of the Social Security Act (42 USC §653j) limit disclosure of the data matched between HUD and HHS' National Directory of New Hires (NDNH) database to PHAs, Independent Auditors, the Inspector General (IG) and Attorney General, private owners, management agents, and contract administrators of Multifamily Housing programs.

Penalties for Willful Disclosure or Inspection of EIV Data

- **Unauthorized Disclosure** – felony conviction and fine up to \$5,000 or imprisonment up to five (5) years, as well as civil damages.
- **Unauthorized Inspection** – misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.

Penalties for Noncompliance with Mandated EIV System Use

The SHA may be subject to sanctions and/or the assessment of disallowed costs associated with any resulting incorrect subsidy or tenant rent calculation or both. HUD may impose a sanction on:

- The SHA if it does not have access to the EIV system or;
- The SHA has access to the system, however, has not used the system within the last six months.

To avoid sanctions or disallowed costs, the SHA will follow all formal and informal guidance provided to PHAs via webcast trainings, PIH Rental Housing Integrity Improvement Project (RHIIP) periodic electronic mailings, and any other HUD Headquarters'-generated guidance.

Updating of PHA Policies and Procedures

SHA Policy

The SHA is required to implement all new and modified regulatory requirements of the *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-*

Amendments.

Notice to Applicants and Tenants

HUD PIH 2010-19 and updates is providing PHAs with the attached EIV system information guide that the SHA may provide to applicants and tenants of PIH rental assistance programs. The SHA is **not** required to distribute this document. However, the SHA will provide applicants and tenants with the ***What You Should Know About EIV Guide*** to educate families about EIV and inform them of how it affects their family.

There are two versions of the document: 1) with a signature block; and 2) without a signature block. It is not required for applicants or tenants to acknowledge receipt of the document; however, the SHA may, at their discretion, require the family to acknowledge receipt of the guide. SHA requires families to acknowledge receipt of the guide, provide the family with a copy of the guide to take with them, and maintain a signed copy in the family file folder.

D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the SHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

SHA Policy

The SHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The SHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The SHA will send a written request for verification to each required source within 5 business days of securing a family's authorization for the release of the information and give the source 10 business days to respond in writing. If a response has not been received by the 11th business day, the SHA will request third-party oral verification.

The SHA will make a minimum of two attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, SHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the SHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

If a third party agrees to confirm in writing the information provided orally, the SHA will wait no more than 5 business days for the information to be provided. If the information is not provided by the 6th business day, the SHA will use any information provided orally in combination with reviewing family-provided documents.

When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, the SHA will use the information from documents on a provisional basis. If the SHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the SHA will conduct an interim reexamination to adjust the figures used for the reexamination.

When Third-Party Verification is Not Required

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Certain Assets and Expenses

The SHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

The SHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification.

SHA Policy

The SHA will use review of documents in lieu of requesting third-party verification when the total market value of a household's asset(s) is less than \$50,000 or total household expense(s) is less than \$2,000 annually **and** the family has original documents that support the declared amount.

Certain Income, Asset and Expense Sources

The SHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification. For example, the SHA will rely upon review of documents when the SHA determines that a third party's privacy rules prohibit the source from disclosing information.

SHA Policy

The SHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the SHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost.

E. REVIEW OF DOCUMENTS

Using Review of Documents as Verification

SHA Policy

If the SHA has determined that third-party verification is not available or not required, the SHA will use documents provided by the family as verification.

The SHA may also review documents when necessary to help clarify information provided by third parties. In such cases the SHA will document in the file how the SHA arrived at a final conclusion about the income or expense to include in its calculations.

F. SELF-CERTIFICATION

SHA Policy

Self-certifications will be used as permitted by streamlining and HOTMA provisions.

When information cannot be verified by a third party or by review of documents, for the Total Value of Assets below \$50,000, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the SHA.

The SHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the SHA and must be signed by the family member whose information or status is being verified.

PART II. VERIFYING FAMILY INFORMATION

G. VERIFICATION OF LEGAL IDENTITY

SHA Policy

The SHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) U.S. passport	Certificate of birth Adoption papers Custody agreement

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the SHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the SHA and be signed in the presence of a SHA representative or SHA notary public.

H. VERIFICATION OF SOCIAL SECURITY NUMBERS [24 CFR 5.216]

Regulation: 24 CFR § 5.216(g)(1) 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g)

It has become increasingly difficult for applicants to meet HUD's SSN disclosure requirements, particularly for those individuals experiencing homelessness. To help protect individuals' privacy, many federal, state, and local agencies no longer print an individual's SSN on official documentation. Individuals may be required to visit their local Social Security office and provide original identity documentation in order to obtain a replacement Social Security card.

HUD is adjusting what the Department considers acceptable documentation of SSN under 24 CFR § 5.216(g)(1) to make it easier for applicants to access programs even if they do not have access to their Social Security card or other documentation acceptable to HUD. SHA must still attempt to gather third-party verification of SSN prior to admission; however, they will also have the option of accepting a self-certification and a third-party document with the applicant's name printed on it to satisfy the SSN disclosure requirement if the SHA has exhausted all other attempts to obtain the required documentation. HUD has provided similar flexibility to PHAs through the CARES Act waivers and for Emergency Housing Vouchers.

HUD prescribes, through this notice and in accordance with 24 CFR 5.216(g)(1)(iii), that the following evidence of SSN is acceptable only after the SHA has attempted to first obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual:

Self-certification of SSN *and* at least one third-party document, such as a bank statement, utility or cell phone bill, benefit letter, etc., that contains the name of the individual.

If verifying an individual's SSN using this method, the SHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the SHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

SHA Policy

The SHA requires review of the original; however, SHA will also accept the following documents as evidence if the SSN is provided on the document:

Other identification letter issued by a federal, state, or local agency
that includes the SSN.

If the participant family reports an SSN but cannot provide acceptable documentation of the number, the SHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The SHA will require documentation of the SSN within 90 calendar days from the date of the family member's self-certification mentioned above.

If the family is an applicant family, SHA may allow the family to become a program participant if they are waiting for verification of the SSN for household member(s) under the age of 6. An applicant family that becomes a program participant must verify the SSN for household members under the age of 6 within 90 days of being admitted to the program. An extension of an additional 90-days must be granted if the SHA determines that, in its discretion, the applicant's failure to comply with verifying the SSN for member(s) under the age of 6 was due to circumstances that could not reasonably been foreseen and were outside of the control of the applicant

HA Policy

The SHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For existing program participants who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 90-day period, the SHA will grant an additional 90 calendar days to provide documentation.

Social Security Numbers must be verified only once during continuously-assisted occupancy.

. If required by the law enforcement entity for the purpose of conducting criminal background verification, the social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

I. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

SHA Policy

If an official record of birth cannot be provided or evidence of social security retirement benefits cannot be provided, the SHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

J. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility Chapter.

SHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

SHA Policy

Certification by the head of household is normally sufficient verification. If the SHA has reasonable doubts about a marital relationship, the SHA will require the family to document the marriage, except as provided by Fair Housing.

Separation or Divorce

SHA Policy

Certification by the head of household is normally sufficient verification. If the SHA has reasonable doubts about a separation or divorce, the SHA will require the family to document the divorce, or separation.

Custody of Non-Biological Dependents

SHA Policy

In the event a household contains a dependent that is not the biological child of any current household members, verification must be provided to document the custody or guardianship of the dependent. Self-certification is sufficient.

Absence of Adult Member

SHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

Foster Children and Foster Adults

SHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

K. VERIFICATION OF STUDENT STATUS

SHA Policy

The SHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

- The family claims full-time student status for an adult other than the head, spouse, or co-head, or

- The family claims a child care deduction to enable a family member to further his or her education.

- The family claims an income exclusion because the student is receiving earned income and only the amount below the dependent allowance is included as income.

L. DOCUMENTATION OF DISABILITY

The SHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The SHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The SHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the SHA receives a verification

document that provides such information, the SHA will not place this information in the tenant file. Under no circumstances will the SHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of methamphetamine or controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

SHA Policy

For family members claiming disability who receive disability benefits from the SSA, the SHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system, when it is available. If documentation from HUD's EIV System is not available, the SHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the SHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to the SHA.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603.

SHA Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

M. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and SHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. Verification of non-citizens having temporary status will need to be re-verified prior to the expiration date. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The SHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

SHA Policy

Family members who claim U.S. citizenship or national status will be required to provide additional documentation such as a birth certificate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible non-citizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

For family members age 62 or older who claim to be eligible immigrants, proof of age is required.

For family members under the age of 62 who claim to be eligible immigrants, the SHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The SHA will follow all USCIS protocols for verification of eligible immigration status.

N. VERIFICATION OF PREFERENCE STATUS

Any preferences must be properly verified based on admission policies.

- Homeless Families: Written statement from an agency recognized as one whose established mission is to assist homeless persons, such as the Salvation Army or a homeless shelter.
- Veterans and Service: Honorable discharge papers or a written statement from the Veteran's Administration. Current income verification may be used to evidence service status or surviving members of Veterans. Veteran Administration issued ID card may be used to evidence service status.
- Elderly/Disabled- Elderly Family and Disabled Family as defined by HUD.
- VAWA- Self certification is acceptable

PART III. VERIFYING INCOME AND ASSETS

Chapter 6, Part I and II of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides SHA policies that supplement the general verification procedures specified in Part I of this chapter.

O. EARNED INCOME

SHA Policy

When paystubs or employer print-outs are used to verify earnings, last two (2) current consecutive, current paystubs will be required to calculate annual income from earnings. This method will be used regardless of frequency (i.e. weekly, bi-weekly, semi-monthly, monthly). Income will be annualized using these paystubs or employer records. Exceptions to this method will be documented in the tenant file.

Interruption of employment due to temporary leave of absence (i.e. maternity leave, short-term disability): upon verification that earnings have stopped, an interim will be conducted to remove the income. The family may be required to complete a Zero Income Questionnaire/Certification. The family is required to report any other income received in lieu of earnings. The family will be required to report when the income starts again. At that time an interim will be conducted to add the income back into the family budget.

Tips

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year. Tips and earnings will at least bring them to the minimum wage for the area.

P. BUSINESS AND SELF-EMPLOYMENT INCOME

SHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The SHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the SHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the SHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the SHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

Q. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

SHA Policy

EIV is sufficient documentation- unless disputed.

To verify the SS/SSI benefits of applicants, the SHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives

social security benefits. If the family is unable to provide the document(s), the SHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to the SHA.

To verify the SS/SSI benefits of participants, the SHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems, the SHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the SHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the participant has received the benefit verification letter they will be required to provide it to the SHA.

R. ALIMONY OR CHILD SUPPORT

SHA Policy

The way the SHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be sought in the following order.

If payments are made through a state or local entity, the SHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments

Third-party verification from the person paying the support

Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules

Copy of the latest check and/or payment stubs

Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family may provide evidence that it has taken all reasonable efforts to collect amounts due, but is not required to do so.

This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

S. ASSETS AND INCOME FROM ASSETS

For a family with net family assets (as the term is defined in 24 CFR § 5.603 of the regulations) equal to or less than \$50,000, which amount will be adjusted annually by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, a PHA may accept, for purposes of recertification of income, a family's declaration under 24 CFR § 5.618(b) of the regulations, except that the SHA must obtain third-party verification of all family assets every 3 years.

SHA Policy

SHA will use all the features the streamline verification on income and assets whenever possible and allowable by HUD.

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The SHA needs to verify only those certifications that warrant documentation.

SHA Policy

The SHA will verify the value of assets disposed of only if:

The SHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the SHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The SHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately \$50,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the SHA will verify the value of this asset.

T. NET INCOME FROM RENTAL PROPERTY

SHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the SHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

U. RETIREMENT ACCOUNTS

Retirement Accounts will only be verified as needed for inclusions under the HOTMA provisions for net family assets and income.

SHA Policy

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the SHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the SHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the SHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

V. VERIFICATION OF EXCLUDED INCOME

To reduce administrative burdens on SHA, HUD is providing guidance and clarification on the requirements for verifying excluded income.

For income sources where the entire amount qualifies to be excluded from the annual income determination in accordance with 24 CFR § 5.609(b) and any *Federal Register* notice on mandatory exclusions issued by HUD, the SHA **is not** required to:

- Verify the income using third-party verification;
- Document in the tenant file as to why the third-party verification was not available as required by 24 CFR §§ 5.659(d), 960.259(c)(i), and 24 CFR 982.516(a)(2); 891.105; 891.410(b)-(c) and (g); 891.610(b)-(c) and (g); or

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- Report the income on forms HUD–50058.

SHA may accept an applicant or participant’s self-certification as verification of excluded income. The SHA’s application and reexamination questionnaire documentation may serve as the self-certification of excluded income.

SHA has the option of verifying the income using third-party verification, if necessary, to determine if a source of income qualifies for exclusion.

Examples of excluded income categories that are verifiable through applicant or participant self-certification include:

- Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps.
- Income of a live-in aide. For a complete list of income exclusions, see 24 CFR § 5.609(b).

An income source that is partially excluded, for example, earnings in excess of \$480 for full-time students 18 years of age or older (24 CFR § 5.609(b)(14)), must be third-party verified and reported on forms HUD–50058.

SHA Policy

The SHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance).

SHA will not verify other excluded income.

W. ZERO/EXTREMELY LOW ANNUAL INCOME REVIEW

A “zero income review” is an assessment, sometimes periodic, performed by the SHA of the income of a family who claims that they do not receive income from any source, including from assets. During such reviews, it is common for SHA to request that families complete and sign a worksheet explaining how they pay for the household’s expenses. HUD does not require SHA to conduct periodic zero income reviews.

In calculating annual income, SHA must not assign monetary value to non-monetary in-kind donations from a food bank or similar organization received by the family (24 CFR § 5.609(b)(24)(vi)). SHA performs an interim reexamination only due to an increase in the family’s adjusted income (24 CFR §§ 5.657(c)(3); 882.515(b)(3); 891.410(g)(2); 891.610(g)(2); 960.257(b)(3); and 982.516(c)(3)).

SHA will continue to perform zero income reviews and as such must update local discretionary policies, procedures, and forms to comply with the final rule requirements. For example, families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family’s income is not reflected on the form HUD–50058.

SHA Policy

Families are required to report any and all changes and the SHA will continue to conduct the reviews, but do so in accordance with HOTMA provisions.

PART IV. VERIFYING MANDATORY DEDUCTIONS

X. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the SHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 for a full discussion of this deduction. The SHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or co-head of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a fulltime student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 for a discussion of the deduction. The SHA will verify that the head, spouse, or co-head is 62 years of age or older or a person with disabilities.

Y. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

SHA Policy

The SHA will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

EIV

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case the SHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The SHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the SHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least 62, or a person with disabilities. The SHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 of this plan.

Qualified Expenses

To be eligible for the medical expense deduction, the costs must qualify as medical expenses. See Chapter 6 for the SHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expense deduction, the costs must not be reimbursed by another source.

SHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

Expenses Incurred in Past Years

SHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the SHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

Z. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

SHA Policy

The SHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

SHA Policy

Expenses for auxiliary apparatus will be verified through:

Third-party verification of anticipated purchase costs of auxiliary apparatus

If third-party is not possible; billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the SHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described above).
- The expense permits a family member, or members, to work.
- The expense is not reimbursed from another source.
- The expense does not exceed the amount of the earned income of the individual freed for work.

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The SHA will verify that the expense is incurred for a person with disabilities.

Family Member(s) Permitted to Work

The SHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

SHA Policy

The SHA will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).

If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

SHA Policy

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

AA. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the SHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable if seeking employment or furthering education.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The SHA will verify that the child being cared for (including foster children) is under the age of 13.

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

SHA Policy

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

The SHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

SHA Policy

Information to be Gathered

The SHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the SHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the SHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the SHA any reports provided to the other agency.

In the event third-party verification is not available, the SHA will provide the family with a form on which the family member must record job search efforts. The SHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The SHA will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

Gainful Employment

The SHA will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

SHA Policy

The SHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6.

The SHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The SHA will verify the child care provider is not a family member residing in the household. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted for seeking employment or furthering education.

SHA Policy

The actual costs the family incurs will be compared with the SHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable. SHA will use local welfare agency guidelines.

If the family presents a justification for costs that exceed typical costs in the area, the SHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

The SHA shall use the local HHS determinations as the limit on what is reasonable for the area.

BB. Determination of Income Using Other Means Tested Public Assistance (i.e., "Safe Harbor")

Regulation: 24 CFR §§ 5.609(c)(3) and 891.105; 891.410(b)-(c) and (g); and 891.610(b)-(c) and (g)

SHA may determine a family's annual income, including income from assets, prior to the application of any deductions based on income determinations made within the previous 12-month period, using income determinations from the following types of means-tested federal public assistance programs:

- The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.).
- Medicaid (42 U.S.C. 1396 et seq.).
- The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.).

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- The Earned Income Tax Credit (26 U.S.C. 32).
 - The Low-Income Housing Tax Credit (26 U.S.C. 42).
 - The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786).
 - Supplemental Security Income (42 U.S.C. 1381 et seq.).
 - Other programs administered by the Secretary.
 - Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding.
 - Other federal benefit determinations made by other means-tested federal programs that the Secretary determines to have comparable reliability and announces through a *Federal Register* notice.

If SHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members), and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, SHA will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR § 5.618.

The Safe Harbor verification may be in the form of an award letter from the relevant federal program and must show that the family's income determination was made in the previous 12 months. **HUD clarifies in PIH 2023-27 that the verification will be considered acceptable if the documentation meets the criteria that the income determination was made within the 12 months prior to the receipt of the verification by the SHA. This satisfies all verification date requirements for Safe Harbor income determinations.**

The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the SHA:

- Income determination effective date;
- Program administrator's signature date;
- Family's signature date;
- Report effective date; or
- Other report-specific dates that verify the income determination date.

The only information that SHA is permitted to use to determine income under this Safe Harbor is the total income determination made by the federal means-test program administrator. Other federal programs may provide additional information about income inclusions and exclusions in

their award letters; however, these determinations and any other information **must not** be considered by the SHA for purposes of the HOTMA Safe Harbor provision. SHA is not permitted to mix and match Safe Harbor income determinations and other income verifications.

The amounts of unreimbursed reasonable attendant care expenses and child-care expenses deducted from a family's annual income, except for when a family is approved for a child-care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. SHA is therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

It is anticipated that in many cases tenants will provide the SHA with the Safe Harbor third-party verification for the purpose of reexamination, rather than the SHA mailing a verification form to the third party to complete. If the SHA does not accept Safe Harbor documentation, is unable to obtain Safe Harbor documentation, or if the family disputes the other program's income determination, the SHA must calculate the family's annual income using the methods established in § 5.609(c)(1) and (2).

If the SHA uses a Safe Harbor determination to determine the family's income for an income examination (New Admission/Move Ins, Initial Certification, Interim Reexamination, or Annual Reexamination), then the family is obligated to report changes in income that meet the reporting requirement and occur after the effective date of the SHA's transaction. This might mean that a certain source of income was not considered in the family's income, because the other program does not consider the source to be income. For example, if the family begins receiving a new source of income on 2/1/2024 and the SHA completed an annual reexamination effective 3/1/2024 using a Safe Harbor income determination, then the family does not need to report that change in income. If the family has a change in adjusted income in accordance with HUD's rules that occurs after 3/1/2024, when the Annual Reexamination was effective, then the family must report the change to the SHA.

SHA Discretion on Using Safe Harbor

SHA is not required to accept or use determinations of income from other federal means-tested forms of assistance.

SHA must establish in policy whether and when they will accept Safe Harbor income determinations (e.g., at reexamination only or at admission and reexamination), including which programs from which they will accept income determinations. SHA must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs (e.g., to accept the most recent income determination). These policies must be included in the SHA's/ ACOP, Administrative Plan, or Tenant Selection Plan, as applicable.

SHA Policy

SHA does not currently use other means tested programs, however, if and when the opportunity is available, SHA will use any of the above permitted sources for all programs allowed and for all reexaminations and admissions.

Chapter 8

TRANSFER POLICY

INTRODUCTION/GENERAL TRANSFER POLICY

1. Transfers will be made without regard to race, color, national origin, sex, religion, sexual orientation, or familial status while ensuring the continued racial and ethnic desegregation throughout SHA properties. Residents can be transferred to accommodate a disability.
2. Residents will not be transferred to a dwelling unit of equal size except to alleviate hardship of the resident or other undesirable conditions as determined by the Executive Director or designee.
3. Residents will receive one offer of a transfer. Refusal of that offer without good cause will result in lease termination for mandatory transfers or the removal of the household from the transfer list for voluntary transfers.

It is the policy of SHA to permit a resident to transfer under certain conditions and to fulfill operational or regulatory requirements.

SHA will always consider a request to transfer as a reasonable accommodation for a person with a disability. Except in emergency situations, transfers **may be denied** by property management when the **family is not in good standing** with SHA or **due to serious or repeated lease violations**. This may include non-payment of rent, housekeeping, history of disturbances, not current or fulfilling community service requirements, or destruction property.

It is the policy of the SHA not to grant a unit transfer simply to accommodate neighbors who “cannot get along.” Activities of the neighbors that impede the rights of others to the peaceful enjoyment of their unit will be treated as a lease violation and cause for termination of tenancy.

Whenever possible, transfers will be made within a resident’s current area.

For purposes of this transfer policy the "sending development" refers to the unit the family is leaving and the "receiving development" refers to the unit to which the family is transferring.

Security Deposits

1. Families transferring to another development must have paid the security deposit in full at the sending development.
2. SHA will charge the families for any damages to the previous unit.
3. Security deposits will be transferred from the sending development to the receiving development. Refer to Security Deposit Chapter for additional details.
4. Move-out charges will be posted to the new unit. The office of the receiving development is responsible for collecting any maintenance charges due SHA.

SHA Policy

The amount of security deposit charges is set forth in the policy and lease. The applicant agrees to pay the deposit before the occupancy date.

The deposit may not be used to pay rent or other charges while the resident is in occupancy. The deposit will be returned within 30 days of after vacating the unit, provided the unit and equipment have been inspected by the SHA and found to have passed the inspection and: All other charges have been paid, all trash and debris have been removed by the resident, there is no damage to the unit or equipment beyond normal wear and tear, and keys for the unit have been returned to the SHA.

The security deposit will be deposited in a savings account at the following financial institution: Wells Fargo

A. TYPES OF TRANSFERS

The order in which families are transferred shall be subject to the hierarchy by category set forth below.

Category 1: Emergency Transfers are **mandatory** when SHA determines that conditions pose an **immediate threat to resident life, health or safety.**

Emergency transfers may be made to:

- permit repair of unit defects hazardous to life, health, or safety;
- alleviate verified disability problems of a life-threatening nature; or
- protect members of the household from attack by the criminal element in a particular property or neighborhood.
- provide housing options to residents who are **victims** of domestic violence, dating violence, sexual assault, or stalking or protect members of the household from attack by the criminal element in a particular property or neighborhood. (See Emergency Transfer Policy for VAWA)

SHA will authorize an emergency transfer for a participant family when the resident's unit has been damaged by fire, flood, or other cause to such degree that the unit is not habitable, provided that the damage was not the result of an intentional act on part of the resident, resident's family, or guests of the resident.

These transfers shall take priority over new admissions.

Category 2 Administrative transfers include **mandatory** transfers to:

- alleviate verified **medical** problems of a serious (but not life-threatening) nature;
- permit a family that requires a unit with **accessible** features to occupy such a unit.
- remove residents who are **witnesses** to crimes and may face reprisals;

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- provide housing options to residents who are **victims** of hate crimes or extreme harassment; or
 - permit **modernization** or **demolition** of units;

These transfers shall take priority over new admissions.

Requests for these transfers will be made to the SHA with necessary documentation to substantiate the need for such transfers. Transfers may also be initiated by SHA (e.g. moving a person with mobility problems to a unit with accessible features).

Category 3 Administrative transfers include **mandatory transfers** correct **serious** occupancy standards problems.

These transfers may take priority over new admissions.

Category 3 transfers will only be made if the family size is so small that it includes fewer persons than the number of bedrooms, or so large that the household members over age 5 would equal more than two persons per bedroom.

If a family's size is between the smallest and largest size permissible for the unit, the family may request a transfer, but it shall be considered a Category 4 transfer.

Category 3 or 4 transfers to correct occupancy standards may be recommended at time of annual re-examination or an interim redetermination.

When a head of a household, originally housed in a bedroom by him/herself, has or adopts a child, the family will not be approved for a Category 3 transfer until the child is five (5) years of age. Exceptions: spouse or partner returns to the unit, marriage takes place, or family decides to remain in the unit and the unit is large enough (using the smallest-unit standard) to accommodate the number of persons now in the household.

Split-family transfers are not allowed and will not be processed as an administrative transfer.

- Are not allowed
- The family being assisted may request a unit and will need to apply, if the waiting list is open

Category 4 Administrative transfers may be made to:

- **avoid concentration** of the most economically and socially deprived families;
- correct **occupancy standards**; or
- address situations that interfere with **peaceful enjoyment** of the premises.

These transfers will not take priority over new admissions.

They will be processed at the rate of not to impose an administrative or maintenance burden on SHA.

Category 5, Incentive Transfers:

Incentive Transfers: Incentive Transfers will be offered to residents without regard to their

race, color, religion, sex, disability, sexual orientation or familial status.

Incentive transfer to **NEWLY MODERNIZED UNITS**:

- a. Depending on SHA's vacant unit status, modernized units will be filled with incentive transfers, new applicants, or a combination of both. SHA reserves the right to fill modernization units in a manner that has the least impact on vacant units.
- b. Prior to newly modernized units be completed, residents may be notified of the opportunity to request a transfer to the specified units. Property Managers may also recommend a resident for this incentive transfer.
- c. In order to be considered for an incentive transfer to a modernized unit the following conditions must be met for the **past two years**:
 - i. Residency in a SHA development.
 - ii. Do not owe back rent or other charges, or evidence a pattern of late payment;
 - iii. No delinquent repayment agreement or delinquent charges.
 - iv. No history of disturbances that resulted in lease violations or violence toward staff or neighbors as indicated by notices of lease violations in the applicant's file. This includes criminal activity that threatens the health and safety of residents and staff;
 - v. Good housekeeping record, including no housekeeping lease violations.
 - vi. Can get utilities turned on in the name of the head of household (applicable only to those select properties with tenant-paid utilities).
- d. There will be no exceptions granted to these conditions.

Incentive transfer to **SCATTERED SITE UNITS**:

Scattered Site incentive transfers may be considered upon approval of SHA's Scattered Site Section 32 Homeownership and Disposition Plans.

The purpose of this transfer will be to promote homeownership. Residents will be notified of additional details and transfer requirements upon implementation of the approved plans.

B. TRANSFER WAITLIST MANAGEMENT

A staff member is responsible for maintaining the centralized Transfer Wait List, communicating with Property Management, Eligibility and Maintenance, initiating the offer process and assuring all of the necessary documentation is completed.

1. In certain circumstances, transfers will be considered first before referral for the waiting list. However, due consideration shall be given to the number of vacant units prior to any transfer.
2. If for any reason the number of vacancies is significant to the extent that the transfers would place the Authority in a position of operational instability, restrictions such as a three to one (3:1) ratio of new move-ins from the waiting list to transfer from within will be imposed to maintain financial stability of the program and operations (97-98% lease-up to be used as a guideline).
3. The nature of transfers will also be considered even under these restrictions, as it is recognized that certain life endangering conditions, as may be cause for transfer cannot be restricted by operational objectives.
4. Property Managers are responsible for submitting transfer requests including necessary documentation, to the Transfer List Coordinator.
 - Transfers will be sorted into their appropriate categories by SHA. Admissions will be made in the following order: **Category 1**-Emergency Transfers (*immediate threat to resident life, health or safety*), then
 - **Category 2**-Administrative Transfers, (*i.e.: medical, reasonable accommodations, crime related or modernization*), then
 - **Category 3**-Administrative Transfers, (*i.e.: serious occupancy std. problems*), then
 - **Category 4**-Administrative Transfers (*i.e.: deconcentration, occupancy standards or peaceful enjoyment*), then
 - **Category 5** – Incentive Transfers
5. Within each category, transfer applications will be sorted by the date the completed file (including any verification needed) is received by SHA.

C. TRANSFER REQUEST AND APPROVAL PROCEDURE

1. Residents applying for a transfer will submit a **Transfer Request Form** to their Property Manager stating the reason a transfer is being requested. Forms are not to be submitted for possible future events such as birth of a child or may get a live-in aide. The Transfer Request Form will also be used to document requests initiated by the SHA (i.e.: to correct occupancy standard problem at reexams/interims).
2. The property manager will evaluate the request and obtain the proper verification to determine if a transfer is justified. The property manager will also verify all of the

criteria under the “good record requirement”.

If the interview/verification process reveals that there is a problem at the family's present site, the manager will address the problem and once solved to the manager's satisfaction, the request for transfer may be approved.

If the request is denied, the property manager will send the family a Transfer List Notification stating the reason for denial, and offering the family an opportunity for an informal conference if they disagree with the decision.

3. All preliminary approved transfer requests must be forwarded to the Transfer List Coordinator on a timely basis with the appropriate documentation attached. This will assure proper placement on the wait list and timely review by the Transfer List Coordinator.
4. If the request is approved, the Transfer List Coordinator will send the family a Transfer List Notification stating that their name has been placed on the transfer list for the reason and/or bedroom size needed.
5. If the request is denied, the Transfer List Coordinator will send the family a Transfer List Notification stating the reason for denial, and offering the family an opportunity for an informal conference if they disagree with the decision.
6. The respective Property Manager will receive copies of all transfer correspondence sent to the family.
7. The approved transfer request form/file will be kept in a file arranged by bedroom size, category, and date the file/verifications were completed.

D. GOOD RECORD REQUIREMENT FOR TRANSFERS

1. In general, and in all cases of all **resident-requested transfers**, residents will be considered for transfers only if the head of household and any other family members for the past two years;
 - have not engaged in criminal activity that threatens the health and safety of residents and staff;
 - do not owe back rent or other charges, or evidence a pattern of late payment;
 - no delinquent repayment agreement or delinquent charges;
 - has fulfilled and is currently meet the community service requirements;
 - meet reasonable housekeeping standards and have no housekeeping lease violations; and
 - can get utilities turned on in the name of the head of household (applicable only to those select properties with tenant-paid utilities).
2. Due to a possible long time period between the date of the transfer request and actual unit offer, the good record requirement will be reviewed both from the date of the transfer request and again at the time of the unit offer.

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3. Exceptions to the good record requirements may be made for emergency transfers or when it is to SHA's advantage to make the transfer. The exception to the good record requirement will be made by the Director of Operations taking into account the recommendation of the Manager.

Absent a determination of exception, the following policy also applies to transfers:

- If back rent is owed, the resident will not be transferred until a payment plan is established or, if prior payment plans have failed, back rent is paid in full.
- A resident with housekeeping standards violations will not be transferred until he/she passes a follow-up housekeeping inspection.

E. WAITLIST MAINTENANCE AND OFFER PROCESS

Prior to an offer being made, an inspection of the tenant's current unit will be conducted to assure no lease violations exist, especially damage to the unit or poor housekeeping. The transfer may be denied based upon this inspection if serious violations exist, except in the cases of an emergency transfer, the need for a reasonable accommodation or SHA mandated. Exceptions must be approved by the Director of Operations.

The receiving development may request the resident's file for review, prior to making a decision on the requested transfer.

ACCEPTING AN OFFER

- A. The Transfer List Coordinator will contact the receiving property manager regarding the unit available for transfer. The Transfer List Coordinator/Property Manager will contact the resident and schedule an appointment for showing the unit. **The appointment should be scheduled within two (2) working days.**
- B. The Resident will be given **24 hours to accept the unit after the appointment.**
- C. The time frame between the **"appointment to show the unit"** and **"lease-up"** should be as short as possible, and keys for the former unit should be returned **within 72 hours of signing the new lease.**
- E. **All personal belongings must be removed from the unit**, the unit must be "broom swept" clean, and keys returned at the end of the 72 hour period, otherwise, charges will be assessed.

REFUSING AN OFFER

Only one unit will be offered to a family unless there is good cause or a hardship situation as determined by the PHA. If the resident refuses the offered unit, the lease may be terminated by the PHA by giving a 30-day notice to the resident.

Good cause may be any of the following reasons:

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- The new unit is more than 5 miles from the place of employment of at least one member of the family.
 - The new unit is more than 5 miles from the school or job training program that at least one adult member of the family is attending.
 - Travel to the doctor from the new unit would create a hardship for an elderly or disabled person.

The inconvenience or undesirability of changing schools for any minor child will not be considered good cause, but the transfer can be delayed until the end of the school year.

F. PROCESSING IN AND OUT OF DEVELOPMENTS

A transfer will require good coordination and communication between the receiving and sending developments. Both sending and receiving developments involved must have a definite agreement as to when the receiving development will “transfer” the resident. *(Note: The receiving development is responsible for completing the “transfer process” in the computer).*

A transfer between developments will not be considered a move-out.

- There will be no lapsed time between move-out and move-in. Effective dates must not overlap nor will both developments carry the resident on their books at the same time.
- The resident's records will show a continuous residence in public housing in one development or the other, but not in both developments at the same time.

The transferred resident, between public housing developments, does not have to meet the admission eligibility requirements pertaining to income or preference.

Rent Adjustments

SHA will notify the resident of the rent and/or security deposit change by use of a new Lease. The rent will be pro-rated as outlined in the Lease Agreement.

Reexamination Date

The date of the transfer does not change the reexamination date. The receiving development should be certain that the annual review is properly scheduled to give the staff time to redetermine rent in order to meet the established reexamination date. If the reexamination is in process, the receiving development will assume responsibility for completion.

The sending development will send the family's file to the receiving development once they have been notified that the family has accepted the unit and before the family is leased up. The receiving development will not attempt to lease up a family without possession of the family's file.

G. GRIEVANCE RIGHTS

Families disagreeing with the determination may grieve the decision. See Chapter 13, Complaints, Grievances and Appeals.

H. EXTRAORDINARY CIRCUMSTANCES

Placement on Section 8 Waiting List: Current residents of Public Housing who must be relocated from a unit, due to documented health and safety issues, as well as modernization activities, or other special circumstances as approved by the Executive Director, where no suitable unit is available within the next thirty (30) days within the SHA inventory. Preference is given regardless of the status of the waiting list (open or closed). All applicants qualifying for this preference must be placed on the waiting list and their eligibility properly documented. (50 point Local Preference.)

I. COST OF TRANSFERS

Residents shall bear the cost of transfers to correct occupancy standards, resident requested transfers, incentive transfers, and other voluntary transfers.

SHA will bear the reasonable cost of transfers SHA requests for demolition, disposition, rehabilitation, building system failures, or emergency conditions due to no fault of the tenant. SHA will bear the reasonable cost of transfers needed as a reasonable accommodation for residents with disabilities. The reasonable cost of transfers includes not just the cost of packing, moving, and unloading, but also the cost of connecting and reconnecting any existing resident-paid services such as telephone and cable. [Public Housing Occupancy Guidebook Chapter 11.7;.

J. ADVERSE ACTION [24 CFR 966.4(e)(8)(i)]

SHA required transfer is an adverse action. As an adverse action, the transfer is subject to the requirements regarding notices of adverse actions. If the family requests a grievance hearing within the required timeframe, the SHA may not take action on the transfer until the conclusion of the grievance process.

Chapter 9

LEASING [24 CFR 966.4]

INTRODUCTION

It is SHA's policy that all units must be occupied pursuant to a dwelling lease agreement that complies with HUD's regulations [24 CFR Part 966]. This Chapter describes pre-leasing activities and the SHA's policies pertaining to lease execution, security deposits, other charges, and additions to the lease.

A. GENERAL LEASING POLICY

General Terms

- 1. All units must be occupied pursuant to a lease that complies with HUD's regulations.**
- 2. No lease will have an effective date before the unit is ready for occupancy ⁱ.**
- 3. The lease shall be signed by the head, co-head, spouse, and by the authorized representative of SHA, prior to actual admission. ⁱⁱ.**
- 4. If a resident transfers from one SHA unit to another, a new lease will be executed for the dwelling into which the family moves.**
- 5. If at any time during the life of the lease agreement, a change in the resident's status results in the need for changing or amending any provision of the lease, either:**
 - (a) A new lease agreement will be executed, or
 - (b) A Notice of Rent Adjustment will be executed, or
 - (c) An appropriate rider will be prepared and made a part of the existing lease. All copies of such riders or insertions are to be dated and signed by the Resident and by the authorized representative of SHA.
- 6. All copies of such riders or insertions are to be dated and signed by the Resident(s) and by the Executive Director or other authorized representative of SHA.**
- 7. Residents must advise SHA if they will be absent from the unit for more than 14 days. Residents shall notify the manager, secure the unit and provide a means for SHA to contact the resident in an emergency. Failure to advise SHA of an extended absence is grounds for termination of the lease**

Showing Units Prior to Leasing

1. When offering units, SHA will provide the applicant with a brief property description and other information to help orient the applicant to the neighborhood and location in the property. If the offer of a unit is preliminarily accepted by the applicant, SHA will contact the applicant to set up a date to show the unit.
2. Once the unit is shown and the applicant accepts the unit, SHA will execute a lease. If the applicant refuses the unit, a signed reason for refusal should be obtained from the applicant. The form is then evaluated by SHA for a “good cause” determination.
3. No lease will have an effective date before the unit is ready for occupancy ⁱⁱⁱ.

Occupancy, Additions to the Household and Visitors

1. Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit ^{iv}.
 - Except for natural births to or adoptions by family members, or court awarded custody, any family seeking to add a new member must request approval in writing before the new member moves in.
 - Also included in requested approval would be situations in which a person (often a relative) comes to the unit as a visitor but stayed on in the unit because the tenant needed support ^v.
 - All persons listed on the most recent certification form and the lease must use the dwelling unit as their sole residence.
2. When a resident requests approval to add a new person to the lease, SHA will conduct pre-admission screening of any proposed new adult member to determine whether the SHA will grant such approval.
 - Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are still required to comply with the pre-admission screening process.
3. Examples of situations where the addition of a family or household **member is subject to screening** are:
 - Resident plans to be married and requests to add the new spouse to the lease;
 - Resident desires to add a new family member to the lease, requests a live-in aide, or take in a foster child(ren) over the age for which juvenile justice records are available;
 - A unit is occupied by a remaining family member(s) under age 18 (who is not an emancipated minor) and an adult, not a part of the original household, requests permission to take over as the head of the household;
4. Residents who fail to notify SHA of additions to the household or who permit persons to join the household without undergoing screening are violating of the lease. Persons added

without SHA approval will be considered unauthorized occupants and the entire household will be subject to eviction ^{vi}.

5. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on SHA premises that would be a lease violation.
 - Visits of less than seven days need not be reported to or approved by the Manager.
 - Visits of more than seven days but less than fourteen days per calendar year are permitted, provided they are reported to the SHA within 72 hours and authorized by the SHA.
 - Visits of more than 14 calendar days per calendar year shall be authorized only by the Executive Director with advance documentation of extenuating circumstances.
 - Visitors remaining beyond this period shall be considered unauthorized occupants and the head of the household shall be guilty of a breach of the lease.
6. Roomers and lodgers shall not be permitted to move in with any family. Violation of this provision is ground for termination of the lease ^{vii}.
7. Residents will not be given permission to allow a former resident of SHA who has been evicted to occupy the unit for any period of time. Violation of this requirement is ground for termination of the lease.
8. Family members age 18 and over or emancipated minors who move from the dwelling unit to establish new households shall be removed from the lease ^{viii}.
 - The resident shall report the move-out within 10 calendar days of its occurrence.
 - These individuals may not be readmitted to the unit and must apply as a new applicant household for placement on the waiting list.
 - Medical hardship, or other extenuating circumstances shall be considered by SHA in making determinations under this area.

B. LEASE ORIENTATION

All adult household members are required to attend a New Resident Orientation session within the first 90 days of residency. Failure to attend the Orientation may be grounds for termination of the lease.

The purpose of the Orientation will be to familiarize all new residents with rules, regulations, policies, and procedures pertinent to successful occupancy in SHA's public housing program. The Lease, House Rules, maintenance policies, housekeeping, Community Service requirement and Earned Income Disallowance (public housing only) will be among the topics reviewed at Orientation.

Orientation Agenda

When families attend the lease orientation, they will be provided with:

- A copy of the Lease
- A copy of the SHA's lease and grievance procedure
- A copy of the House Rules
- Community Service Requirements and Policy
- Pet Policy
- Bedbug Policy
- Firearm Policy
- Emergency Transfer Policy (VAWA)
- Other SHA Lease Addendums

Topics to be discussed will include, but are not limited to:

- Applicable deposits and other charges
- Provisions of the Lease
- Unit maintenance and work orders
- Terms of occupancy
- Community Service Requirements
- Pet Policy
- Lead-base paint provisions
- HUD Form on VAWA
- Banned Policy and List
- HUD Form HUD-92006

Form HUD-92006, Supplement to Application for Federally Assisted Housing

Form HUD-92006 must be included as an attachment to the SHA's application.

Prior to execution of the lease, the following must be discussed:

- Applicants must be provided the opportunity to complete the information on form HUD-92006, Supplement to Application for Federally Assisted Housing. The form gives applicants the option to identify an individual or organization that the SHA may contact and the reason(s) the individual or organization may be contacted. The applicants, if they choose to provide the additional contact information, must sign and date the form.
- Applicants who are currently on the SHA's waiting list and who have not been provided the opportunity to complete form HUD-92006, Supplement to Application for Federally Assisted Housing, must be provided the opportunity at the time of admission.

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- SHA **cannot** require any individual or family applying for occupancy to provide the contact information as providing contact information is optional on the part of the individual or family. Those applicants who choose not to provide the contact information should check the box indicating that they “choose not to provide the contact information” and sign and date the form.
 - SHA should provide applicants the opportunity at time of admission to update, remove or change contact information provided at the time of application, particularly if a long period of time has elapsed between the time of application and actual admission to the program.
 - If the applicant chooses to have more than one contact person or organization, the applicant must make clear to SHA the reason each person or organization may be contacted. The SHA should accommodate the applicant by allowing the applicant to complete a form HUD-92006 for each contact and indicating the reason the SHA may contact the individual or organization. For example, the applicant may choose to have a relative as a contact for emergency purposes and an advocacy organization for assistance for tenancy purposes.

C. LEASE REQUIREMENTS

The initial term of the lease will be for 12 months. The lease will renew automatically for month-to-month terms with the following exception:

- SHA will not renew the lease if the family has violated the community service requirement (24 CFR 966.4).
- Because the community service requirements and other provisions that change in the regulations, the lease does not automatically renews for terms of 12 months, and an annual signing process is required.
- The lease further provides for termination and eviction at the end of any 12-month lease term for non-compliance with the community service requirements at 24 CFR Part 960, Subpart F and Chapter 15 of this Admissions and Continued Occupancy Policy.
- Failure to comply with SHA or HUD requirements for continued eligibility

D. EXECUTION OF LEASE

Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit ^{ix}. This includes situations in which a tenant is granted custody of a child or children not previously listed on the application or lease and situations in which a person (often a relative) came to the unit as a visitor but stayed because the tenant needed support, for example, after a medical procedure.

The lease shall be executed by the head of household, spouse, co-head and by an authorized representative of SHA, prior to admission.

The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

An appointment will be scheduled for the parties to execute the lease. One executed copy of the lease will be given to the tenant, and SHA will retain the original in the tenant's file. The lease is incorporated into this policy by reference. The lease document will reflect current SHA policies as well as applicable Federal, State and Local law.

The following provisions govern lease execution and amendments:

- A lease is executed at the time of admission for all new tenants.
- A new lease is executed at the time of the transfer of a tenant from one SHA unit to another (with no change in reexamination date).
- If, for any reason, any signer of the lease ceases to be a member of the household, the lease will be terminated and a new lease may be executed with the remaining members, so long as they meet the program requirements.
- Lease signers must be persons legally eligible to execute contracts.
- The names and date of birth of all household members are listed on the lease at initial occupancy and on the Personal Declaration each subsequent year. Only those persons listed on the most recent certification shall be permitted to occupy a dwelling unit.
- Changes to tenant rents are made upon the preparation and execution of a "Notice of Rent Adjustment" by SHA, which becomes an attachment to the lease. Documentation will be included in the tenant file to support proper notice.
- Households that include a Live-In Attendant will contain file documentation that the Live-In Attendant is not a party to the lease and is not entitled to SHA assistance, with the exception of occupancy while serving as the attendant for the disabled or qualified family member.

SHA may modify its form of lease from time to time, giving tenants an opportunity to comment on proposed changes and advance notice of the implementation of any changes. A tenant's refusal to accept permissible and reasonable lease modifications, or those modifications required by HUD, is grounds for termination of tenancy.

E. ADDITIONS TO THE LEASE

Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit ^x.

All persons listed on the most recent certification form and the lease must use the dwelling unit as their sole residence.

Except for natural births to or adoptions by family members, or court awarded custody, any family seeking to add a new member must request approval in writing before the new member moves in.

When a resident requests approval to add a new person to the lease, SHA will conduct pre-admission screening of any proposed new adult member to determine whether the SHA will grant such approval. New household members must be approved by SHA, prior to the actual move-in by the proposed new member.

Also included in requested approval would be situations in which a person (often a relative) comes to the unit as a visitor but stayed on in the unit because the tenant needed support, for example, after a medical procedure ^{xi}.

Following receipt of a family's request for approval, SHA will conduct a pre-admission screening, including the Criminal History Report, of the proposed new member. Only new members approved by SHA will be added to the household.

Children under the age at which juvenile justice records are available, or added through a formal custody award are still required to be added through a pre-admission screening process and the tenant still needs prior permission from SHA to add children other than those born to or adopted by family members. The exemption age specified in this paragraph is subject to change should the state modify its laws concerning the availability of police or court records for juvenile offenders.

Requests for the addition of a new member of the household must be approved by SHA, prior to the actual move-in by the proposed new member.

Following receipt of a family's request for approval, SHA will conduct a pre-admission screening, including the Criminal History Report, of the proposed new member. Only new members approved by SHA will be added to the household.

Factors determining household additions:

1. Household additions subject to screening:
 - Resident plans to marry and requests to add the new spouse to the lease;
 - Resident is awarded custody of a child over the age for which juvenile justice records are available;
 - Resident desires to add a new family member to the lease, employ a live-in aide, or take in a foster child(ren).
 - A unit is occupied by a remaining family member(s) under age 18 (not an emancipated minor) and an adult who was not a member of the original household requests permission to take over as the head of household.
2. Factors determining household additions which are not subject to screening:
 - Children born to a family member or whom a family member legally adopts are exempt from the pre-screening process.
 - Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are still required to comply with the pre-admission screening process.
3. Residents who fail to notify SHA of additions to the household or who permit persons to join the household without undergoing screening are violating of the lease. Persons

added without SHA approval will be considered unauthorized occupants and the entire household will be subject to eviction ^{xii} [24 CFR 966.4(f)(3)].

4. Family members over 17 years of age who move from the dwelling unit to establish new households shall be removed from the lease. The tenant must notify SHA of the move-out within 10 days of its occurrence.

These individuals may not be readmitted to the unit and must apply as a new applicant for placement on the waiting list.

SHA in making determinations under this paragraph will consider medical hardship or other extenuating circumstances.

Other compliance

1. Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are still required to comply with the pre-admission screening process.
2. Residents who fail to notify SHA of additions to the household or who permit persons to join the household without undergoing screening are violating of the lease. Persons added without SHA approval will be considered unauthorized occupants and the entire household will be subject to eviction ^{xiii} [24 CFR 966.4(f)(3)].
3. Visitors may be permitted in a unit so long as the visitors have no previous history of behavior that would be a lease violation. Visits are not to exceed 14 consecutive days, unless approved by SHA, with advance documentation of extenuating circumstances. SHA will consider visitors staying beyond this period to be unauthorized occupants and the entire family will be subject to eviction.
4. In accordance with the lease, roomers and lodgers will neither be permitted to occupy a unit, nor to move in with any tenant family. Violation of this provision is grounds for termination of the lease. (24 CFR §966.4(f)(2))
5. Tenants will not be given permission to allow a former tenant of SHA who has been evicted, or asked to leave, or owes SHA money, and persons who have been placed on the SHA “No Trespass” list to occupy or visit the unit for any period of time. Violation of this provision is grounds for termination of the lease.
6. Adult family members or emancipated minors who move from the unit to establish new households will be removed from the lease and the tenant is required to provide documentation. (24 CFR §§960.257(b), 966.4(a)) The tenant has the responsibility to report the move-out within 10 calendar days of its occurrence to the development’s management office.
7. These individuals may not be readmitted to the unit and must apply as new applicants for placement on the waiting lists (subject to applicable income limits, preferences, tenant selection, and screening requirements). Medical hardship, disability, or other extenuating circumstances will be considered by SHA in making determinations under this paragraph.
8. SHA in making determinations under this paragraph will consider:

-
- a. Occupancy Standards to prevent overcrowding of a unit
 - b. Medical hardship or other extenuating circumstances
 - c. Reasonable Accommodation

Visitors and Absence from the unit

1. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on SHA premises that would be a lease violation. Refer to **Chapter 11** for details. Visitors remaining beyond the periods in this policy shall be considered unauthorized occupants and the head of the household shall be guilty of a breach of the lease.
2. Roomers and lodgers shall not be permitted to move in with any family. Violation of this provision is ground for termination of the lease ^{xiv}.
3. Residents will not be given permission to allow a former resident of SHA who has been evicted to occupy the unit for any period of time. Violation of this requirement is ground for termination of the lease.
4. Medical hardship, or other extenuating circumstances shall be considered by SHA in making determinations under this area. Temporary caretaker request must be provided by the resident and verified by a medical provider. The status must be updated every thirty (30) days. The SHA will review the request and verified reasons for the caretaker during an extended medical hardship. Approval of the caretaker to occupy the unit for a period beyond 2 weeks will require prior approval by the Property Manager. Caretakers are not live-in aides and therefore no additional bedroom is required. Caretakers must meet the approval of the SHA.
5. Residents must advise SHA if they will be absent from the unit for more than 7 days. Residents shall notify the manager, secure the unit and provide a means for SHA to contact the resident in an emergency. Failure to advise SHA of an extended absence is grounds for termination of the lease.
6. Visitors permitted by residents must be reported to the SHA within 72 hours of their arrival or prior thereto. Visits not exceeding 14 days may be authorized by the SHA.
7. Written approval at the discretion of the manager, based on the circumstances, must be obtained for guest visits of more than 14 days. Visitors remaining beyond this period will be considered trespassers and the family head shall be guilty of breaching the lease.
8. Residents are responsible for the actions and conduct of their guests in accordance with the lease.

Absence from the Unit

SHA Policy

Absence means that no family member is residing in the unit. The family is required to report to the SHA if they will be absent for more than 30 days. Any family member absent for more than 60 days will be considered permanently absent, unless approved by the SHA.

The family may be absent for short periods of time, but if the period is more than 180 calendar days, the unit will be considered vacated and the assistance will be terminated.

The family must supply any information or certification requested by the PHA to verify that the family is living in the unit, or relating to the family absence from the unit, including any SHA-requested information or certification on the purpose of the family absence. The family must promptly notify the SHA of any absence from the unit in accordance with this policy.

Absence due to hospitalization or sickness of a family member will be verified and if it is determined that the family member will return home within 60 days, the family will not be considered permanently absent, provided the rent and utilities payable by the family continued to be paid. However, if there is no chance of the family member returning to the home within 60 days, they will be considered permanently absent and assistance will be terminated.

Absences longer than 30 days must be approved by the SHA in writing.

Absences longer than 60 days due to drug treatment or imprisonment will be permanently absent unless approved by the SHA.

The SHA will make a determination as to whether imprisonment was due to drug-related or violent criminal activity and will be handled on a case by case basis. A determination will be made after a review by the SHA.

If both parents are absent from the unit and a caretaker has been placed in the home by the courts or an approved placement agency such as Social Services, the caretaker will be considered a visitor for the first 30 days. The lease will be transferred to the caretaker if the court has awarded custody or legal guardianship to the caretaker by the end of the 30-day period. The caretaker will be allowed to remain in the unit as a visitor until a determination of custody is made by the court. The income of the caretaker will be counted pending the final disposition of the custody award.

If a resident includes a child or children that are temporarily absent due to placement in foster care, the SHA will determine from the appropriate agency when the children will be returned home. If the period is more than 180 days the children will be permanently removed from the lease and rent re-determined.

An adult child enlisted in military service that leaves the household will be considered permanently absent.

A household member subject to court order restricting the member from the home for more than 180 days will be considered permanently absent.

A person with a disability requesting an extension of time as an accommodation will be granted the extension as long as it is within the 180-calendar day limit.

Any verification to residency by the SHA or resident will be documented in the file.

F. LEASING UNITS WITH ACCESSIBLE OR ADAPTABLE FEATURES

[24 CFR 8.27(a)(1)(2) and (b)]

Accessible units will be offered and accepted by non-mobility impaired applicants only with the understanding that such applicants must accept a transfer to a non-accessible unit at a later date if a person with a mobility impairment requiring the unit applies for housing and is determined eligible. (See Chapter 4 Section M Offer of Accessible Units)

G. UTILITY SERVICES and RESIDENT OWNED APPLIANCES

Tenants responsible for direct payment of utilities must abide by any and all regulations of the specific utility company, including regulations pertaining to advance payments of deposits.

Failure to maintain utility services during tenancy is a lease violation and grounds for eviction.

If it is determined that any utility service is not on in a unit, the tenant will receive a 24-hour notice to correct will be posted. If the utilities are not restored in the 24-hour period, then a 5-Day Expedited Notice due to the Health and Safety lease violation will be issued. The tenant must provide documentation of proof of service within 24 hours and the unit will be inspected on the fifth day to assure utilities have been restored. If the utility service has not been restored at the time of inspection, the Property Manager will proceed with the eviction process. If utilities are restored after the first occurrence of a notice of no utilities, this will result in a conference agreement explaining consequences of subsequent violations. If the tenant violates the conditions again while in assisted housing, the second violation may result in an immediate 5-Day Expedited Notice due to Health and Safety.

The lease will designate the appliances provided by SHA (i.e.: stove and refrigerator). The tenant is responsible for proper hook-up, safety and maintenance of any appliances they may provide (i.e.: dryers).

H. SECURITY DEPOSITS (Refer to Chapter on Security Deposits)

Security Deposit

New tenants must pay a security deposit to SHA at the time of admission. The amount of the security and/or pet deposit required is specified in the lease and the corresponding chapters of this policy.

SHA will hold the security deposit for the period the tenant occupies the unit.

SHA will refund to the Tenant the amount of the security deposit, less any amount needed to pay the cost of:

- Unpaid Rent;
- Damages listed on the Move-Out Inspection Report that exceeds normal wear and tear;
- Other charges under the Lease.

SHA will refund the Security Deposit less any amounts owed, within 30 days, or 60 days for extenuating circumstances, which the tenant will be notified, after move out and tenant's notification of new address.

SHA will provide the tenant or designee identified above with a written list of any charges against the security or pet deposits. If the tenant disagrees with the amount charged to the security or pet deposits, SHA will provide a meeting to discuss the charges.

The resident must leave the dwelling unit in a clean and undamaged (beyond normal wear and tear) condition and must furnish a forwarding address to SHA. All keys to the unit must be returned to the Management upon vacating the unit.

SHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

If the tenant transfers to another unit, the SHA will transfer the security deposit to the new unit. The tenant will be further billed for any maintenance or other charges.

Pet Deposit (Refer to chapter on Pet Policy.)

SHA will refund the Pet Deposit to the tenant, less any damage caused by the pet to the dwelling unit, upon removal of the pet or the owner from the unit. SHA will return the Pet Deposit to the former tenant or to the person designated by the former tenant in the event of the former tenant's incapacitation or death.

I. RENT PAYMENTS

The tenant rent is due and payable at the SHA-designated location on the 1st of every month.

If SHA does not receive payment by the close of business the 7th day of the month, a delinquent rent notice will be sent, and the resident will be assessed late fees. Late fees are \$10.00 for Public Housing and \$5.00 for Section 8 programs will be charged.

If the resident is experiencing a hardship in the payment of the rent, the resident must provide written notification prior to the due date and the notification must include an explanation of the circumstances that will delay the tenant's payment, and indicate the date on which full payment will be made. Only the Executive Director may provide an extension.

Tenant must pay "retroactive rent." Retroactive rent is rent owed by Tenant, for example, when Tenant fails to provide adequate documentation, fails to report changes in income or family composition within SHA's time limit, or misrepresents income or family circumstances to SHA. Tenant must pay all retroactive rent in the same month it is posted to Tenant's rent account, unless an exception stated in the ACOP applies or SHA agrees to a payment plan. Tenant's failure to pay retroactive rent on time is considered to be "non-payment of rent" and SHA then has the right to terminate this Lease and obtain possession of the premises using all available legal remedies.

J. FEES AND NONPAYMENT PENALTIES

If the tenant fails to make payment by the close of business on the 7th day of the month, and SHA has not agreed to accept payment at a later date, a Notice to Vacate will be issued to the tenant with a 14-day notice period for failure to pay rent, demanding payment in full or the surrender of

the premises.

If the tenant fails to make payment by the close of business on the 7th day of the month, a **\$10.00** for Public Housing and **\$5.00** for Section 8 programs will be charged.

A charge of \$25.00 will be assessed against the tenant for checks that are returned for non-sufficient funds (NSF), or checks written on a closed account. If the check is not redeemed and the rent satisfied by the close of business on the 7th of the month, the rent will be considered unpaid.

SHA will always consider the rent unpaid when a check is returned as NSF or a check is written on a closed account. No payment by check will be accepted in the future after one NSF or other cashing problems occur with a resident.

If SHA has not agreed to accept payment at a later date, a Notice to Vacate will be issued for failure to pay rent.

K. SCHEDULES OF SPECIAL CHARGES

Schedules of special charges for services, repairs, utilities and rules and regulations which are required to be incorporated into the lease by reference shall be publicly posted in a conspicuous manner in the project office, and they will be provided to applicants and tenants upon request.

L. MODIFICATIONS TO THE LEASE

Schedules of special charges and rules and regulations are subject to modification or revision. Tenants will be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and they will be given an opportunity to present written comments. Comments will be taken into consideration before any proposed modifications or revisions become effective.

- A copy of such notice shall be posted in the central office, and:
- Posted in at least two conspicuous places within each structure or building in which tenants affected by the modifications or revisions are located.

Any modifications of the lease must be accomplished by a written addendum to the lease and signed by both parties.

M. CANCELLATION OF THE LEASE

Cancellation of the tenant's lease is to be in accordance with the provisions contained in the lease agreement, HUD regulations, state law, and as stated in this policy.

N. INSPECTIONS OF PUBLIC HOUSING UNITS

Initial Inspections

SHA and the family will inspect the premises prior to occupancy of the unit in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by

SHA staff and the tenant, will be kept in the tenant file.

Vacate Inspections

Housing management staff will perform a move-out inspection when the family vacates the unit, and will encourage the family to participate in the move-out inspection.

The purpose of this inspection is to determine necessary maintenance and whether there are damages that exceed normal wear and tear. SHA will determine if there are tenant caused damages to the unit. Tenant caused damages may affect part or all of the family's security deposit.

The move-out inspection also assists SHA in determining the time and extent of the preparation and repairs necessary to make the unit ready for the next tenant.

Annual Inspections

SHA will inspect all units annually using HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE)

Residents who "fail" the inspection due to housekeeping or tenant-caused damages will be given 10 calendar days to correct noted items. Another inspection will be conducted. Residents will be issued a copy of the inspection report with required corrections.

If necessary to bring the unit into NSPIRE compliance, needed repairs will be completed by SHA. All inspections will include a check of all smoke alarms to ensure proper working order. Inspection report will indicate whether required corrections are to be charged to the resident or covered by SHA. Required corrections will be repaired by SHA within 30 days of the inspection date. Damages beyond "normal wear and tear" will be billed to the tenant.

Residents who repeatedly "fail" the inspection or cause excessive damage to the unit will be considered in violation of their lease.

Quality Control Inspections

The housing management staff will conduct periodic quality control inspections to determine the condition of the unit and to identify problems or issues in which SHA can be of service to the family.

SHA staff will conduct quality control inspections on at least 5% of units or the mandatory minimum per the HUD protocol.

The purpose of these quality control inspections is to assure that the inspections were performed properly and repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame.

Special Inspections

Housing management staff may conduct a special inspection for emergency conditions, housekeeping, unit condition, or suspected lease violation.

HUD representatives or local government officials may review SHA operations periodically and as a part of their monitoring may inspect a sampling of the SHA's inventory. If a special inspection is conducted, the SHA will leave notice that they were in the unit and the reason for the special inspection.

Other Inspections

The PHA inspector will periodically conduct windshield and/or walk-through inspections to determine whether there may be lease violations, adverse conditions or local code violations.

Emergency Inspections

Housing management staff may initiate an emergency inspection if they believe that an emergency exists in the unit or on a Public Housing site. (See Entry of Premises Notice in this chapter.) Repairs are to be completed within 24 hours from the time the work order is issued.

Emergency Repairs to be Completed in Less than 24 Hours

Housing management staff may initiate an emergency inspection if they believe that an emergency exists in the unit or on a Public Housing site. (See Entry of Premises Notice in this chapter.) Repairs are to be completed within 24 hours from the time the work order is issued. If an emergency or after hours work order is called into the BHA, the head of household or an adult member must be present at the service time.

Emergency Repairs to be Completed in Less than 24 Hours which includes LTs as determined by NSPIRE

The following items are to be considered emergency in nature under NSPIRE and require immediate (less than 24 hour) response:

HUD's definition of LT conditions includes specific conditions under 10 categories, as described in the NSPIRE, implementation notice:

- (1) Gas (natural or liquid petroleum) leak or fumes
- (2) Electrical hazards that could result in shock or fire
- (3) Inoperable or missing smoke detector
- (4) Interior air quality (inoperable or missing carbon monoxide detector, where required)
- (5) Gas/oil fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney or venting
- (6) Lack of alternative means of exit in case of fire or blocked egress
- (7) Other interior hazards (missing or damaged fire extinguisher, where required)
- (8) Deteriorated paint surfaces in a unit built before 1978 and to be occupied by a family with a child under 6 years of age
- (9) Any other condition subsequently identified by HUD as life-threatening in a notice published in the Federal Register.

(10) Any other condition identified by the administering PHA as life-threatening in the PHA's ACOP such as:

Emergency repairs means the condition will be abated within 24 hours from the time of notification of the repair.

The following items are to be considered emergency in nature and require immediate (less than 24 hour) response:

1. Fires – Call the Fire Department at 911 before contacting Maintenance.
2. Air conditioning and cooling problems in the summer based on the current temperature.
3. Heating problems in winter based on the current temperature.
4. Electrical failures (affecting more than just a lighting or outlet circuit)
5. Plumbing stoppages affecting ALL toilets.
6. Breaks in main water lines and major water leaks.
7. Lock-outs – Subject to the resident paying the cost for responding.
8. Smoke Alarms and Carbon Monoxide Alarms

NOTE: REQUESTS FOR DUPLICATE KEYS AFTER WORKING HOURS MUST BE APPROVED AND ISSUED BY THE ON CALL DIRECTOR

Residents who disengage smoke detectors for convenience purposes will be cited and charged \$25. (See "Housekeeping Citations" below)

Entry of Premises Notices

SHA will give prior written notice for non-emergency inspections. Non-emergency entries to the unit will be made during reasonable hours of the day.

SHA will provide the family with 48-hour notice prior to entering the unit for non-emergency reasons other than the annual inspection.

If SHA enters a unit, they will leave notice that they were in the unit and the reason.

Reasons SHA will enter the unit are:

- Inspections and maintenance
- To make improvements and repairs
- To show the premises for leasing
- In cases of emergency

It is encouraged that an adult family member be present during the Annual Inspection, but it is not required.

Repairs requested by the family will not require prior notice to the family. Residents are notified in the lease that resident-requested repairs presume permission for the PHA to enter.

Non-Inspection Emergency Entry

SHA staff will allow access to the unit to proper authorities when issues of health or safety of the tenant are concerned.

Family Responsibility to Allow Inspection

SHA must be allowed to inspect the unit at reasonable times with reasonable notice. Forty-eight hour written notice will be considered reasonable in all cases, except emergencies.

SHA will reschedule the inspection no more than twice unless the resident has a verifiable medical reason which has hindered the inspection. SHA may request verification.

If the resident refuses to allow the inspection, the resident will be in violation of the lease and SHA will notify the family of its intended action.

If the resident refuses to allow the inspection, the resident will be in violation of the lease and may be terminated.

Housekeeping Citations

Residents who "fail" an inspection due to housekeeping will be issued a Housekeeping Citation, and a reinspection will be conducted within 5 calendar days by housing management staff.

If the family fails to comply with the re-inspection, it can result in lease termination. If the family is issued another Housekeeping Citation within 30 days of the reinspection, the family will be summoned for a lease violation conference.

Citations will be issued to residents who purposely disengage the unit's smoke detector.

Repeated citations will be considered a violation of the lease.

Tenant Damages

Repeated failed inspections or damages to the unit beyond normal wear and tear may constitute serious or repeated lease violations.

"Beyond normal wear and tear" is defined as items which could be charged against the tenant's security deposit under state law or court practice.

ⁱ 24 CFR§ 966.4 (i)

ⁱⁱ 24 CFR § 966.4 (p)

ⁱⁱⁱ 24 CFR§ 966.4 (i)

^{iv} 24 CFR §§ 960.205 (b) and 966.4(a)(1)(v)

^v 24 CFR § 966.4 (f)(3) & (c)(2)

^{vi} 24 CFR § 966.4 (f)(3)

^{vii} 24 CFR § 966.4 (f)(2)

^{viii} 24 CFR § 966.4 (f)(3)

^{ix} 24 CFR §§ 960.205 (b) and 966.4(a)(1)(v)

^x 24 CFR §§ 960.205 (b) and 966.4(a)(1)(v)

^{xi} 24 CFR § 966.4 (f)(3) & (c)(2)

^{xii} 24 CFR § 966.4 (f)(3)

^{xiii} 24 CFR § 966.4 (f)(3)

^{xiv} 24 CFR § 966.4 (f)(2)

Chapter 10

PET POLICY

[24 CFR 5.309]

INTRODUCTION

SHA has discretion in the development of policies pertaining to the keeping of pets in public housing units. This Chapter explains SHA's policies on the keeping of pets and any criteria or standards pertaining to the policy. The rules adopted are reasonably related to the legitimate interest of SHA to provide a decent, safe and sanitary living environment for all tenants, to protecting and preserving the physical condition of the property, and to preserve the financial interest of SHA.

The purpose of this policy is to establish SHA's policy and procedures for ownership of pets in elderly and disabled units as well as in family units, and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. SHA also establishes reasonable rules governing the keeping of common household pets.

Nothing in this policy or the dwelling lease limits or impairs the right of persons with disabilities to own animals that are considered a disability service animal.

In accordance with Section 526 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), Housing Authority of the City of Sterling (SHA) hereby sets forth rules and regulations concerning pet ownership in its public housing units. Only "common household pets" as defined herein will be permitted in SHA owned properties.

A common household pet, for the purposes of SHA's conventional housing program: A domesticated animal, such as a dog, cat, bird, or fish that is traditionally kept in the home for pleasure rather than for commercial or breeding purposes. Common household pet does not include reptiles. This definition shall not include animals that are used to assist persons with disabilities.

Residents may own up to two pets as defined in this policy. If one of the pets is a dog or cat, the second pet must be contained in a cage or an aquarium for fish. Each bird or other animal, other than fish, shall be counted as one pet.

A. EXCLUSION FROM the PET POLICY FOR ANIMALS THAT ASSIST PERSONS WITH DISABILITIES (FHEO 2020-01)

FHEO Notice 2020-01 explains certain obligations of housing providers under the Fair Housing Act (Act), Section 504 of the Rehabilitation Act of 1973 (Section 504), and the Americans with Disabilities Act (ADA) with respect to animals that provide assistance to individuals with disabilities. The Department of Justice's (DOJ) amendments

to its regulations' for Titles H and III of the ADA limit the definition of "service animal" under the ADA to include only dogs (and small horses), and further define "service animal" to exclude emotional support animals.

This definition, however, does not limit SHA's obligation to make reasonable accommodations for assistance animals under the Act or Section 504. Persons with disabilities may request a reasonable accommodation for any assistance animal, including an emotional support animal, under both the Act and Section 504. In situations where the ADA and the Act/Section 504 apply simultaneously (*e.g.*, a public housing agency, sales or leasing offices, or housing associated with a university or other place of education), housing providers must meet their obligations under both the reasonable accommodation standard of the Act/Section 504 and the service animal provisions of the ADA

SHA's Pet Policy shall neither apply to animals that are used to assist persons with disabilities and their assistance animals, who visit SHA's developments and dwelling units. Pet policies do not apply to either service animals or companion animals. 24 CFR 5; 24 CFR 960.705. Residents with an animal that assists persons with disabilities must still comply with all other conditions of the lease, including but not limited to; maintaining property, fulfilling housekeeping and not disturbing other resident's peaceful enjoyment of the property.

SHA must grant this exclusion if the following is provided:

- The resident or prospective resident verifies that they are persons with disabilities by completing SHA's reasonable accommodation process.
- The animal has been trained to assist persons with the specific disability (example, guide dog), written verification is not required; and
- The animal actually assists the person with a disability.

Note: Written certification of training for the animal is not required, nor should it be requested.

Certain entities will be subject to both the service animal requirements of the ADA and the reasonable accommodation provisions of the Act and/or Section 504. These entities include, but are not limited to, public housing agencies and some places of public accommodation, such as rental offices, shelters, residential homes, some types of multifamily housing, assisted living facilities, and housing at places of education. SHA will must ensure compliance with all relevant civil rights laws. As noted above, compliance with the Act and Section 504 does not ensure compliance with the ADA. Similarly, compliance with the ADA's regulations does not ensure compliance with the Act or Section 504. The preambles to DOJ's 2010 Title II and Title III ADA regulations state that public entities or public accommodations that operate housing facilities "may not use the ADA definition [of "service animal"] as a justification for reducing their Act obligations. SHA will apply this standard.

Support Service Animal

Distinction is hereby given to "support animals" and "service animals." If the animal does not have specific disability related training but is necessary in coping with the disability (for instance, if the animal provides emotional support to a person with a panic disorder), the animal

is a "support animal" not a "service animal."

A "service animal" means any guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability. Service animals are equivalent to other "auxiliary aids" such as wheelchairs and eyeglasses, and as such must be permitted. 24 CFR 5.303; 28 CFR 36.104.

When an applicant or resident with a disability asserts and can verify that an animal is a support or service animal for his/her disability, the applicant should make a request for a reasonable accommodation; specifically, to be allowed to keep the animal by completing SHA's reasonable accommodation process.

SHA will require verification that the applicant is a "qualified individual with handicaps" as defined by 24 CFR 8.3, and that the animal is necessary in coping or assisting with the disability.

Upon receipt of verifications, SHA will approve the animal.

Residents requiring more than one pet as either a "support animal" or "service animal" must request the animal by completing SHA's reasonable accommodation process.

SHA will follow verification requirements as outlined in FHEO 2020-01 for Assistance Animals.

B. MANDATORY RULES FOR RESIDENTS WITH PETS

In accordance with 24 CFR 960.707, SHA hereby sets forth the following rules for pet ownership in its conventional housing units:

Registration

1. The Resident must request and receive written formal approval from the SHA prior to bringing the common household pet, (hereinafter referred to as "pet") on the premises. The pet request shall be made on the standard form "Pet Occupancy Request/Registration Form." **All** pets must be registered, even if a pet deposit is not required.
2. Registration of the pet shall include a photograph being taken by the SHA and retained on file. The photograph will be utilized to confirm identity of the pet in case of emergency and to ensure that the same pet registered is the pet occupying the resident's dwelling unit.
3. Residents registering pets that are not fully-grown at the execution of the initial Pet Addendum will be required to report back to the development office at the first year anniversary of the agreement in order that the pet may be re-photographed for identification purposes.
4. At the time of registration, Resident must provide information sufficient to identify the pet and to demonstrate that it is a common household pet.
5. The name, address, and phone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care for the pet must be provided at the time of registration.

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6. A Pet Policy Addendum must be completed and signed prior to the pet being allowed in the unit.
 7. A Pet Security Deposit of \$300.00 must be paid at the time of the pet move-in, unless it is an assistive animal. The deposit may be paid in increments of no less than \$50 per month for each succeeding month, until \$300 has been paid. The Pet Security Deposit may not be used or any part thereof for any damages to the unit unless directly related to said pet.
 8. There is a limit of one pet per household.
 9. A visiting pet will not be allowed accommodations of more than 14 days and must demonstrate, prior to entry updated proof of immunization.

Dogs

1. If the pet is a dog, it shall not weigh more than 25 pounds (fully grown) and stand no more than 20 inches in height from the front shoulder of the animal.
2. Must adhere to the breed restrictions in this policy
3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance.
4. Doghouses located outside any dwelling unit are prohibited.

Cats

1. The weight of a cat cannot exceed to fifteen (15) pounds (fully-grown).
2. The resident must provide waterproof and leak proof litter boxes for cat waste, which must be kept inside the dwelling unit. Litter boxes must be changed twice per week at a minimum. Cardboard boxes are not acceptable and will not be approved. The resident shall not permit refuse from litter boxes to accumulate, become odorous, to become unsightly, or unsanitary.
3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance.

Dog/Cat—Spaying and Neutering

If the pet is a dog or cat, it must be spayed/neutered by six months of age. Evidence of spaying/neutering can be proved by a statement/bill from a licensed veterinarian and/or staff of the Humane Society or by means of the veterinarian certification provided for on the Pet Registration Form.

Birds

1. Maximum number: 1

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2. Must be enclosed in a cage at all times.

Fish

If the pet is fish, the aquarium must be twenty gallons or less, and the container must be placed in a safe location in the unit. The resident is limited to one container for fish; however, there is no limit on the number of fish that can be maintained in the container as long as the container is maintained in a safe and non-hazardous manner.

Residents shall be responsible for any damage caused by leakage or spillage from the aquarium or fish bowl. The aquariums must be on a provable stand that is stable and cannot be easily pushed over.

Rodents (Guinea pig, hamster, or gerbil ONLY; mice are not allowed.)

1. *Maximum number 1*
2. *Must be enclosed in an acceptable cage at all times. Must have any or all inoculations as specified now or in the future by State law or local ordinance.*

Turtles

1. *Maximum number 1*
2. *Must be enclosed in an acceptable aquarium/cage/bowl at all times.*

Inoculations/Vaccinations

The pet(s) must have received rabies and distemper inoculations or boosters, as applicable. The resident shall provide the SHA with evidence of inoculations certified by a licensed veterinarian or a State or local authority empowered to inoculate animals (or designated agent of such an authority) stating that the pet has received all inoculations required by applicable State and local law. Said certification may be provided on the veterinarian's statement/bill or on the Pet Registration form.

Licensing

1. Licensing of all dogs shall be required in accordance with applicable State and local law on an annual basis. The dog must always wear a license with owner's name, address and telephone number.
2. In the event that applicable State or local law changes with reference to licensing of any and all pets, SHA will require its residents to comply upon appropriate notice.

Sanitary Conditions

The pet rules shall prescribe sanitary standards to govern the disposal of pet waste.

These rules are as follows:

1. Resident shall be responsible for immediately disposing of all animal waste excreted inside the development building or on the development grounds.
2. Pet waste may be disposed in designated areas for the development (pet waste stations or dumpsters).
3. Waste must be placed in a plastic bag, tightly secured and deposited in a dumpster.
4. Poorly disposed waste will not be tolerated and will be subject to a \$25.00 charge per incident.
5. Each time a pet owner fails to remove pet waste in accordance with this rule, a \$25.00 charge will be levied to the resident's account.
6. Conditions outlined in Cats #2, above, pertaining to cat waste shall also prevail.

General Provisions

1. All pets must be housed within the unit and no facilities can be constructed outside of the unit for any pet.
2. Costs incurred by SHA for **extermination of fleas, ticks, and other animal related pests**, will be deducted from the pet security deposit after either the pet is removed or the resident vacates. Residents are encouraged to use flea bombs to get rid of fleas and other animal-related pests on an "as needed" basis.
3. Pet(s) shall not disturb, interfere or diminish the peaceful enjoyment of other residents. The terms, "disturb, interfere or diminish" shall include but is not limited to: barking, meowing, crying, howling, chirping, biting, scratching and other like activities. This includes any pets that make noise continuously and/or incessantly for a period of 10 minutes or intermittently for one-half hour or more and therefore disturbs any person at any time of the day or night. The SHA will terminate this authorization if a pet disturbs other residents under this section of the lease addendum. The resident will be given one week to make other arrangements for the care of the pet or the dwelling lease will be terminated.
4. Each pet must be maintained responsibly and in accordance with this pet ownership lease addendum and in accordance with all applicable ordinances, state and local public health, animal control, and animal anti-cruelty laws and regulations governing pet ownership.
5. The weight of all four-legged animals, other than dogs, cannot exceed policy requirements.
6. Pets may not be bred or used for any commercial purposes on SHA property.

C. CONTROL OF THE ANIMAL

1. No animal shall be permitted to be loose and if the pet is taken outside, it must be taken outside on a chain leash **no longer than five (5') feet** and kept off lawns designated to other residents. Retractable leashes are prohibited.
2. All authorized pet(s) must be under the control of an adult leaseholder. An unleashed pet, or one tied to a fixed object, is not under the control of an adult. SHA staff will contact the local Humane Society or dog warden in the event pets are found to be unleashed, or leashed and unattended, on SHA property. It shall be the responsibility of the resident to reclaim the pet and at the expense of the resident.
3. The resident pet owner shall have canine pets restrained so that maintenance can be performed in the dwelling unit. The resident **shall** whenever an inspection or maintenance is scheduled, either be at home or shall have all animals restrained or caged. If a maintenance person enters an apartment where an animal is not restrained, maintenance shall not be performed, and the resident pet owner shall be charged a fee of \$25.00. If the situation again occurs, the pet shall be removed from the premises. Pets that are not caged or properly restrained will be impounded and reported to the local Humane Society for removal. It shall be the responsibility of the resident pet owner to reclaim the pet at the expense of the resident. The Housing Authority shall not be responsible if any animal escapes from the residence due to its maintenance, inspections, or other activities.

D. UNATTENDED ANIMALS

Pet(s) may not be left unattended for more than ten (10) consecutive hours. If it is reported to SHA staff that a pet has been left unattended for more than a ten- (10) hour period, SHA staff may enter the unit and remove the pet and transfer the pet to the humane society. Any expense to remove and reclaim the pet from any facility will be the responsibility of the resident.

E. PROHIBITED PETS

1. SHA will forbid the following kinds of animals from being kept as pets on its property: Pit bull, Rottweiler, German Shepherd, Chow, Doberman Pinscher or any species considered vicious, intimidating, or kept for the purpose of training for fighting or wagering of bets (i.e. roosters for “cockfighting”, etc.). SHA forbids the keeping of animals that have had their vocal cords cut, by a process commonly known as “debarking.”
2. Exotic pets or barnyard animals are prohibited. Exception may be certain species of small horses utilized as bonafide “service animals”. (Snakes and reptiles are considered exotic pets.)
3. Animals who would be allowed to produce offspring for sale.
4. Wild animals, feral animals, and any other animals that are un-amenable to routine

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- human handling.
5. Animals of species commonly used on farms.
 6. Non-human primates.
 7. Animals whose climatologically needs cannot be met in the unaltered environment of the individual dwelling unit.
 8. Pot-bellied pigs.
 9. Snakes, lizards, spiders, chickens.
 10. The following restrictions apply to pets, based on weight, size and inherent dangerousness, including prohibitions against the keeping of:
 - Any animals whose weight could exceed 25 pounds by adulthood.
 - Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites and lacerations.
 - Hedgehogs or other animals whose protective instincts and natural body armor produce a risk to children of serious puncture injuries.
 - Chicks or other animals that pose a significant risk of salmonella infection to those who handle them.
 - Pigeons, doves, mynah birds, psittacoses birds, and birds of other species that are hosts to the organisms causing psittacosis in humans.

Tenants must adhere to the restrictions on numbers and types of pets.

F. PET POLICY VIOLATION PROCEDURES

SHA reserves the right to require residents to remove any pet from the premises whose conduct (noise, biting, breeding, etc.) or condition is duly determined to constitute a nuisance or a threat to the health or safety of the other occupants or pets of the development, neighbors, staff, or visitors. SHA reserves the right to remove such a pet in the event that the pet owner does not or cannot remove the pet.

Notice of Pet Policy Violation

If SHA determines on the basis of objective facts, supported by written statements, that a pet owner has violated a rule governing the owning or keeping of pets:

SHA may serve a written notice of Pet Policy violation on the pet owner in accordance with the dwelling lease. The notice of pet rule violation must:

1. Contain a brief statement of the factual basis for the determination and the pet rule or rules alleged to be violated;
2. State that the pet owner has five (5) calendar days from the effective date of service of the notice to correct the violation (including, in appropriate

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- circumstances, removal of the pet) or to make a written request for a meeting to discuss the violation;
 3. State that the pet owner is entitled to be accompanied by another person of his or her choice at the meeting; and
 4. State that the pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting may result in initiation of procedures to terminate the pet owner's tenancy.

Pet Policy Violation Private Conference

If the pet owner makes a timely request for a private conference to discuss an alleged Pet Policy violation, SHA shall establish a mutually agreeable time and place for the private conference but no later than three (3) business days from the effective date of service of the notice of Pet Policy violation.

At the pet rule violation private conference, the pet owner and SHA representative shall discuss any alleged Pet Policy violation and attempt to correct it. SHA may, as a result of the meeting, give the pet owner additional time to correct the violation.

Notice for Pet Removal

If the pet owner and SHA are unable to resolve the Pet Policy violation at the pet rule violation private conference, or if a representative of SHA staff determines that the pet owner has failed to correct the Pet Policy violation within any additional time provided herein, the SHA may serve a written notice on the pet owner in accordance with Section of the Dwelling Lease or at the private conference, if appropriate, requiring the pet owner to remove the pet. The notice must:

1. Contain a brief statement of the factual basis for the determination and the Pet Policy or rules that have been violated;
2. State that the pet owner must remove the pet within five (5) calendar days of the effective date of service of the notice of pet removal (or the private conference, if notice is served at the private conference); and
3. State that failure to remove the pet may result in initiation of procedures to terminate the pet owner's tenancy.

Initiation of Procedures to Remove a Pet or Terminate the Pet Owner's Tenancy

SHA may not initiate procedures to terminate a pet owner's tenancy based on a Pet Policy violation, unless:

1. The pet owner has failed to remove the pet or correct a pet rule violation within the applicable time period specified in this section (including any additional time permitted by the owner); and
2. The Pet Policy violation is sufficient to begin procedures to terminate the pet

owner's tenancy under the terms of the lease and applicable regulations.

3. If a pet is removed due to death or incapacity of the pet owner and to responsible parties are contacted and are unwilling or unable to remove the pet, or cannot be contacted; the pet will be removed and placed in a pet facility for a period not exceeding 30 days. The cost will be the responsibility of the pet owner and will be paid from the deposit.

SHA may initiate procedures to remove a pet under 24 CFR 5.327 (threat to health and safety) at any time, in accordance with the provisions of applicable State or local law.

G. SCHEDULE OF PET DEPOSITS

DEPOSIT SCHEDULE

(One Time Deposit is required for each pet at the time of registration)

Type of Pet	Deposit
Dog	\$300
Cat	\$300
Aquarium	\$300
Fish Bowl (Requires no power and no larger than two gallons)	\$0
Birds (must be in a cage)	\$300
Caged Pets (Gerbils, Hamsters, Guinea Pig)	\$0

Note: The above schedule is applicable for each pet; therefore, if a resident pet owner has more than one pet, he or she must pay the applicable deposit for each pet.

ALL PET AGREEMENTS SIGNED WITH RESIDENTS OF SHA PRIOR TO THE ADOPTION OF THIS POLICY (7/1/2006) ARE NOT SUBJECT TO PAYING ADDITIONAL DEPOSIT AMOUNTS.

RESIDENTS SIGNING PET POLICY ADDENDUM'S FOLLOWING THE ADOPTION OF THIS POLICY WILL BE SUBJECT TO PAYING DEPOSITS FOR ANY NEW OR ADDITIONAL PETS.

No pet shall be allowed in the unit prior to the completion of the terms of this Pet Policy.

The pet deposit made shall be utilized to offset damages caused by the pet and/or tenant. Any balance, if any, from the deposit will be refunded to the tenant.

Pet Deposits

SHA will allow gradual payment of the deposit in accordance with the following:

- An initial payment of \$50 on or prior to the date the pet is properly registered and brought into the apartment, and;
- Monthly payments in an amount no less than \$50 until the specified deposit has been paid.

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- SHA reserves the right to change or increase the required deposit by amendment to these rules.
 - SHA will refund the Pet Deposit to the tenant, less any damage caused by the pet to the dwelling unit, upon removal of the pet or the owner from the unit.
 - SHA will return the Pet Deposit to the former tenant or to the person designated by the former tenant in the event of the former tenant's incapacitation or death.
 - SHA will provide the tenant or designee identified above with a written list of any charges against the pet deposit. If the tenant disagrees with the amount charged to the pet deposit, SHA will provide a meeting to discuss the charges.

All reasonable expenses incurred by SHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit;
- Fumigation of the dwelling unit;
- Common areas of the project.

Pet Deposits are not a part of rent payable by the resident.

Any damage to the apartment, building, grounds, flooring, walls, trim, finishes, tiles, carpeting, or stains thereof, will be the full responsibility of the resident and the resident agrees to pay any costs involved in restoring the apartment to its original condition.

If SHA finds a residual odor problem left in the apartment, the resident agrees to pay for the cost of any and all materials or chemicals needed to repair to remove the odor. If odor removal fails, the resident agrees to pay for replacement of carpeting, padding, wallboard, baseboard, etc., as is deemed necessary. The resident also agrees to abide by management's decision as to what is necessary.

It shall be a serious violation of the lease for any resident to have a pet without proper approval and without having complied with the terms of this policy. Such violation shall be considered to be a violation of the lease (a serious violation) and the SHA will issue a termination notice in accordance with of the dwelling lease. The resident pet owner will be entitled to a grievance hearing in accordance with the provisions of the dwelling lease.

I. FORMS

PET POLICY ADDENDUM

SHA

This Addendum is being executed in Accordance with the terms of the Dwelling Lease.

Section I. Pet Ownership

A resident may own one or more common household pets or have one or more common household pets present in the dwelling unit of such resident, subject to the following conditions:

1. Each head of household may own up to the limit of pets under the SHA policy. SHA shall only allow one 4-legged pet per household.
2. If the pet is a dog or cat, it must be neutered/spayed by the age of six (6) months. The evidence can be provided by a statement/bill from a veterinarian, certified on SHA Form #78, and/or staff of the local humane society. Evidence must be provided prior to the execution of this agreement and/or within 10 days of the pet becoming of the age to be neutered/spayed or declawed. Resident must provide waterproof and leak proof litter boxes for cat waste, which must be kept inside the dwelling unit. Cardboard boxes are not acceptable and will not be approved. The Resident shall not permit refuse from litter boxes to accumulate nor to become unsightly or unsanitary. Also, the weight of a cat cannot exceed ten (10) pounds (fully grown) and a dog may not exceed the limit of the policy in weight (fully-grown).
3. If the pet is a bird, it shall be housed in a birdcage and cannot be let out of the cage at any time.
4. If the pet is a fish, the aquarium must be twenty (20) gallons or less, and the container must be placed in a safe location in the unit. The Resident is limited to one container for the fish; however, there is no limit on the number of fish that can be maintained in the container as long as the container is maintained in a safe and non-hazardous manner.
5. If the pet is a cat or dog, it must have received rabies and distemper inoculations or boosters, as applicable. Evidence of inoculations can be provided by a statement/bill from veterinarian, certified on SHA Form #78, or by staff of the Humane Society and must be provided before the execution of the Pet Policy Addendum.
6. All pets must be housed within the unit and no facilities can be constructed outside of the unit for any pet. No animal shall be permitted to be loose and if the pet is taken outside, it must be taken outside on a leash and kept off other Resident's lawns. Also, all pets must wear collars with identification and license at all times. Pets without a collar will be picked-up immediately by the Humane Society, county dog warden, or other appropriate agency.
7. All pet(s) must be under the control of an adult leaseholder. An unleashed pet, or one tied to a fixed object, is not considered to be under the control of an adult leaseholder. Pets, which are unleashed, or leashed and unattended, on housing authority property, may be impounded and reported to the local Humane Society, dog warden or other appropriate

agency for pick-up. It shall be the responsibility of the Resident to reclaim the pet at the expense of the Resident.

8. Pet(s) may not be left unattended for more than ten (10) consecutive hours. If it is reported to SHA staff that a pet(s) has been left unattended for more than an eight (10) consecutive hour period, SHA staff may enter the unit with the humane society, dog warden or other appropriate agency to pick-up the animal. Any expense to remove and reclaim the pet from any facility will be the responsibility of the Resident. In the case of an emergency, SHA will work with the resident to allow no more than 24 hours for the resident to make accommodations for the pet.
9. Pet(s), as applicable, must be weighed by a veterinarian or staff of the Humane Society. A statement containing the weight of the pet must be provided to SHA prior to the execution of this agreement and upon request by the SHA at any time following the inception of the Pet Policy Addendum.
10. Responsible Pet Ownership: Each pet must be maintained responsibly and in accordance with this pet ownership lease addendum and in accordance with all applicable ordinances, state and local public health, animal control, and animal anti-cruelty laws and regulations governing pet ownership. Any waste generated by a pet must be properly and promptly disposed of by the tenant to avoid any unpleasant and unsanitary odor from being in the unit in accordance with the provisions of SHA's Pet Policy.
11. Prohibited Animals: Animals or breeds of animals that are considered by SHA to be vicious and/or intimidating will not be allowed. Some examples of animals that have a reputation of a vicious nature are: reptiles, Rottweiler, Doberman Pinscher, Pit Bulldog, German Shepherd, Chow, and/or any animal that displays vicious behavior. This determination will be made by a SHA representative prior to the execution of this lease addendum.
12. Pet(s) shall not disturb, interfere or diminish the peaceful enjoyment of other residents. The terms, "disturb, interfere or diminish" shall include but not be limited to barking, meowing, crying, howling, chirping, biting, scratching and other like activities. This includes any pets that make noise continuously and/or incessantly for a period of 10 minutes or intermittently for one-half hour or more and therefore disturbs any person at any time of the day or night. The SHA will terminate this authorization if a pet disturbs other residents under this section of the lease addendum. The resident will be given one week to make other arrangements for the care of the pet or the dwelling lease will be terminated.
13. If the animal should become destructive, create a nuisance, represent a threat to the safety and security of other persons, or create a problem in the area of cleanliness and sanitation, the SHA will notify the tenant, in writing, that the animal must be removed from the development, within five (5) days of the date of the notice from SHA. The Resident may request a hearing, which will be handled according to SHA's established grievance procedure. The pet may remain with the resident during the hearing process unless SHA has determined that the pet may be a danger or threat to the safety and security of other persons. If this determination has been made by SHA, the pet must be immediately removed from the unit upon receipt of the notice from SHA.

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14. The Resident is solely responsible for cleaning up the waste of the pet within the dwelling and on the premises of the public housing development. If the pet is taken outside, it must be on a leash at all times. If there is any visible waste by the pet, it must be disposed of in a plastic bag, securely tied and placed in the garbage receptacle for their unit. If the Housing Authority staff is required to clean any waste left by a pet, the Resident will be charged \$25 for the removal of the waste.
 15. The Resident shall have pets restrained so that maintenance can be performed in the apartment. The Resident shall, whenever an inspection or maintenance is scheduled, either be at home or shall have all animals restrained or caged. If a maintenance person enters an apartment where an animal is not restrained, maintenance shall not be performed, and the Resident shall be charged a fee of \$25.00. If this same situation again occurs, the pet shall be removed from the premises. Pets that are not caged or properly restrained may be impounded by animal control officers and taken to the local Humane Society or dog warden. It shall be the responsibility of the Resident to reclaim the pet at the expense of the Resident. The Housing Authority shall not be responsible if any animal escapes from the residence due to maintenance, inspections, or other activities of the landlord.
 16. Pets may not be bred or used for any commercial purposes on SHA property.

Section II. SCHEDULE OF FEES AND DEPOSITS

FEE AND DEPOSIT SCHEDULE

(A Pet Fee and Deposit is required for each pet)

Type of Pet	Deposit
Dog	\$300
Cat	\$300
Fish Aquarium	\$300
Fish Bowl (Requires no power and no larger than two gallons)	\$0
Birds	\$300
Caged Pets	\$0

Note: The above schedule is applicable for each pet; therefore, if a resident has more than one pet, he or she must pay the applicable annual fee and deposit for each pet. Annual fees will be due each year on the anniversary date of signing the Pet Addendum.

The entire fee (subject to the exception listed below) must be paid prior to the execution of the lease addendum. No pet shall be allowed in the unit prior to the completion of the terms of this pet policy.

The fee shall be paid at the time of the pet approval and all proof of inoculations and other requirements shall be made available to the Housing Authority at such time. The pet fee is not

reimbursable. The deposit made shall be utilized to offset damages caused by the pet and/or tenant. Any balance, if any, from the deposit will be refunded to the tenant. **THERE SHALL BE NO REFUND OF THE PET FEE.**

It shall be a serious violation of the lease for any resident to have a pet without proper approval and without having complied with the terms of this policy. Such violation shall be considered to be a serious violation of the lease and this Addendum and the Housing Authority will issue a termination notice. The resident will be entitled to a grievance hearing in accordance with the provisions of the dwelling lease.

It is understood and agreed that SHA is not responsible for any damages caused by the pet including but not limited to: bites and scratches to residents, neighbors, visitors, staff, SHA contractors, and others who are lawfully on the SHA's premises or other pets or service animals.

RESIDENT ACKNOWLEDGMENT

After reading and/or having read to me this lease addendum I/we the undersigned, hereinafter "I," agree to the following:

I agree to abide by the requirements outlined in this lease addendum for pet ownership and to keep the pet(s) in accordance with this lease addendum.

I agree and understand that I am liable for any damage or injury whatsoever caused by pet(s) and shall pay SHA for any damages or injury caused by the pet(s). I also realize that I should obtain liability insurance for pet ownership and that paying for the insurance is my responsibility.

I agree to accept full responsibility and will indemnify and hold harmless SHA for any claims by or injuries to third parties or their property caused by my pet(s).

I agree to pay a non-refundable fee of \$_____ to cover some of the additional operating cost incurred by the SHA. I also understand that this fee is due and payable prior to the execution of this lease addendum.

I agree to pay a refundable pet deposit of \$_____ to SHA. The Fee and initial Deposit must be paid prior to the execution of this lease addendum. The pet deposit may be used by SHA at the termination of the lease toward payment of any rent or toward payment of any other costs made necessary because of my occupancy of the premises. Otherwise, the pet deposit, or any balance remaining after final inspection, will be returned to me after the premises are vacated and all keys have been returned.

I AGREE AND UNDERSTAND THAT ALL INFORMATION CONCERNING MY PET (S) MUST BE UPDATED ANNUALLY AND PROVIDED TO THE SHA AT THE ANNUAL REEXAMINATION.

I AGREE AND UNDERSTAND THAT VIOLATING THIS LEASE ADDENDUM MAY RESULT IN THE REMOVAL OF THE PET (S) FROM THE PROPERTY OF THE SHA AND/OR EVICTION. I, ALSO UNDERSTAND THAT I MAY NOT BE ALLOWED TO OWN ANY TYPE OF PET IN THE FUTURE WHILE BEING AN OCCUPANT OF THE SHA.

I ALSO UNDERSTAND THAT I MUST OBTAIN PRIOR APPROVAL FROM SHA BEFORE MAKING A CHANGE OF A PET FOR WHICH THIS POLICY WAS APPROVED OR ADDING A SECOND PET. ALSO, A PICTURE MAY BE TAKEN BY SHA STAFF OF THE PET (S) FOR DOCUMENTATION. THE PICTURE WILL BE MAINTAINED IN THE RESIDENT'S FILE WITH THE APPROPRIATE SHA MANAGEMENT OFFICE.

Head of Household (Undersigned)

Date

Housing Authority Representative

Date

Exhibit "1"

Preliminary Request for a Reasonable Accommodation

Leaseholder/Resident/Advocate Name: _____ S.S. #: _____

Current Address: _____ Move-In Date: _____

of Bedrooms: __ Member of Household Accommodation is requested for: _____

A reasonable accommodation is needed because:

The accommodation will:

_____ Help you live in the housing or take part in SHA's program;

_____ Help you meet the lease requirements of SHA's program;

_____ Help you meet other requirements of SHA's program.

Do not tell the SHA the name of your disability or the nature or extent of your disability.

Physician/Health Care Provider name, address and telephone number:

Other comments you would like to make regarding this request: _____

By signing below, you confirm the accuracy of the information submitted above. You will be mailed by the SHA an "Authorization for Release of Medical Information" which will be forwarded to your physician. Your physician will then be required to confirm your eligibility and justify your request for SHA.

Once this process has been completed, SHA will be in contact with you regarding the status of your request, which is based on medical reasons.

Leaseholder/Resident Signature

Phone Number

Date of Request

Do not write below line

For Office Use Only

SHA's Signature: _____

Date Received by SHA: _____

Date Authorization for Release of Medical Information sent to Leaseholder/Resident: _____

Date Medical Justification Letter sent to physician/health care provider: _____

Exhibit “2”

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

To: _____

(Name & Address of Medical Provider)

RE: _____

The undersigned hereby authorizes you to verify, to the SHA, whether the undersigned is an individual with handicaps as defined by 24 CFR 8.3. The undersigned also authorizes you to disclose to the SHA, the undersigned’s need, if any, for an accessible feature (reasonable modification) to the undersigned’s unit and/or a change in SHA’s policies and/or procedures (reasonable accommodation) so that the undersigned may have an equal opportunity to use and enjoy his/her dwelling unit. The undersigned further authorizes you to disclose, to the SHA, exactly what is requested to accommodate the limitations imposed by the undersigned’s handicaps, if any. However, you are not authorized to provide access to confidential medical records or disclose the specific handicaps to the SHA.

I hereby waive and release you from any restrictions imposed by law in disclosing any professional observation or communication to the SHA that is within the scope of this authorization.

This authorization is valid for ninety (90) days. A photocopy of this authorization shall be as effective as the original.

YOU MUST HAVE YOUR SIGNATURE NOTARIZED WHEN SENDING THE FORM BACK.

_____/_____

Date Signature

Date of Birth

Exhibit “3”

DEFINITIONSPRIVATE

To: Doctor/Other Qualified Person

Pursuant to 24 CFR 8.3, the definition of an individual with handicaps is provided below:

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. For purposes of employment, this term does not include: Any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from performing the duties of the job in question, or whose employment, by reason of current alcohol or drug abuse, would constitute a direct threat to property or the safety of others; or any individual who has a currently contagious disease or infection and who, by reason of such disease or infection, would constitute a direct threat to the health or safety of other individuals or who, by reason of the currently contagious disease or infection, is unable to perform the duties of the job. For purposes of other programs and activities, the term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(a) Physical or mental impairment includes:

(1) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(2) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction

and alcoholism.

(b) Major life activities mean functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(c) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(d) Is regarded as having an impairment means:

(1) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;

(2) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or (3) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment.

Exhibit "4"

SHA PM Form #78

Revised January 2006

PET OCCUPANCY REQUEST/REGISTRATION FORM

Resident Name: _____

Resident Address: _____

Resident Home Phone Number: _____

Resident Work Phone Number: _____

Alternate Pet Contact: _____

Address of alternate pet contact/care giver: _____

Home Phone Number: _____ Work Phone Number: _____

(List more than one, if applicable)

(To be completed by Veterinarian)

Description of Pet:

Name: _____ Breed: _____

Age: _____ Color: _____

Additional Markings/Information: _____

Height: _____ Weight: _____

Projected Weight at full growth: _____

Veterinarian's Signature

Date

“Exhibit “5”

PET OCCUPANCY REGISTRATION FORM

Resident Name: _____

Resident Address: _____

Resident Home Phone Number: _____

Resident Work Phone Number: _____

Alternate Pet Contact: _____

Address of alternate pet contact/care giver: _____

Home Phone Number: _____ Work Phone Number: _____

(List more than one, if applicable)

Description of Pet:

Name: _____ Breed: _____

Age: _____ Color: _____

Additional Markings/Information: _____

Height: _____ Weight: _____

Projected Weight at full growth: _____

License No.: _____

Copy of License/Tag obtained: ____ Yes ____ No

Picture of Pet is to be attached to this form.

Veterinarian Information/Certifications:

Name of Veterinarian: _____

Address: _____

Phone No.: _____

Certification of Inoculations: _____

Dated: _____

Date spayed or neutered: _____

How long has resident owned this pet? _____

Has your pet lived in rental housing before? ____ Yes ____ No

If so, fill in the following:

Name of apartment complex: _____

Manager's Name: _____

Phone No.: _____

Registration of all pets must be submitted to the Management Office before the pet is permitted on the premises.

Signature

Date

(For SHA use only)

Pet Photographed by: _____

SHA Staff

Date

Resident has paid the appropriate Pet Deposit and Annual fee for the pet(s) being registered.

_____ Yes _____ No

Pet identification sticker affixed to unit door/window:

By: _____

SHA Staff

Date

Photo to be affixed here & filed with the agreement

Chapter 11

REEXAMINATIONS

[24 CFR 5.613, 24 CFR 5.61524 CFR Part 960 Subpart C]

INTRODUCTION

HUD requires that SHA offer all families the choice of paying income-based rent or flat rent at least annually. Families who choose to pay flat rent are required to complete a reexamination of income, deductions and allowances at least once every three years. Flat rent families must still report family composition and community service requirements on an annual basis. To determine the amount of income-based rent, it is necessary for SHA to perform a reexamination of the family's income annually. At the annual reexamination, families who choose to pay income-based rent must report their current household composition, income, deductions and allowances.

Between regular annual reexaminations, HUD requires that families report all changes in household composition and income, but SHA decides what other changes must be reported and the procedures for reporting them. This chapter defines SHA's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ELIGIBILITY FOR CONTINUED OCCUPANCY

Residents who meet the following criteria will be eligible for continued occupancy:

1. Qualify as a family as defined in this policy.
2. Are in full compliance with the resident obligations and responsibilities as described in the dwelling lease.
3. Have provided Social Security numbers on all eligible family members or have certifications on file indicating they have no Social Security number for ineligible members.
4. Who meet HUD standards on citizenship or immigration status or are paying a pro-rated rent ¹.
5. Who are in compliance with the SHA's community service requirements.
6. Who remains eligible for non-criminal status or sex offender ineligibility.
7. Who are not considered over-income for 2 consecutive years.

Over-income Families Ineligible for Continued Occupancy

The new language in section 16(a)(5) of the 1937 Act sets the over-income limit at 120 percent of the AMI for Public Housing. However, HUD can adjust the over-income limit if the Secretary determines that it is necessary due to prevailing levels of construction costs or unusually high or low family incomes, vacancy rates, or rental costs.

The VLI limit was selected because it is calculated for every FMR area and, in certain areas, factors in several adjustments to better align income limits with program requirements. Since VLI is preliminarily calculated as 50 percent of the estimated AMI for the family, in most cases, multiplying it by 2.4, would result in a figure matching 120 percent

The final over-income limit should then be compared to the family's annual income and as with the existing ranges of income eligibility, the new over-income limits will also be tiered by family size. HUD's income limits were developed by HUD's Office of Policy Development and Research and are updated annually. Information about HUD's income limits and HUD's methodology for adjusting income limits as part of the income limit calculation can be found at <https://www.huduser.gov/portal/datasets/il.html>.

Effective Date of Over-Income Limits and Integration into the Admissions and Continued Occupancy Policies (ACOP)

ACOP. SHA must update their Admissions and Continued Occupancy Policies (ACOP) to implement these changes. Such policies must include the imposition of an over-income limit in the program, clear descriptions of all instances of when the two-year timeframe begins, and the notification requirements put forth by section 103 of HOTMA.

Updates. Going forward, SHA must also update the over-income limits in their ACOPs no later than 60 days after HUD publishes new income limits each year.

Timing. It should be noted that SHA has completed the process for amending their ACOP before implementing the over-income policy. Interim and annual reexaminations that take place after completion of the policy amendment must apply the over-income limit. Therefore, any family that is deemed over-income because of an interim and/or annual reexamination that takes place on the earlier of the date the ACOP and/or PHA Plan is amended or March 24, 2019 will be subject to the appropriate over-income limit.

Documentation, Notification, and Tracking for Over-Income Family

Documentation. Once SHA has completed updates to its ACOP and, if necessary, the SHA Plan, and the SHA discovers through an annual reexamination or an interim reexamination that a family's income exceeds the applicable over-income limit, the SHA must document that the family exceeds the threshold and make a note in the tenant file to compare it with the family's income a year later. The form HUD-50058 actions that would trigger the two-year grace period are: '2 = Annual Reexamination' and '3 = Interim Reexamination.' PHAs are required to begin tracking these actions once a family's income exceeds the applicable over-income limit.

Written Notifications/Tracking 2-Year Grace Periods. If one year after the initial over-income finding by the SHA, the family's income continues to exceed the over-income limit, the SHA must provide written notification to the family. This notification must inform the family that their income has exceeded the over-income limit for one year, and if the family's income continues to exceed the over-income limit for the next 12 consecutive months, the family will be subject to either a higher rent or termination based on the SHA's policies. If the initial over-income determination was made during an interim reexamination, the SHA must conduct a second interim income reexamination on that date one year later. However, if the SHA discovers through an annual or interim reexamination that a previously over-income family has income that is now below the over-income limit, the family is no longer subject to these provisions. A previously over-income family would be entitled to a new two-year grace period if the family's income once again exceeds the over-income limit.

SHA must ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other disabilities. The SHA must ensure effective communication using appropriate auxiliary aids and services, such as interpreters, transcription services, brailled materials, large print, and accessible electronic communications, in accordance with Section 504 and ADA requirements. 24 C.F.R. § 8.6 and § 8.28; 28 CFR part 35, Subpart E. This includes the availability, free of charge, of sign language or other types of interpretation. For persons with vision impairments, upon request, this may include materials in braille or on tape.

Terminations and Higher Rent Payments. Twelve months after the second consecutive over-income finding, if the family is still over-income, the family is subject to termination or higher rental payments. HUD has provided additional information and guidelines for SHA to set alternative rents for over-income

families that the SHA will not be allowing them to remain in public housing, and as provided in other guidance regarding this provision in a forthcoming notice. Families not permitted to stay by the SHA must have their tenancy terminated no later than six months after the second over-income finding by the SHA.

SHA Policy

SHA will terminate the tenancy after the 2-year period for over-income families; however, the SHA may waive the termination and allow the family to remain and pay the higher rent established by HUD as a reasonable accommodation for a disabled family or for a family with a disabled member, or if the family presents documentation of a hardship condition that would allow them to remain.

Process and Notification of Over-income Limit:

DETERMINATION:

Determine if the family's income exceeds the Over-Income Limit.

Step 1: Go to <https://www.huduser.gov/portal/datasets/il.html> and follow the instructions in Appendix II to find the Very Low Income amount for families in your jurisdiction.

Step 2: Use the following calculation to determine the Over-Income Limit:
 $\text{Very Low Income limit} \times 2.4 = \text{Over-Income Limit}$

Step 3: If the family's annual income is greater than the Over-Income Limit, then they exceed the Over-Income Limit, and must be notified up to a total of three times.

NOTIFICATION: Notify the family up to a total of 3 times that they have exceeded the Over-Income Limit.

Notice 1: Provide written notice to the OI family no later than 30 days after the PHA's determination, stating that the family has exceeded the over-income limit.

Notice 2: If the SHA determined that the family's income has exceeded the over-income limit for 12 consecutive months, the OI family must be provided written notice of this fact no later than 30 days after said determination. This notice must inform the OI family that continuing to exceed the over-income limit for the next 12 consecutive months will result in the family:

- a. Paying the higher alternative rent as a non-public housing over-income family; OR

-
- b. Having their tenancy terminated.

Notice 3: If the SHA determined that the family's income has exceeded the over-income limit for 24 consecutive months, the OI family must be provided written notice of this fact no later than 30 days after said determination. This notice must inform the OI family that, at next lease renewal or in no more than 60 days after the date the final notice per 24 CFR 960.507(c)(3), whichever is sooner, the family must:

- a. Pay the higher alternative rent as a non-public housing over-income family; OR
- b. Be terminated from their unit in no more than 6 months.

LIMITATION: After the 24 consecutive month grace period take the following actions:

- 1. Charge as the alternative rent for the unit occupied by the NPHOI family, the greater of
 - a. The applicable FMR for a dwelling unit in the same market area of the same size; or
 - b. The amount of the monthly subsidy which shall include any amounts from the Operating Fund and Capital Fund under section 9 used for the unit.

OR

- 2. Terminate the tenancy of OI family in public housing not later than 6 months after the final notice per 24 CFR 960.507(c)(3) confirming that the family has been over-income for 24 consecutive months.

The lease to convert to month-to-month term and SHA must charge OI families, who continue to be public housing program participants, the family's choice of income-based, flat rent, or prorated rent for mixed families during the period before termination

B. ANNUAL REEXAMINATION

Annual Reexaminations

Regulations: 24 CFR §§ 5.609(c)(2); 882.808; 891.410(g)(1); and 891.610(g)(1) 960.257; and 982.516

The final rule on HOTMA revises the standards for income calculation during annual reexamination. SHA has the option of using a “safe harbor” income verification from another federal means-tested program to verify gross annual income.

During annual reexaminations, except where the SHA uses a streamlined income determination under 24 CFR §§ 5.657(d), 960.257(c), or 982.516(b), SHA must first determine the family’s income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family’s last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with the SHA policies and 24 CFR §§ 5.657(c), 960.257(b), or 982.516(c), must be considered.

Income from assets is always anticipated, irrespective of the income examination type. A change in income, for example, may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. SHA will look at the entirety of the family’s unearned income and earned income from the prior year, in which earned income may have been one constant job or many different jobs that start and stop. Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law.

The three steps outlined below apply for both earned and unearned income.

Overview of Calculating Annual Income at Annual Reexamination

Step 1: Determine the annual income for the previous 12-month period as defined at 24 CFR § 5.609(a) and (b). If there have been no changes to income beyond this calculation, then this is the amount that will be used to determine the family’s rental assistance.

The SHA reviews the following information to determine prior-year income:

- The EIV Income Report (must be pulled within 120 days of the effective date of the annual reexamination to be considered current);

-
- The income reported on the most recent reexamination HUD–50058; and
 - What the family certified to on the SHA’s annual reexamination paperwork for prior-year income.

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination.

- If there was an interim reexamination performed, the SHA must use the annual income from the interim to determine the family’s rental assistance, if there are no additional changes.
- If the SHA did not perform an interim or there have been changes since the last reexamination, move to Step 3.

Step 3: If there were changes in annual income not processed by the SHA since the last reexamination, use current income.

- Family reports their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the SHA may use documentation of prior-year income to calculate the annual income used for the current annual reexamination HUD–50058. For example, the SHA could use the following documentation and certification from the family:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current level 4 verification documents verifying prior-year income that are dated within the required timeframe (120 days of receipt by the SHA, for example:
 - Year-end statement
 - Last 2 consecutive paychecks with year-to-date amount
 - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the SHA notes discrepancies between EIV and what the family reports, follow the verification hierarchy to document and verify income.

Applying the Current SSA COLA at Next Annual and Interim Reexamination

Regulations: 24 CFR §§ 5.609(c)(2); 960.257; 982.516; and 891.105

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal SS and SSI benefits are adjusted to reflect the increase, if any, in the cost of living as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers prepared by the Bureau of Labor Statistics. The purpose of the COLA is

to ensure that the purchasing power of SS and SSI benefits are not eroded by inflation. The federal COLA does not apply to state-paid disability benefits. Additional information regarding the SSA COLA is available online at www.socialsecurity.gov.

Effective the day after SSA has announced the COLA, SHA is required to factor in the COLA when determining SS and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year.

1. Regular reexaminations: SHA shall, at least once a year, re-examine the family composition, incomes, and community service requirements of all resident families, except for families that are paying flat rent and elect to pay flat rent. Flat rent families shall have their incomes reexamined every three (3) years ². Flat rent families will have the family composition and community service requirements reexamined annually. **All SHA annual recertifications are processed to be in compliance with a twelve- month effective period.**
2. Special Reexaminations: When it is not possible to estimate family income accurately, a temporary determination will be made with respect to income and a special reexamination will be scheduled every 30, 60 or 90 days depending on the circumstances, until a reasonably accurate estimate of income can be made. The resident will be notified in writing of the effective date of the special reexamination.
3. Special reexaminations shall be conducted when there is a change in the head of household that requires a remaining family member to take on the responsibilities of a leaseholder.
4. Special Reexamination Following Income Disallowance: When a family qualifies for an earned income disallowance, a special reexamination will occur at the end of the initial 12 month disallowance period and at the end of the phase-in period.
5. Zero/Extremely Low Income Families: Unless the family has income that is excluded from rent computation, families who report zero income or extremely low income will have the income be re-verified through EIV every 90 days for income changes and are further required to complete a written no/low income certification every 30 days and undergo an interim recertification every 90 days. (See Other Interim Reporting Issues below).
6. Reexamination Procedures
 - (a) At the time of reexamination, all adult members of the household will be required to sign an application for continued occupancy and other forms required by HUD.
 - (b) Income, allowances, Social Security numbers, and such other data as is deemed necessary will be verified, and all documentation will be filed in

the resident's folder.

- (c) An EIV report and/or a credit check will be requested on each family at recertification to help detect unreported income, provide third-party verification, identify family members not reported on the lease, etc. ³.
- (d) Verified information will be analyzed and a determination made with respect to:
 - (i) Eligibility of the resident as a family or as the remaining member of a family;
 - (ii) Unit size required for the family (using the Occupancy Guidelines);
 - (iii) Criminal status of each member;
 - (iv) Rent the family should pay; and
 - (v) Community Service requirements.
- (e) SHA will anticipate, based on tenants' past and anticipated future employment, the income of tenants with a history of regular employment whose regular reexamination takes place when they are not employed (e.g., school bus drivers). Residents with a history of employment whose reexamination occurs when they are not employed will have income anticipated based on past and anticipated employment. Residents with seasonal or part-time employment of a cyclical nature will be asked for third party documentation of their employment including start and ending dates.
- (f) Income shall be computed in accordance with the definitions and procedures set forth in Federal regulations and this policy ⁴.
- (g) Families failing to respond to the initial reexamination appointment will be issued a final appointment within the same month. Failure to respond to the final request will result in the family being sent a notice of lease violation and for termination of the lease ⁵.

7. Action Following Reexamination

- (a) If there is any change in rent, the lease will be amended, a new lease will be executed, or a Notice of Rent Adjustment will be issued ⁶.
- (b) If any change in the unit size is required, the resident will be placed on a transfer list in accordance with the transfer criteria described within the policy and moved to an appropriate unit when one becomes available ⁷.
- (c) A tenant who has a criminal record that violates SHA or federal provisions, or any provisions of this policy, above, will be served with a lease termination notice.

The terms annual recertification and annual reexamination are synonymous.

For families who move in on the first of the month, the annual recertifications will be completed at the properties reexamination date.

When families move to another dwelling unit:

The annual recertification date will change to the property recertification date.

Reexamination Notice to the Family

All families will be notified of their obligation to recertify by first class mail. The written notification shall be sent at least 120 days in advance of the recertification date specifying the date and time of the appointment and the required documents that the tenant will need to supply.

During this reexamination period, the family will be given the option to choose flat rent or income-based rent. SHA will provide a form that states what the flat rent would be and what the family's income-based rent would be. The family will be required to make a choice and sign the form prior to the effective date of their reexamination. The form will be retained in the tenant's file.

If the family chooses flat rent, an annual recertification is required to verify community service requirements and family composition. Recertification of income is only required every three years.

Methodology

If the family chooses income-based rent, or if the family has paid the flat rent for three (3) years, SHA will use the following methodology for conducting annual recertifications:

- Schedule a specific date and time of appointments in the written notification to the family.
- Include information on the required documents that the tenant will need to supply.

Persons with Disabilities

If requested as an accommodation by a person with a disability, SHA will provide the notice in an accessible format. SHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they met the need presented by the disability.

Persons with disabilities, who are unable to come to the Property Management site office, will be granted an accommodation of conducting the interview at the person's home, upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information

The family is required to complete Application for Continued Occupancy form prior to all annual and interim recertification interviews. (Update Form may be used for interims).

Requirements to Attend

The following family members will be required to attend the recertification interview and sign the application for continued occupancy along with other required forms:

- The head of household, spouse, co-head, and
- All adult household members, age 18 and older.

If the head of household is unable to attend the interview:

The spouse/co-head may recertify for the family, provided that the head of household and all adult household members comes in within 5 days to recertify.

Failure to Respond to Notification to Recertify

The written notification will explain which family members are required to attend the recertification interview. The family may call to request another appointment date up to 2 working days prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with SHA, SHA will reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, SHA will:

Terminate tenancy for the family.

Exceptions to these policies may be made by the Public Housing Specialist if the family is able to document an emergency situation that prevented them from canceling or attending the appointment.

Documents Required from the Family

In the notification letter to the family, SHA will include instructions for the family to bring the following:

- Documentation of income for all family members
- Documentation of assets
- Documentation to substantiate any deductions or allowances
- Documentation of family composition
- Application for continued occupancy completed by head of household at the interview
- Documentation of community service requirements
- Other required documents on new family members, such as SSN or citizenship requirements

Verification of Information

All information which affects the family's continued eligibility for the program, and the family's Total Tenant Payment (TTP) will be verified in accordance with the verification procedures and guidelines described in this Policy.

When the information has been verified, it will be analyzed to determine:

- the continued eligibility of the resident as a family or as the remaining member of a family;
- the unit size required by the family;
- the amount of rent the family should pay.

EIV Documentation

Historical Adjustments-For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:

- Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- Print and maintain a copy of the EIV Income Report in the tenant file; and
- Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

Interim Adjustments- For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:

- **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. (PHAs have the discretion to print the EIV Income report, however, only the ICN page is required.)
- **EIV Income Report** when there **is** an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.

Annual Recertification- For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:

- **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and ***if necessary*** (as determined by the PHA), traditional third party verification form(s).

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- **Disputed EIV Information:** EIV Income report, current acceptable tenant provided documentation, and/or traditional third party verification form(s) for disputed information.
 - **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the PHA), traditional third party verification form(s).

Sex Offender Ineligibility

SHA at the annual recertification/reexamination documents include a question asking whether the tenant or any member of the tenant's household is subject to a lifetime state sex offender registration program in any state. The SHA will verify this information using the Dru Sjodin National Sex Offender Database or other local source and document this information in the same method used at admission. The Dru Sjodin National Sex Offender Database is an online, searchable database, hosted by the Department of Justice, which combines the data from individual state sex offender registries. The website for the database is located at:

<http://www.nsopw.gov>. A record of this screening, including date performed, should be retained.

For any family in occupancy, if the recertification/reexamination screening reveals that the tenant or a member of the tenant's household is subject to a lifetime sex offender registration requirement, or that the tenant has falsified information or otherwise failed to disclose his or her criminal history on their application and/or recertification/reexamination forms, the SHA shall pursue eviction or termination of tenancy to the extent allowed by their lease and state or local law.

Notwithstanding the above, if the tenant or a member of the tenant's household, regardless of when they were admitted, commits criminal activity while living in federally assisted housing, SHA will pursue eviction or termination of tenancy to the extent allowed by their lease and state or local law.

SHA determines, in accordance with their screening standards, whether the applicant/tenant and the applicant's/tenant's household members meet the screening criteria. If the processes reveal an applicant's/tenant's household includes an individual subject to State lifetime sex offender registration, the SHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the SHA must deny admission to the family or terminate the lease.

Changes In The Tenant Rent

Residents will be notified in writing of any rent adjustment including the effective date of the adjustment.

1. Rent decreases go into effect on the anniversary date and upon receipt of all verification.
2. Rent increases (except those due to misrepresentation) require 30 days' notice and become effective the first of the second month.

If there is any change in rent, including change in family's choice in rent, the lease will be amended, or a new lease will be executed, or a Notice of Rent Adjustment will be issued [24 CFR 966.4(c)].

Tenant Rent Increases

If tenant rent changes, a thirty-day notice will be mailed to the family prior to the anniversary date.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the second month following the thirty-day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date.

Tenant Rent Decreases

If tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by the SHA.

If the tenant rent decreases and the tenant reported the change prior to the annual recertification anniversary date or between the annual recertification anniversary date and the effective date of the annual recertification, the change will be treated as an interim. The change will be effective the first of the following month that the family reported the change. If necessary, the SHA will run another HUD 50058 as an annual recertification.

C. INTERIM REEXAMINATIONS, NOTICE of CHANGES and REPORTING INTERIM CHANGES

Decreases in Adjusted Income

Regulations: 24 CFR §§ 5.657(c)(2); 882.515(b)(2); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(2); and 982.516(c)(2)

A family may request an interim determination of family income for **any** change since the last determination. However, the SHA may decline to conduct an interim reexamination of family income if the SHA estimates that the family's adjusted income will decrease by an amount that is less than 10 percent of the family's annual adjusted income. SHA has the discretion to set a

lower percentage threshold, in which case that lower percentage threshold must be included in the ACOP, Administrative Plan, or Tenant Selection Plan, as applicable.

SHA must conduct an interim reexamination of family income when the SHA becomes aware that a family's annual adjusted income has changed by an amount that the SHA estimates will result in a decrease of 10 percent or more in annual adjusted income or a lower threshold set by HUD or by the SHA in their ACOP, Administrative Plan, or Tenant Selection Plan, as applicable. In addition to decreases in family income, increases in deductions may produce a sufficient decrease in adjusted income to support an interim reexamination effective January 1, 2024, or later.

HUD is using its discretion, as authorized by HOTMA, to establish a lower threshold through notice to process interim reexaminations under certain circumstances. Specifically, HUD is requiring SHA to apply a 0-percent threshold and to process an interim reexamination when there is a decrease in family size attributed to the death or permanent move-out from the assisted unit of a family member during the period since the family's last reexamination that results in a decrease in adjusted income of any amount. If there is no change/decrease in adjusted income as a result of the decrease in family size, then a non-interim transaction is processed instead of an interim reexamination. This 0-percent threshold for interim reexamination applies only to decreases in family size that result in a **decrease** in adjusted income. If the net effect of the changes in annual adjusted income due to a decrease in family size results in an **increase** in annual adjusted income, then SHA will process the removal of the household member(s) as a non-interim reexamination transaction **without** making changes to the family's annual adjusted income.

SHA is **not permitted** to establish a dollar-figure threshold amount instead of a percentage threshold. SHA may establish policies to round calculated percentage decreases up or down to the nearest unit (e.g., a calculated decrease of 9.5 percent may be rounded up to 10 percent).

SHA Policy

SHA will use the generally accepted rounding rule of .5 or higher will be rounded up.

Increases in Adjusted Income

Regulations: 24 CFR §§ 5.657(c)(3); 882.515(b)(3); 960.257(b)(3); and 982.516(c)(3); 891.105; 891.410(g)(2); and 891.610(g)(2)

SHA must conduct an interim reexamination of family income when the SHA becomes aware that the family's adjusted income has changed by an amount that the SHA estimates will result in an increase of 10 percent or more in annual adjusted income or another amount established through a HUD notice, with the following exceptions:

- SHA **may not** consider any increases in **earned income** when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle; and

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- SHA may choose not to conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date.

SHA Policy

SHA will not conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date. SHA will make the change at the time of the annual reexamination.

Families are still required to report all changes within 10 days of the occurrence.

Note: Families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the SHA's policies.

SHA **must not** process interim reexaminations for income increases that result in less than a 10-percent increase in annual adjusted income. When the family previously received an interim reexamination for a decrease to annual adjusted income during the same annual cycle, the SHA has the discretion to consider or ignore a subsequent increase in **earned** income for the purposes of conducting an interim reexamination. SHA must identify in their ACOPs, Administrative Plans, and Tenant Selection Plans, as applicable, if they perform interim reexaminations for **earned** income increases that result in a 10-percent increase in annual adjusted income. If the SHA has a policy of considering increases in earned income after an interim conducted for a decrease in income, and the family's adjusted income has increased by 10 percent or more, the SHA must conduct an interim reexamination in accordance with local policies. Conversely, if SHA adopts local policies to never consider increases in **earned** income must not perform an interim reexamination.

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point the SHA must conduct an interim reexamination. When an increase of any size is reported by a family, the SHA will note the reported increase in the tenant file.

SHA Policy

SHA will conduct an interim and consider increases in any income (earned or unearned) after an interim conducted for a decrease in income, and the family's adjusted income has increased by 10 percent or more.

Interim Reexaminations to Determine Public Housing Over-Income Status

Regulations: 24 CFR § 960.507

Regardless of changes in adjusted annual income, in some circumstances SHA is required to conduct interim reexaminations of Public Housing families to determine whether they continue to exceed the income limit. When SHA makes an initial determination that a Public Housing family is over-income during an interim reexamination, the SHA must conduct a second interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period.

Per 24 CFR 960.507(c), SHA is required to conduct income examinations of Public Housing families who have been determined to exceed the over-income limit at specific intervals. This continued evaluation of the family's over-income status requires the SHA to notify any family that exceeds the over-income limit that they remain over the income limit, even if the family is paying the flat rent. (24 CFR 960.253). The SHA must conduct an income examination 12 months after the initial over-income determination to determine and provide notification if the family remains over-income, unless the SHA determined the family's income fell below the over-income limit since the initial over-income determination. The SHA must again conduct an income examination and provide notification 24 months after the initial over-income determination, unless the SHA determined the family's income fell below the over-income limit since the second over-income determination. An interim income reexamination to determine if a Public Housing family remains over-income does not reset the family's normal annual reexamination date.

Non-Interim Reexamination Transactions

Regulations: 24 CFR §§ 5.657(c)(2) 891.105; 891.410(g)(2); and 891.610(g)(2)

Families may experience changes within the household that do not trigger an interim reexamination under HOTMA but still need to be reported in a non-interim reexamination submission to HUD. In these cases, SHA will submit a separate, new action code on form HUD-50058. Further instructions on the use of this action code will be provided along with supplemental guidance on other revisions to forms HUD-50058. The code will be used for the following transaction types when an interim reexamination is not triggered under the regulation.

- Adding or removing a hardship exemption for the child-care expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (the phased-in relief will begin at an eligible family's first annual or interim reexamination, whichever is sooner, after January 1, 2024);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;

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- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
 - Ending a family's EID or excluding 50 percent (decreased from 100%) of a family member's increase in employment income at the start of the second 12-month EID period.
 - Adding a family member and the **increase in adjusted income** does not trigger an interim reexamination under the final rule;
 - Removing a family member and the **increase in adjusted income** does not trigger an interim reexamination under the final rule;
 - Adding/Updating a family or household member's Social Security number; and
 - Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

Policies for Families to Report Changes to Annual Adjusted Income or Household Composition

Regulations: 24 CFR §§ 5.657(c)(4); 882.515(b)(1)–(4); 882.808(i)(4); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(4); and 982.516(d)

SHA must require families to report **household composition changes**; however, SHA determines the timeframe in which reporting happens. SHA must develop policies that describe when and under what conditions families must report **changes in annual adjusted income** consistent with the new requirements for processing interim reexaminations. SHA is responsible for educating families on the requirements for reporting changes. Families are responsible for reporting these changes to the SHA. It is the SHA's responsibility to track all reported changes to a family's annual adjusted income to ensure that the SHA is correctly processing interim reexaminations in accordance with HUD's requirements.

SHA's policies may require families to report only changes that the family estimates meet the threshold for an interim reexamination, and the SHA must determine if an interim reexamination is necessary. Alternatively, SHA may establish policies requiring that families report all changes in income and household composition, and the SHA will subsequently determine if the change requires an interim reexamination.

SHA Policy

Families are required to report all changes in income and household composition, and the SHA will subsequently determine if the change requires an interim reexamination or other changes.

Processing Time Period for Interim Reexaminations

Regulations: 24 CFR §§ 5.657(c)(1); 882.515(b)(1); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(1); and 982.516(c)(1)

The updated regulations codified long-standing guidance on how long SHA should take to process an interim reexamination.

Families may request an interim determination of income or household composition because of any changes since the last determination. While the SHA may decline to conduct an interim reexamination of family income if they estimate the family’s annual adjusted income will change by less than 10 percent, when the SHA conducts an interim reexamination, it must be conducted within a reasonable period after the family’s request or after the SHA becomes aware of an increase in the family’s adjusted income. What qualifies as a “reasonable time” may vary based on the amount of time it takes to verify information, but the SHA generally should conduct the interim reexamination not longer than 30 days after the SHA becomes aware of changes in income.

SHA Policy

Once reported and verified, the SHA shall complete the process in 30 days.

Effective Date of Interim Rent Changes

Regulations: 24 CFR §§ 5.657(c)(5); 882.515(b)(4)–(b)(5); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(6); and 982.516(c)(4)

The updated regulation codified long-standing guidance on when interim reexaminations are made effective.

- **Changes Reported Timely:** If the family has reported a change in family income or composition in a timely manner according to the SHA’s policies, then the SHA must provide the family with a 30-day advance notice of any rent increases, and such rent increases will be effective the first day of the month beginning after the end of that 30-day period.

If the tenant has complied with the interim reporting requirement and the tenant’s rent is anticipated to decrease, rent decreases will be effective on the first day of the month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

- **Changes Not Reported Timely:** If the family has failed to report a change in family income or composition in a timely manner according to the SHA’s policies, SHA must implement any resulting rent increases retroactively to the first day of the month following the date of the change leading to the interim reexamination of family income.

Any resulting rent decrease must be implemented no later than the first rent period following completion of the reexamination. The SHA may choose to adopt a policy that would make the effective date of an interim reexamination retroactive to the first of the month following the date of the actual decrease in income as opposed to the first of the month following completion of the reexamination.

SHA Policy

SHA will make the effective date of an interim reexamination first of the month following completion of the reexamination,

Extreme circumstances such as natural disaster or death in the family will be taken into consideration.

SHA may also choose to establish conditions or requirements for when such a retroactive application would apply (e.g., where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to the SHA management operations).

If, SHA chose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of the first of the month following the date of the change that led to the interim reexamination, or the first of the month following the most recent previous income examination (i.e., most recent interim or annual reexamination or the family's initial examination if that was the family's only income examination before the interim reexamination in question).

In applying a retroactive change in rent or family share as the result of an interim reexamination, the SHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

Note: In the HCV and Moderate Rehabilitation/SRO programs, the SHA must also clearly communicate the effect of the retroactive adjustment to the owner as well. These policies may reduce the potential hardship on families and eliminate or significantly reduce the amount a family may owe the SHA for back rent if the family has had difficulty in making timely rent payments during the time between the loss of income and the interim reexamination.

An exception to the requirement that the SHA implement resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination exist if the SHA failed to process a family's interim reexamination because the family did not timely report an income decrease.

Streamline Income Determination

Regulation: 24 CFR §§ 5.609(c)(2)(i); 5.657(d); 891.105; 891.410(g)(4); 891.610(g)(4); 960.257(c); and 982.516(b)

HOTMA did not update or otherwise change the streamlined income determination provision codified in the FAST Act¹³ and in HUD’s regulations found in 24 CFR §§ 5.657(d), 960.257(c), and 982.516(b); however, SHA is aware that the adjustments of non-fixed income sources at annual reexamination using third-party verification must follow the HOTMA income calculation rules outlined in PIH 2023-27 [Attachment B](#).

Under current program regulations, SHA may elect to apply a streamlined income determination for families receiving fixed income using the methodology below.

New Admissions and Interim Reexaminations

Regulations: 24 CFR §§ 5.609(c)(1); 882.515; 891.410(c) and (g)(2); 891.610(c) and (g)(2); 960.257; and 982.516

When calculating a household’s income, including asset income, at the time of admission to the program or during interim reexaminations, SHA must use anticipated income (current income) (i.e., the family’s estimated income for the upcoming 12-month period). This requirement is consistent with the pre-HOTMA process for conducting income examinations at admission and for interim reexaminations.

For any income determined pursuant to a streamlined income determination, SHA must obtain third-party verification of all income amounts every 3 years.

When **90 percent or more** of a family’s unadjusted income consists of fixed income, the SHA using streamlined income determinations must apply a COLA or COLAs to the family’s fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income need not be adjusted and must not be adjusted by a COLA, but SHA may choose to adjust sources of non-fixed income by the amount determined on the basis of third-party verification. SHA has the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years 2 and 3. Adjustments to non-fixed income must be calculated in accordance with the Annual Reexamination requirements of SHA and HOTMA provisions.

SHA Policy

SHA will review, verify and recalculation the non-fixed source of income under the 90 percent rule.

When **less than 90 percent** of a family’s unadjusted income consists of fixed income, SHA using streamlined income determinations must apply a COLA to each of the family’s sources of

fixed income. SHA must determine all other income pursuant to the Annual Reexamination requirements of SHA and HOTMA provisions.

Impact of Interim Reexamination Requirements on Family Self-Sufficiency (FSS) Programs

If SHA operates FSS programs, SHA should note two effects that the new interim reexamination regulations will have on families participating in their FSS programs.

First, HOTMA requires that interim reexaminations must be conducted: (1) when a family's income decreases by at least 10 percent of their annual adjusted income, or such lower threshold established by the SHA or by HUD through notice; or (2) when a family's income increases by at least 10 percent of their annual adjusted income or such other amount established by HUD through notice, except in certain circumstances as described earlier in the policies.

SHA may not consider any increases in **earned income** when estimating or calculating whether the family's adjusted income has increased unless the family has previously received an interim reduction during the same reexamination cycle. Families participating in the FSS program are subject to these interim requirements, therefore their escrow accounts may not grow as their earnings increase throughout the year.

Second, the "Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency Program" final rule states that the FSS contract of participation (COP) will generally expire 5 years **from the date of the family's first re-certification of income after** the effective date of the FSS COP. The SHA may not perform an interim reexamination of annual income when enrolling a family in the FSS program unless the family experienced a change in annual adjusted income that meets the threshold for conducting an interim reexamination under the HOTMA final rule. Families for whom their first reexamination of income does not occur until their regularly scheduled annual reexamination will not have the opportunity to begin escrowing their increased earnings until that time and may have fewer escrow increases over the life of the 5-year contract.

Although families participating in FSS may experience fewer escrow increases under the HOTMA final rule, the revised interim reexamination regulations may provide these families the opportunity to use their increased earnings to realize other short- or long- term goals outside of the scope of the FSS program, such as investing in a hobby, going on a vacation with family, purchasing a car, etc.

Other Interim reexaminations conditions.

- (1) A family may request an interim reexamination of family income or composition because of any changes since the last determination. The SHA must conduct any

interim reexamination within a reasonable period of time (within 30 days) after the family request or when the PHA becomes aware of an increase in family adjusted income under paragraph (3) of this section. What qualifies as a “reasonable time” may vary based on the amount of time it takes to verify information, but generally should not be longer than 30 days after changes in income are reported.

The PHA may decline to conduct an interim reexamination of family income if the PHA estimates the family’s adjusted income will decrease by an amount that is less than ten percent of the family’s annual adjusted income (or a lower amount established by HUD by notice), or a lower threshold established by the PHA.

SHA Policy

If the decrease is less than ten (10) percent of the family’s annual adjusted income, the SHA will not conduct an interim reexamination, unless specifically required by HUD to use a lower threshold.

HOTMA changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for annual reexaminations and streamlined income determinations. When the SHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the family is reporting a decrease in annual adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed. HUD recommends as a best practice that SHA maintain documentation of all reported decreases in annual adjusted income in the family’s file, including those that did not result in an interim reexamination. HUD also recommends reviewing the applicable regulations to ensure that any program-specific reexamination requirements are addressed.

The SHA must conduct an interim reexamination of family income when the PHA becomes aware that the family’s adjusted income (as defined in § 5.611 of this title) has changed by an amount that the PHA estimates will result in an increase of ten percent or more in annual adjusted income or such other amount established by HUD through notice, except:

The SHA may not consider any increase in the earned income of the family when estimating or calculating whether the family’s adjusted income has increased, except that, based on the PHA’s established written policy, the PHA may consider increases in earned income if the PHA has processed an interim reexamination for a decrease in the family’s income under paragraph (b)(1) of this section within the same annual or biennial reexamination cycle; and

The SHA may choose not to conduct an interim reexamination in the last three months of a family’s certification period, in accordance with the SHA’s established written policy.

For over-income families in the period of up to six months before their tenancy termination pursuant to § 960.507(d)(2), the SHA must conduct an interim reexamination of family income as otherwise required under this paragraph. However, the resulting income determination will not make the family eligible to remain in the public housing program beyond the period before termination as defined by PHA policy.

The SHA must adopt policies consistent with this section prescribing when and under what conditions the family must report a change in family income or composition.

Effective date of rent changes.

If the family has reported a change in family income or composition in a timely manner according to the SHA's policies, the SHA must provide the family with 30 days advance notice of any rent increases, and such rent increases will be effective the first day of the month beginning after the end of that 30-day period. Rent decreases will be effective on the first day of the first month after the date of the actual change leading to the interim reexamination of family income.

If the family has failed to report a change in family income or composition in a timely manner according to the SHA's policies, SCHAs must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income. Any resulting rent decrease must be implemented no later than the first rent period following completion of the reexamination. However, a PHA may apply rent decreases retroactively at the discretion of the PHA, in accordance with the conditions established by the SHA in written policy and subject to paragraph (b)(6)(iii) of this section.

A retroactive rent decrease may not be applied by the SHA prior to the later of the first of the month following:

The date of the change leading to the interim reexamination of family income; or

The effective date of the family's most recent previous interim or annual reexamination (or initial examination if that was the family's last examination).

Reviews of family income under this section are subject to the provisions in section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, as amended (42 U.S.C. 3544).

De minimis errors.

The SHA will not be considered out of compliance with the requirements in this section solely due to de minimis errors in calculating family income but is still

obligated to correct errors once the SHA becomes aware of the errors. A de minimis error is an error where the SHA determination of family income varies from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income).

The SHA must take any corrective action necessary to credit or repay a family if the family has been overcharged for their rent as a result of an error (including a de minimis error) in the income determination. Families will not be required to repay the PHA in instances where the SHA has miscalculated income resulting in a family being undercharged for rent or family share.

HUD may revise the amount of de minimis error in this paragraph (f) through a rulemaking published in the **Federal Register** for public comment.

Families must report all changes in household composition and income to SHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain SHA approval prior to all other additions to the household.

When there is a change in head of household or a new adult family member is added, SHA will complete a personal declaration or update form and reverify, using the same procedures SHA staff would use for an annual reexamination, except for effective dates of changes. In such case, the Interim Reexamination Policy would be used.

The annual reexamination date will not change as a result of this action.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified prior to the approval by the SHA of the family member being added to the lease.

Increases in Income to be Reported

For a family that chooses the flat rent option, the SHA must conduct a reexamination of family income and composition at least once every three years, except for families a PHA determines exceed the over-income limit described in § 960.507(b). Once a PHA determines that a family has an income exceeding the over-income limit, the PHA must follow the income examination and notification requirements under § 960.507(c).

Families paying flat rent and not over-income are not required to report any increases in income or assets between the recertification periods.

Families paying an income-based rent must report all increases in income/assets of all household members to SHA in writing within 10 calendar days of the occurrence.

Families are required to report any and all changes in income to include but not limited to

the following increases in income:

Increases in unearned income resulting in a 10 percent in the annual adjusted income;

Increases in income because a person with income joins the household;

Increases in household income of more than 10 percent;

Increases in household income which come as a result of a *new* income source.

Increases in Income and Rent Adjustments

SHA will process an interim rent adjustment for increases in income according to HOTMA which are reported between regularly scheduled recertifications.

Rent increases (except those due to misrepresentation) require 30 days' notice.

Decreases in Income and Rent Adjustments

Residents may report a decrease in income and other changes, such as an increase in allowances or deductions which would reduce the amount of the total tenant payment.

Rent decreases go into effect in accordance to HOTMA provisions.

SHA will process the rent adjustment unless SHA confirms that the decrease in income will last less than 30 calendar days.

The SHA will process rent adjustments whenever there is a decrease in income, as provided by HOTMA.

Special Reexaminations

If a family's income is unstable and cannot be projected for twelve months, including families that temporarily have no income or a temporary decrease in income, the SHA may schedule a special reexamination until the income stabilizes and an annual income can be determined.

D. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)

Standard for Timely Reporting of Changes

The SHA requires that families report interim changes to the SHA within **10** days of when the change occurs. Any information, document or signature needed from the family that is needed to verify the change must be provided within **10** days of the change.

If the change is not reported within the required time period, or if the family fails to provide signatures, certifications or documentation, (in the time period requested by the SHA), it will be

considered untimely reporting.

Procedures When the Change is Reported in a Timely Manner

The SHA will notify the family of any changes in Tenant Rent to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following the month in which the change is reported.

The change will not be made until the third party verification is received.

Procedures when the Change is not Reported by the Tenant in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any underpaid rent, and may be required to **sign a Repayment Agreement**.

The SHA will not execute a payment agreement if the payback is so much that it will take the family longer than 24 months to complete the agreement.

Decrease in Tenant Rent will be effective on the first of the month following completion of processing by the SHA and not retroactively.

Procedures when the Change is not Processed by the SHA in a Timely Manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the SHA in a timely manner.

Therefore, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by the SHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

E. REPORTING OF CHANGES IN FAMILY COMPOSITION

The members of the family residing in the unit must be approved by SHA. The family must inform SHA and request approval of additional family members other than additions due to birth, adoption or court-awarded custody before the new member occupies the unit.

The SHA will not approve the addition of family members other than by birth, adoption, marriage or court-awarded custody where the occupancy standards would require a larger size unit.

All changes in family composition must be reported within 10 working days of the occurrence in writing.

If an adult family member is declared permanently absent by the head of household, the notice must contain a certification by the head of household that the member (who may be the head of household) removed is permanently absent.

The head of household must provide a statement that the head of household will notify the SHA if the removed member returns to the household for a period longer than the visitor period allowed in the lease.

Deceased Tenant Actions (PIH 2010-9)

Corrective Actions Required by SCHAs. When the Deceased Tenants Report identifies an individual as being deceased, SHA is required to take the following actions:

- a. Immediately contact the head of household (HOH) or emergency contact person (if the HOH is deceased and there is no other adult household member) to confirm the death of the listed household member. A letter should be sent to the HOH, followed by a telephone call.
- b. SHA shall conduct a home visit to determine if anyone is residing in the unit. If there are unauthorized persons in the unit of a deceased single member household SHA must pursue judicial intervention to have them lawfully removed from the unit. SHA will follow the State and local Tenant and Landlord laws to regain possession of the unit.
- c. **When the remaining household member is a live-in aide.** When the HOH dies and the only remaining household member is the live- in aide, the live- in aide is not entitled or eligible for any rental assistance or continued occupancy in a subsidized unit. By definition, the live-in aide would not be living in the subsidized unit except to provide the necessary supportive services on behalf of the elderly or disabled HOH. The SHA may not designate the live-in aide as the new HOH or change the relation code (line item 3h on the form HUD-50058) of the live- in aide to make him or her an eligible household member (eligible for assistance). The SHA must notify the live- in aide s/he is required to vacate the unit at the end of month. If the live- in aide does not vacate the unit, the SHA must follow local Tenant and Landlord laws to regain possession of the unit.

What to do if the HOH is deceased and the remaining household members are minors.

SHA shall follow the established policy for dealing with situations when the HOH dies during tenancy and the remaining household members are minors. SHA's policy includes (but is not limited to) allowing a temporary adult guardian to reside in the unit until a court-appointed guardian is established. In accordance with its screening policies, the SHA may add the new guardian as the new HOH should the legal appointment be of a duration of greater than 6 months. SHA will work with the local Department of Social Services to ensure that the best interests of the children are addressed.

What to do if an identified household member is reported to be deceased and is actually alive. There are a very few instances when an error has been made in the SSA's Death Match File (DMF), where an individual is reported as deceased, but actually living. In the event that a household member is misidentified as deceased on the Deceased Tenants Report, SHA will immediately notify the individual in writing and advise the individual to contact SSA so that SSA may correct its records. The individual may contact SSA at (800) 772-1213, or visit his/her local SSA office for assistance.

The SHA will provide the individual with his/her section of the EIV Income Report, which shows the death information. SHA is authorized to provide EIV information only to the individual the information pertains to. The SHA will provide the minor's information to the minor's adult parent or guardian.

SHA will make a note in the tenant file that the individual has been identified as deceased; however, the SHA has confirmed that the individual is actually alive. Only SSA can correct erroneous death information.

For deceased single member households (where there are no unauthorized unit occupants), SHA may list the date of death as the last day of the month, in which the death occurred. SHA is required to then classify the unit as vacant in PIC. The SHA may not use a later date based on the date that all personal belongings were removed from the unit by the family. The SHA may coordinate the removal of personal belongings within a reasonable time frame (not to exceed 14 days). In situations where the SHA seeks judicial intervention to regain possession of the public housing unit, the SHA must list eviction date (the day in which the SHA has regained possession of the unit) as the effective date of action.

Increase in Family Size

SHA will consider a unit transfer (if needed under the Occupancy Guidelines) for additions to the family in the following cases:

- Addition by marriage/or marital-type relation.
- Addition of a minor who is a member of the nuclear family who had been living elsewhere.
- Addition of the SHA-approved live-in attendant.

- Addition due to birth, adoption or court-awarded custody.

Families who need a larger sized unit because of voluntary additions will have lower priority on the Transfer List than other families who are required to change unit size.

If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in unit size shall be made effective upon availability of an appropriately sized unit.

Definition of Temporarily/Permanently Absent

SHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and, in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. SHA will evaluate absences from the unit in accordance with this policy.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, SHA will terminate tenancy in accordance with the appropriate lease termination procedures contained in this Policy.

Families are required to notify SHA before they move out of a unit in accordance with the lease and to give SHA information about any family absence from the unit.

Families must notify SHA if they are going to be absent from the unit for more than seven (7) consecutive days. A person with a disability may request an extension of time as a reasonable accommodation.

"Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, the SHA may:

- Conduct home visit
- Write letters to the family at the unit
- Post letters on exterior door
- Telephone the family at the unit

Interview neighbors

Verify if utilities are in service

Check with Post Office for forwarding address

Contact emergency contact

If the entire family is absent from the unit, without SHA permission, for more than 30 consecutive days, the unit will be considered to be vacant and the SHA will terminate tenancy.

As a reasonable accommodation for a person with a disability, the SHA may approve an extension. (See Absence Due to Medical Reasons for other reasons to approve an extension.) During the period of absence, the rent and other charges must remain current.

If the absence which resulted in termination of tenancy was due to a person's disability, and the SHA can verify that the person was unable to notify the SHA in accordance with the lease provisions regarding absences, and if a suitable unit is available, the SHA may reinstate the family as an accommodation if requested by the family.

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for 30 consecutive days in a 12 month period except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, SHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent and removed from the lease. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent, as long as rent and other charges remains current.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the SHA's "Absence of Entire Family" policy.

Temporary caretaker request must be provided by the resident and verified by a medical provider. The status must be updated every thirty (30) days. The SHA will review the request and verified reasons for the caretaker during an extended medical hardship. Approval of the caretaker to occupy the unit for a period beyond 2 weeks will require prior approval by the Property Manager.

Absence due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be

considered permanently absent if s/he is incarcerated for more than 90 consecutive days. The rent and other charges must remain current during this period.

SHA will determine if the reason for incarceration is for drug-related or criminal activity that would threaten the health, safety and right to peaceful enjoyment of the dwelling unit by other residents. If the offense is drug related or criminal activity that violates the lease and policy, the lease will be terminated.

Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, SHA will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than 12 months from the date of removal of the child(ren), the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with the SHA's occupancy guidelines.

Absence of Adult

If neither parents remains in the household and the SHA and appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, SHA will treat that adult as a visitor for the first 30 calendar days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the guardian, and the guardian qualifies under Tenant Suitability criteria, the lease will be transferred to the guardian.

If the court has not awarded custody or legal guardianship, but the action is in process, SHA will secure verification from social services staff or the attorney as to the status.

The guardian will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

SHA will transfer the lease to the guardian, in the absence of a court order, if the guardian qualifies under the Tenant Suitability criteria and has been in the unit for more than 30 days and it is reasonable to expect that custody will be granted.

When the SHA approves a person to reside in the unit as guardian for the child(ren), the income of the guardian should be counted pending a final disposition. SHA will work with the appropriate service agencies to provide a smooth transition in these cases.

If an adult child goes into the military and vacates the unit, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

SHA Policy

The family will determine whether to consider a full-time (other than head or spouse), who attends school away from home but lives with the family during recess, temporarily or permanently absent. If they are not part of the household, the student will not be included on the lease, income of the student will not be included in the total income and the student will not be included in determining unit size for the family.

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of unit size.

If the student is considered temporarily absent from the household, applicable income for that person will be appropriately counted.

Visitors (See Chapter on Leasing)

Any adult not included on the HUD 50058 who has been in the unit more than **14** consecutive days, or a total of **30** cumulative days in the year will be considered to be living in the unit as **an unauthorized** household member.

Absence of evidence of any other address will be considered verification that the visitor is an unauthorized household member.

Statements from neighbors and/or SHA staff will be considered in making the determination.

The SHA will consider:

- Statements from neighbors and/or SHA staff

- Vehicle license plate verification

- Post Office records

- Driver's license verification

- Law enforcement reports

- Credit reports

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the SHA will terminate the family's lease since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to **30** days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than **180** days per year, the minor will be considered to be an eligible visitor and not a family member. If both custodial parties reside in Subsidized Housing of any kind, only one custodial party would be able to claim the child for deductions and for determination for the occupancy standards.

A visitor/*guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

The lease must provide the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests [24 CFR 966.4(d)]. The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere on or near SHA premises [24 CFR 966.4(f)].

A resident family must notify the SHA in writing when overnight guests will be staying in the unit for more than 14 days.

Residents are responsible for the actions and conduct of their guests in accordance with the lease.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 20 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the public housing unit more than 50 percent of the time, are not subject to the time limitations of guests as described above.

Former residents who have been evicted are not permitted as overnight guests.

Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized

occupants, and their presence constitutes violation of the lease.

Absence of evidence of any other address will be considered verification that the visitor is an unauthorized household member.

Statements from neighbors and/or SHA staff will be considered in making the determination.

If both parents reside in Public Housing, only one parent would be able to claim the child for deductions and for determination for the occupancy standards.

F. OTHER INTERIM REPORTING ISSUES

Residents are required to report **all changes in family composition or status** to SHA within 10 calendar days of the occurrence. Failure to report within the 10 calendar days may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report and verify income decreases promptly.

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PHA Errors

If SHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

G. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF UNIT

To be considered the remaining member of the tenant family, the person must have been previously approved by SHA to be living in the unit. In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor or is legally married; or
- SHA has verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a transfer to an appropriate unit size per the Occupancy Standards.

H. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

Under the Noncitizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members. Mixed families are eligible for prorated assistance in accordance with the mixed-family portion of the policy. Family members

that have temporary eligible status will be re-verified for eligibility at the annual recertification period.

I. DE MINIMIS ERRORS

Regulations: 24 CFR §§ 5.609(c)(4); 5.657(f); 960.257(f); 982.516(f); 882.515(f); 882.808(i)(5); 891.105; and 891.655

DHA will not be considered out of compliance solely due to de minimis errors in calculating family income. De minimis errors occur when a SHA determination of a family's income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income). HUD may revise the threshold amount that constitutes a "de minimis error" through rulemaking. SHA will not be issued a finding by HUD or the Contract Administrator (MFH only) for de minimis errors in income calculation.

As SHA become aware of the existence of an income calculation error, they are obligated to correct the error(s) retroactive to the effective date of the action the error was made regardless of the dollar amount associated with the error. SHA must take corrective action to credit or repay a family if the family was overcharged tenant rent, including when SHA make de minimis errors in the income determination. Families will not be required to repay the SHA in instances where the SHA miscalculated income resulting in a family being undercharged for rent. SHA must revise their Administrative Plans, ACOPs, and Tenant Selection Plans, as applicable, to reflect how they will repay or credit a family the amount they were overcharged as a result of the SHA's de minimis error in income determination.

SHA Policy

SHA will issue a credit on the amount they were overcharged.

¹ 24 CFR § 5.5

² 24 CFR § 960.257

³ 24 CFR § 960.259(c)

⁴ 24 CFR § 5

⁵ 24 CFR § 966.4 (c)(2)

⁶ 24 CFR § 966.4 (c) & (o)

⁷ 24 CFR § 966.4 (c)(3)

Chapter 12

LEASE TERMINATIONS

INTRODUCTION

Either party in a lease agreement may terminate the lease under certain circumstances. A public housing lease is different from a private dwelling lease in that the family's rental assistance is tied to their tenancy. When the family moves from their public housing unit, they lose their rental assistance. Therefore, there are additional safeguards to protect the family's tenancy in public housing.

Likewise, there are safeguards to protect HUD's interest in the public housing program, to assure that qualified families are provided decent, safe, and sanitary housing which is in good repair. The SHA may terminate the lease because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. HUD regulations specify some reasons for which SHA can terminate a family's lease, and give SHA authority to determine other reasons.

When determining SHA policy on terminations, state and local landlord-tenant laws must be considered, since such laws could vary from one location to another. These variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern both the family's and SHA's termination of the lease. It is presented in four parts:

Part I: Termination by Tenant. This part discusses the family's voluntary termination of the lease and the requirements the SHA places upon families who wish to terminate their lease.

Part II: Termination by SHA - Mandatory. This part describes the policies that govern how, and under what circumstances, a mandatory lease termination by the SHA occurs. This part also includes nonrenewal of the lease for noncompliance with community service requirements.

Part III: Termination by SHA – Other Authorized Reasons. This part describes the SHA's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes SHA to terminate. For some of these options HUD requires the SHA to establish policies and lease provisions for termination, but termination is not mandatory. For other options the SHA has full discretion whether to consider the options as just cause to terminate as long as the SHA policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the SHA may consider in lieu of termination, and the criteria the SHA will use when deciding what actions to take.

Part IV: Notification Requirements. This part presents the federal requirements for disclosure of criminal records to the family prior to termination, the HUD requirements and SHA policies regarding the timing and content of written notices for lease

termination and eviction, and notification of the post office when eviction is due to criminal activity. This part also discusses record keeping related to lease termination.

TERMINATION BY TENANT

A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]

The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the project office or the SHA central office or sent by pre-paid first-class mail, properly addressed.

SHA Policy

If a family desires to move and terminate their tenancy with the SHA, they must give at least 30 calendar days advance written notice to the SHA of their intent to vacate. When a family must give less than 30 days' notice due to circumstances beyond their control the SHA, at its discretion, may waive the 30 day requirement.

The notice of lease termination must be signed by the head of household, spouse, or cohead.

TERMINATION BY SHA – MANDATORY

B. OVERVIEW

HUD requires SHA to terminate the lease in certain circumstances. In other circumstances HUD requires the SHA to establish provisions for lease termination, but it is still a SHA option to determine, on a case-by-case basis, whether termination is warranted. For those tenant actions or failures to act where HUD requires termination, the SHA has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the SHA to terminate the lease.

The Violence against Women Reauthorization Act of 2022 explicitly prohibits SHA from considering incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking as "other good cause" for terminating the tenancy or occupancy rights of the victim of such violence.

C. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The SHA must terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination. See Chapter 7 for a complete discussion of consent requirements.

D. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The SHA must terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification

does not verify eligible immigration status of the family, resulting in no eligible family members; or (3) a family member, as determined by the SHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3), such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

See Chapter 7 for a complete discussion of documentation requirements.

E. FAILURE TO DISCLOSE AND DOCUMENT SOCIAL SECURITY NUMBERS [24 CFR 5.218(c), 24 CFR 960.259(a)(3),]

The SHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the SHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the SHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the SHA determined the family to be noncompliant.

SHA Policy

The SHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

See Chapter 7 for a complete discussion of documentation and certification requirements.

F. FAILURE TO ACCEPT THE SHA'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]

The SHA must terminate the lease if the family fails to accept the SHA's offer of a lease revision to an existing lease, provided the SHA has done the following:

- The revision is on a form adopted by the SHA in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- The SHA has made written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect.
- The SHA has specified in the offer a reasonable time limit within that period for acceptance by the family.

See Chapter 8 for information pertaining to SHA policies for offering lease revisions.

G. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]

The SHA must immediately terminate the lease if the SHA determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

See Part 13-III.B. below for the HUD definition of *premises*.

H. NONCOMPLIANCE WITH COMMUNITY SERVICE REQUIREMENTS [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)(2)(ii) and (c)]

The SHA is prohibited from renewing the lease at the end of the 12 month lease term when the family fails to comply with the community service requirements as described in Chapter 11.

I. DEATH OF A SOLE FAMILY MEMBER [Notice PIH 2010-3]

The SHA must immediately terminate program assistance for deceased single member households.

TERMINATION BY SHA – OTHER AUTHORIZED REASONS

J. OVERVIEW

Besides requiring SHA to terminate the lease under the circumstances described in Part II, HUD requires the SHA to establish provisions in the lease for termination pertaining to certain criminal activity, alcohol abuse, and certain household obligations stated in the regulations. While these provisions for lease termination must be in the lease agreement, HUD does not require SHA to terminate for such violations in all cases. The SHA has the discretion to consider circumstances surrounding the violation or, in applicable situations, whether the offending household member has entered or completed rehabilitation, and the SHA may, as an alternative to termination, require the exclusion of the culpable household member. The SHA must make policy decisions concerning these options.

In addition, HUD authorizes SHA to terminate the lease for other grounds, but for only those grounds that constitute serious or repeated violations of material terms of the lease or that are for other good cause. The SHA must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the SHA lease. In the development of the terms of the lease, the SHA must consider the limitations imposed by state and local landlord-tenant law, as well as HUD regulations and federal statutes. Because of variations in state and local landlord-tenant law, and because HUD affords SHA wide discretion in some areas, a broad range of policies could be acceptable.

The SHA, with some restrictions, also has the option to terminate the tenancies of families who are over income.

The SHA may consider alternatives to termination and must establish policies describing the criteria the SHA will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the SHA must take when terminating a family's lease.

K. MANDATORY LEASE PROVISIONS [24 CFR 966.4(l)(5)]

This section addresses provisions for lease termination that must be included in the lease agreement according to HUD regulations. Although the provisions are required, HUD does not require SHA to terminate for such violations in all cases, therefore SHA policies are needed.

Definitions [24 CFR 5.100]

The following definitions will be used for this and other parts of this chapter:

Covered person means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

Dating violence is defined in VAWA 2013

Domestic violence is defined in VAWA 2013.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802].

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.

Guest means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

Household means the family and SHA-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit [HUD-50058, Instruction Booklet, p. 65].

Affiliated individual as defined in VAWA 2022.

Other person under the tenant's control means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

Premises means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Stalking is defined in section VAWA 2022.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Drug Crime On or Off the Premises [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that drug-related criminal activity engaged in on or off the premises by the tenant, member of the tenant's household or guest, or any such activity engaged in on the premises by any other person under the tenant's control is grounds for termination.

SHA Policy

The SHA will terminate the lease for drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in on the premises by any other person under the tenant's control.

The SHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the drug-related criminal activity.

In making its decision to terminate the lease, the SHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SHA may, on a case-by-case basis, choose not to terminate the lease.

Illegal Use of a Drug [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that a SHA may evict a family when the SHA determines that a household member is illegally using a drug or that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

SHA Policy

The SHA will terminate the lease when the SHA determines that a household member is illegally using a drug or the SHA determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than one incident of any use of illegal drugs during the previous six months.

The SHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs.

In making its decision to terminate the lease, the SHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SHA may, on a case-by-case basis, choose not to terminate the lease.

Threat to Other Residents [24 CFR 966.4(l)(5)(ii)(A)]

The lease must provide that any criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including SHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises is grounds for termination of tenancy.

SHA Policy

The SHA will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including SHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.

Immediate vicinity means within a three-block radius of the premises.

The SHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the criminal activity.

In making its decision to terminate the lease, the SHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SHA may, on a case-by-case basis, choose not to terminate the lease.

Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]

SHA must establish standards that allow termination of tenancy if the SHA determines that a household member has engaged in abuse or pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

SHA Policy

The SHA will terminate the lease if the SHA determines that a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than one incident of any such abuse of alcohol during the previous six months.

The SHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the abuse of alcohol.

In making its decision to terminate the lease, the SHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SHA may, on a case-by-case basis, choose not to terminate the lease.

Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation [24 CFR 966.4(l)(5)(vi)(B)]

SHA must establish standards that allow termination of tenancy if the SHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

SHA Policy

The SHA will terminate the lease if the SHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The SHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

In making its decision to terminate the lease, the SHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SHA may, on a case-by-case basis, choose not to terminate the lease.

Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions [24 CFR 966.4(l)(2)(i) and 24 CFR 966.4(f)]

HUD regulations require certain tenant obligations to be incorporated into the lease. Violations of such regulatory obligations are considered to be serious or repeated violations of the lease and grounds for termination. Incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking [24 CFR 5.2005(c)(1)].

SHA Policy

The SHA will terminate the lease for the following violations of tenant obligations under the lease:

Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);

Repeated late payment of rent or other charges. Four late payments within a 12 month period shall constitute a repeated late payment.

Failure to fulfill the following household obligations:

Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

Not to provide accommodations for boarders or lodgers

To use the dwelling unit solely as a private dwelling for the tenant and the tenant's household as identified in the lease, and not to use or permit its use for any other purpose

To abide by necessary and reasonable regulations promulgated by the SHA for the benefit and well-being of the housing project and the tenants which shall be posted in the project office and incorporated by reference in the lease

To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety

To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition

To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner

To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators

To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project

To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by the tenant, a member of the household or a guest

To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition

In making its decision to terminate the lease, the SHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SHA may, on a case-by-case basis, choose not to terminate the lease.

L. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

HUD authorizes LHAs to terminate the lease for reasons other than those described in the previous sections. These reasons are referred to as "other good cause."

Other Good Cause [24 CFR 966.4(l)(2)(ii)(B) and (C)]

HUD regulations state that the SHA may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the SHA to only those examples. The Violence against Women Act of 2005 explicitly prohibits LHAs from considering incidents of actual or threatened domestic violence, dating violence, or stalking

as “other good cause” for terminating the tenancy or occupancy rights of the victim of such violence [24 CFR 5.2005(c)(1)].

SHA Policy

The SHA will terminate the lease for the following reasons.

Fugitive Felon or Parole Violator. If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

Persons subject to sex offender registration requirement. If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.

Discovery after admission of facts that made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the SHA to make determinations with respect to rent, eligibility, and the appropriateness of dwelling size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the SHA that such a dwelling unit is available

Failure to permit access to the unit by the SHA after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists

Failure to promptly inform the SHA of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 10 business days of the event.

Failure to abide by the provisions of the SHA pet policy

If the family has breached the terms of a repayment agreement entered into with the SHA

If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

If a household member has engaged in or threatened violent or abusive behavior toward SHA personnel.

Abusive or violent behavior towards SHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate the lease, the SHA will consider alternatives as described in Section 13-III.D and other factors described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SHA may, on a case-by-case basis, choose not to terminate the lease.

Family Absence from Unit [24 CFR 982.551(i)]

It is reasonable that the family may be absent from the public housing unit for brief periods. However, the SHA needs a policy on how long the family may be absent from the unit. Absence in this context means that no member of the family is residing in the unit.

SHA Policy

The family must supply any information or certification requested by the SHA to verify that the family is living in the unit, or relating to family absence from the unit, including any SHA-requested information or certification on the purposes of family absences. The family must cooperate with the SHA for this purpose.

The family must promptly notify the SHA when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. In such a case promptly means within 10 business days of the start of the extended absence.

If a family is absent from the public housing unit for more than 180 consecutive days, and the family does not adequately verify that they are living in the unit, the SHA will terminate the lease for other good cause.

Abandonment. If the family appears to have vacated the unit without giving proper notice, the SHA will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the SHA will secure the unit immediately to prevent vandalism and other criminal activity.

Over-Income Families [24 CFR 960.261]

SHA Policy

The SHA will terminate the tenancies of families solely because they are over income in accordance with continuing income limit requirements after 2 years.

13-III.D. ALTERNATIVES TO TERMINATION OF TENANCY

Exclusion of Culpable Household Member [24 CFR 966.4(l)(5)(vii)(C)]

As an alternative to termination of the lease for criminal activity or alcohol abuse HUD provides that the SHA may consider exclusion of the culpable household member. Such an alternative can be used, by SHA policy, for any other reason where such a solution appears viable.

SHA Policy

The SHA will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

As a condition of the family's continued occupancy, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former household member's current address upon SHA request.

Repayment of Family Debts

SHA Policy

If a family owes amounts to the SHA, as a condition of continued occupancy, the SHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the SHA of the amount owed. See Chapter 16 for policies on repayment agreements.

M. CRITERIA FOR DECIDING TO TERMINATE TENANCY

A SHA that has grounds to terminate a tenancy is not required to do so, except as explained in Part II of this chapter, and may consider all of the circumstances relevant to a particular case before making a decision.

Evidence [24 CFR 982.553(c)]

For criminal activity, HUD permits the SHA to terminate the lease if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted, and without satisfying the standard of proof used for a criminal conviction.

SHA Policy

The SHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 966.4(l)(5)(vii)(B)]

Although it is required that certain lease provisions exist for criminal activity and alcohol abuse, HUD provides that the SHA may consider all circumstances relevant to a particular case in order to determine whether or not to terminate the lease.

Such relevant circumstances can also be considered when terminating the lease for any other reason.

SHA Policy

The SHA will consider the following factors before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

The seriousness of the offending action, especially with respect to how it would affect other residents

The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or (as discussed further in section 13-III.F) a victim of domestic violence, dating violence, or stalking

The effects that the eviction will have on other family members who were not involved in the action or failure to act

The effect on the community of the termination, or of the SHA's failure to terminate the tenancy

The effect of the SHA's decision on the integrity of the public housing program

The demand for housing by eligible families who will adhere to lease responsibilities

The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action

The length of time since the violation occurred, the family's recent history, and the likelihood of favorable conduct in the future

In the case of program abuse, the dollar amount of the underpaid rent and whether or not a false certification was signed by the family

Consideration of Rehabilitation [24 CFR 966.4(l)(5)(vii)(D)]

HUD authorizes SHAs to take into consideration whether a household member who had used illegal drugs or abused alcohol and is no longer engaging in such use or abuse is participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

SHA Policy

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use, or for abuse or a pattern of abuse of alcohol, by a household member who is no longer engaging in such use or abuse, the SHA will consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully.

For this purpose, the SHA will require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

Reasonable Accommodation [24 CFR 966.7]

If the family includes a person with disabilities, the SHA's decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

SHA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of lease, the SHA will determine whether the behavior is related to the disability. If so, upon the family's request, the SHA will determine whether alternative measures are appropriate as a reasonable accommodation. The SHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed lease termination. See Chapter 2 for a discussion of reasonable accommodation.

Nondiscrimination Limitation [24 CFR 966.4(l)(5)(vii)(F)]

The SHA's eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

N. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT OR STALKING (VAWA 2022)

The Violence against Women Reauthorization Act of 2013 (VAWA), provides that "criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or affiliated individual in the tenant's family is the victim or threatened victim of that abuse." VAWA further provides that incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking may not be construed either as serious or repeated violations of the lease by the victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence.

VAWA does not limit the SHA's authority to terminate the tenancy of any tenant if the SHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property.

VAWA protection does not apply if the individual is not on the lease. VAWA protection does not apply to a live-in aide or caretaker. While a live-in aide or caregiver who resides in a unit may be a lawful occupant, nonetheless such individual is not a tenant and the protections of VAWA would not apply, except that the live-in aide or caregiver cannot be denied assistance if he or she independently applies for assistance.

Similarly, if an affiliated individual is a victim of domestic violence, dating violence, sexual assault, or stalking, the tenant with whom the affiliated individual resides cannot be evicted or have assistance terminated on the basis of the violence suffered by the affiliated individual, and, consequently, the affiliated individual may receive indirectly the benefit of continued assistance to the tenant.

"Affiliated individual", with respect to an individual, means: (A) A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent to a child (for example, the affiliated individual is a child in the care, custody, or control of that

individual); or (B) any individual, tenant, or lawful occupant living in the household of that individual.

VAWA 2013 provides that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as: (1) A serious or repeated violation of a lease executed under a covered housing program by the victim or threatened victim of such incident; or (2) good cause for terminating the assistance, tenancy, or occupancy rights under a covered housing program of a victim or threatened victim of such incident.

Victim Documentation

MERHA Policy

When a tenant family is facing lease termination because of the actions of a tenant, household member, guest, or other person under the tenant's control and a tenant or immediate family member of the tenant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, the SHA will require the individual to submit documentation affirming that claim.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking.

One of the following:

A police or court record documenting the actual or threatened abuse; or

A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

VAWA Certification Form- HUD 5382

The required certification and supporting documentation must be submitted to the SHA within 14 business days after the SHA request is received by the victim. Upon written request from the tenant, the SHA will extend the 14-day deadline for an additional 10 business days as long as the extension request is submitted within the initial 14 business-day period.

If the individual does not provide the required certification and supporting documentation within 14 business days or the approved extension period, the SHA may proceed with termination of the family's lease.

Regardless of the certificate- the SHA may proceed to terminate the perpetrator by bifurcation of the lease when allowed by the state law.

If the SHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant's tenancy is not terminated, the SHA will bypass the standard process and proceed with the immediate termination of the family's lease.

If the SHA is confronted with conflicting documentation about the incident of domestic violence, dating violence, sexual assault, or stalking. VAWA provides, as does the existing regulation on conflicting documentation, that if the MERHA receives documentation under § 5.2007(b)(1) (including certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator), the SHA may require an applicant or tenant to submit third-party documentation as provided in § 5.2007(b)(1)(ii) or (b)(iii). The statute specifies no time period in which the third-party documentation is to be submitted, however MERHA requires submission within 30 days.

Terminating or Evicting a Perpetrator of Domestic Violence

Although VAWA provides protection from termination for victims of domestic violence, it does not provide protection for perpetrators. In fact, VAWA gives the SHA the explicit authority to bifurcate a lease, or to remove a household member from a lease, "in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority supersedes any local, state, or other federal law to the contrary. However, if the SHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law for eviction, lease termination, or termination of assistance [Pub.L. 109-271].

SHA Policy

When the actions of a tenant or other family member result in a determination by the SHA to terminate the family's lease and another family member claims that the actions involve criminal acts of physical violence against family members or others, the SHA will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame or any approved extension period, the SHA will bifurcate the lease and evict or terminate the occupancy rights of the perpetrator. If the victim does not provide the certification and supporting documentation, as required, the SHA will proceed with termination of the family's lease.

If the SHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant's tenancy is not terminated,

the SHA will bypass the standard process and proceed with the immediate termination of the family.

Reasonable Time to Establish Eligibility (bifurcation)

For individual victims that are ineligible, but residing in the unit legally, HUD allows a minimum 90-day period that would be divided into two time periods to possibly gain eligibility:

One time period would be to establish eligibility to remain in the unit in which the tenant is now residing, and a second time period would be to allow the tenant to locate alternative housing if the tenant is unable to establish eligibility for the unit in which the tenant is now residing.

For the first period, the process provides for 60 calendar days, commencing from the date of bifurcation of the lease, for the tenant to establish eligibility to remain in the unit in which the tenant is now residing. For the second reasonable period, the process provides for 30 calendar days, commencing from the 61st date from the date of bifurcation of the lease for the tenant to find alternative housing.

Of course, during first (60 days) period and the second (30 days) period, the tenant may undertake efforts to both establish eligibility to remain in the unit in which the tenant is residing and to find alternative housing.

SHA is strongly encouraged to assist a tenant in efforts to establish eligibility for the covered housing in which the tenant is participating, and then assist in finding alternative housing if it no longer seems possible that the tenant will be able to establish eligibility for the covered housing program.

For each of these time periods, the process would allow, but not mandate, the SHA to grant an extension for up to 30 days, subject, however, to the program regulations under the applicable covered housing program authorizing the SHA to grant an extension, as part of the SHA's standard policies and practices or, alternatively, granting such an extension on a case-by-case basis.

SHA's public housing and Section 8 voucher programs where demand for available housing and assistance is high—a period of more than 90 days may adversely affect applicants waiting for admission to public housing or receipt of a voucher, and, therefore, for these programs, the process is for a maximum period of 90 days, without an extension.

It is important to note that the reasonable time period may only be provided to tenants by covered housing providers that remain subject to the requirements of the other covered housing program once the eligible tenant departs the unit.

SHA Confidentiality Requirements

All information provided to the SHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law. The SHA will not disclose to other parties where the victims have moved- if the victim is transferred or allowed to enter into another program

NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING

O. OVERVIEW

HUD regulations specify the requirements for the notice that must be provided prior to lease termination. This part discusses those requirements and the specific requirements that precede and follow termination for certain criminal activities which are addressed in the regulations. This part also discusses specific requirements pertaining to the actual eviction of families and record keeping.

P. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]

HUD authorizes LHAs to conduct criminal records checks on public housing residents for lease enforcement and eviction. SHA policy determines when the SHA will conduct such checks.

SHA Policy

The SHA will conduct criminal records checks when it has come to the attention of the SHA, either from local law enforcement or by other means, that an individual has engaged in the destruction of property, engaged in violent activity against another person, or has interfered with the right to peaceful enjoyment of the premises of other residents. Such checks will also include sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on an annual basis.

The SHA may not pass along to the tenant the costs of a criminal records check.

Q. DISCLOSURE OF CRIMINAL RECORDS TO FAMILY [24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv)]

In conducting criminal records checks, if the SHA uses the authority of 24 CFR 5.903 and 5.905 to obtain such information, certain protections must be afforded the tenant before any adverse action is taken. In such cases if the SHA obtains criminal records information from a state or local agency showing that a household member has been convicted of a crime, or is subject to a

sex offender registration requirement, relevant to lease enforcement or eviction, the SHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

SHA Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the SHA will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given 10 business days from the date of the SHA notice, to dispute the accuracy and relevance of the information. If the family does not contact the SHA to dispute the information within that 10 business day period, the SHA will proceed with the termination action.

Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.

R. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]

Form, Delivery, and Content of the Notice

Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the date the termination will take place, the resident's right to reply to the termination notice, and their right to examine SHA documents directly relevant to the termination or eviction. If the SHA does not make the documents available for examination upon request by the tenant, the SHA may not proceed with the eviction [24 CFR 996.4(m)].

When the SHA is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the SHA's grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

When the SHA is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the SHA for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the SHA, or for a drug-related criminal activity on or off the premises.

SHA Policy

The SHA will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. If such attempt fails, the notice will be sent by first-class mail the same day.

All notices of lease termination will include information about the protection against termination provided by the Violence against Women Act of 2005 (VAWA) for victims of domestic violence, dating violence, or stalking (see section 16-VII.C). Any family member who claims that the cause for termination involves (a) criminal acts of physical violence against family members or others or (b) incidents of domestic violence, dating violence, or stalking of which a family member is the victim will be given the opportunity to provide documentation in accordance with the policies in sections 13-III.F and 16-VII.D.

Timing of the Notice [24 CFR 966.4(l)(3)(i)]

The SHA must give written notice of lease termination of:

- 14 calendar days in the case of failure to pay rent
- A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days)

If the health or safety of other residents, SHA employees, or persons residing in the immediate vicinity of the premises is threatened

If any member of the household has engaged in any drug-related criminal activity or violent criminal activity

If any member of the household has been convicted of a felony

- 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

SHA Policy

The SHA will give written notice of 14 calendar days for nonpayment of rent. For all other lease terminations, the SHA will give 30 days written notice or, if state or local law allows less than 30 days, such shorter notice will be given.

The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.

Notice of Nonrenewal Due to Community Service Noncompliance [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)]

When the SHA finds that a family is in noncompliance with the community service requirement, the tenant and any other noncompliant resident must be notified in writing of this determination. Notices of noncompliance will be issued in accordance with the requirements and policies in Section 11-I.E.

SHA Policy

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within

the required timeframe, a termination notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement, and is still in noncompliance after being provided the 12-month opportunity to cure, the family will be issued a notice of continued noncompliance. The notice of continued noncompliance will be sent in accordance with the policies in Section 11-I.E. and will also serve as the notice of termination of tenancy.

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

In cases where termination of tenancy is based on citizenship status, HUD requires the notice of termination to contain additional information. In addition to advising the family of the reasons their assistance is being terminated, the notice must also advise the family of any of the following that apply: the family's eligibility for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, the family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and the family's right to request an informal hearing with the SHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the SHA's informal hearing procedures.

S. EVICTION [24 CFR 966.4(l)(4) and 966.4(m)]

Eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The SHA may only evict the tenant from the unit by instituting a court action, unless the law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties.

SHA Policy

When a family does not vacate the unit after receipt of a termination notice, by the deadline given in the notice, the SHA will follow state and local landlord-tenant law in filing an eviction action with the local court that has jurisdiction in such cases.

If the eviction action is finalized in court and the family remains in occupancy beyond the deadline to vacate given by the court, the SHA will seek the assistance of the court to remove the family from the premises as per state and local law.

The SHA may not proceed with an eviction action if the SHA has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(l)(3) and (m).

T. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]

When the SHA evicts an individual or family for criminal activity, including drug-related criminal activity, the SHA must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

U. RECORD KEEPING

For more information concerning general record keeping, see Chapter 16.

SHA Policy

A written record of every termination and/or eviction will be maintained by the SHA at the development where the family was residing, and will contain the following information:

Name of resident, number and identification of unit occupied

Date of the notice of lease termination and any other notices required by state or local law; these notices may be on the same form and will run concurrently

Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail (other than any criminal history reports obtained solely through the authorization provided in 24 CFR 5.903 and 5.905)

Date and method of notifying the resident

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions

Chapter 13

COMPLAINTS, GRIEVANCES AND APPEALS

[24 CFR 966.50-966.57]

INTRODUCTION

This document describes the policies to be used when families disagree with a decision by the Housing Authority of the City of Sterling (SHA) based on any action, decision, or inaction by SHA. It is the policy of SHA to ensure that all families have the benefit of all protections due to them under the law.

If a Complainant does not follow the procedures set forth in this policy and/or does not request a hearing, then the Authority's action, inaction, or decision shall be considered final on part of SHA. Failure of a Complainant to request a hearing does not constitute a waiver of his/her right to contest the Authority in an appropriate judicial proceeding.

For all aspects of the grievance and appeals process, a disabled person shall be provided reasonable accommodation to the extent necessary to provide the disabled person with an opportunity to use the grievance procedures equal to a non-disabled person.

According to 24 CFR, 966.55 (b) Selection of Hearing Officer or Hearing Panel.

- (1) A grievance hearing shall be conducted by an impartial person or persons appointed by the PHA, other than a person who made or approved the PHA action under review or a subordinate of such person.
- (2) The method or methods for PHA appointment of a hearing officer or hearing panel shall be stated in the PHA grievance procedure. The PHA may use either of the following methods to appoint a hearing officer or panel:
 - a. A method approved by the majority of tenants (in any building, group of buildings or project, or group of projects to which the method is applicable) voting in an election or meeting of tenants held for the purpose.
 - b. Appointment of a person or persons (who may be an officer or employee of the PHA) selected in the manner required under the PHA grievance procedure.

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- (3) The PHA shall consult the resident organizations before PHA appointment of each hearing or panel member. Any comments or recommendations submitted by the tenant organizations shall be considered by the PHA before the appointment.

SHA's selecting the hearing officer or panel:

A grievance hearing shall be conducted by an impartial person or persons appointed by the SHA after consultation with resident organizations, as described below:

- A. The SHA shall nominate a slate of impartial persons to sit as hearing officers or hearing panel members. Such persons may include but will not be necessarily limited to SHA Board members, SHA staff members, residents, professional arbitrators, or others. No person shall be listed on the slate of members unless such person has consented to serve as hearing officer or on a hearing panel.

The SHA will check with each nominee to determine whether there is interest in serving as a potential hearing officer or panel member, whether the nominee feels fully capable of impartiality, whether the nominee can serve without compensation, and what limitations on the nominee's time would affect such service.

Nominees will be informed that they will be expected to disqualify themselves from hearing grievances that involve personal friends, other residents of developments in which they work, reside, or grievances in which they have some personal interest.

Nominees who are not interested in serving as hearing officers or whose time is too limited to make service will be withdrawn.

- B. A slate of potential hearing officers or hearing panel members nominated by the SHA shall be submitted to the SHA's resident organizations. Written comments from the organizations shall be considered by the SHA before the nominees are appointed as hearing officers or panel members.

When the comments from resident organizations have been received and considered, the nominees will be informed that they are the SHA's official grievance hearing committee. The SHA will subsequently contact committee members in random order to request their participation as hearing panel members or hearing officers.

Grievance Procedures Sections:

This document is divided into four (4) main sections:

- A. Complaints:** This section covers how to report a complaint of a general nature and the appropriate staff member or Department to whom the complaint should be referred.
- B. Applicants:** This section covers how an applicant would file a grievance, such as to appeal withdrawal from a Wait List. This section also covers the process for appealing determinations of ineligibility based on HUD's Restrictions to Non-Citizens.

C. Tenants: This section covers how a resident of SHA property would appeal a decision, action, or inaction. Such appeals may include, but are not limited to, appealing the action to evict or appeal of how the resident's portion of the rent was calculated.

D. Definitions: This section covers definitions used in the document "Complaints, Grievances and Appeals."

A. COMPLAINTS

SHA will respond promptly to all complaints.

Complaints from Resident Families. If a resident family disagrees with an action or inaction of SHA, complaints will be referred to the Property Manager or the Director of Operations, as appropriate. Complaints regarding the physical condition of the units may be reported to the Property Manager, Director of Operations or Director of Maintenance, Modernization and Development. If the complaint cannot be resolved to the satisfaction of the resident, the resident shall have the right to appeal by following the grievance procedures outlined in Section C of this document.

Complaints from Staff. If a staff person reports a family is violating or has violated a lease provision or is not complying with program rules, the complaints will be referred to the Property Manager or the Director of Operations.

Complaints from the General Public. Complaints or referrals from persons in the community in regard to SHA or a family will be referred to the Property Manager, Director of Operations, or the Director of Maintenance, Modernization and Development, as appropriate.

Selecting the hearing officer or panel: 1966.55(b)(2)(ii)

A grievance hearing shall be conducted by an impartial person or persons appointed by the SHA, as described below:

The SHA shall appoint of impartial person to sit as hearing officer. Such persons may include community liaisons.

The SHA will check with each nominee to determine whether there is interest in serving as a potential hearing officer or panel member, whether the nominee feels fully capable of impartiality, whether the nominee can serve without compensation, and what limitations on the nominee's time would affect such service. SHA may provide a stipend for services.

Nominees will be informed that they will be expected to disqualify themselves from hearing grievances that involve personal friends, other residents of developments in which they work, reside, or grievances in which they have some personal interest.

Nominees who are not interested in serving as hearing officers or whose time is too limited to make service will be withdrawn.

B. APPEALS BY APPLICANTS

Applicants who are determined ineligible, who do not meet SHA's admission standards, or where SHA does not have an appropriate size and type of unit in its inventory will be given written notification promptly, including the reason for the determination. The written notification will state that the applicant may seek an Informal Hearing.

Applicants must submit their request for an Informal Hearing **in writing** to SHA within 10 working days from the date of the notification of their ineligibility. SHA will then provide an Informal Hearing within 10 working days of receiving the applicant's request. SHA will notify the applicant of the place, date, and time of the hearing.

Informal Hearings will be conducted by an impartial Hearing Officer. The person who is designated as the Hearing Officer cannot be the person who made the determination of ineligibility or a subordinate of that person.

The applicant may bring to the hearing any documentation or evidence s/he wishes. The applicant's information, along with data compiled by SHA, will be considered by the Hearing Officer. A determination will be made based upon the merits of the evidence presented by both sides.

Within 10 working days of the date of the Informal Hearing, the Hearing Officer will mail a written decision to the applicant and place a copy of the decision in the applicant's file.

SPECIAL HEARING AND APPEAL PROVISIONS FOR APPLICANTS NOTIFIED OF INELIGIBILITY BASED ON "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

Assistance to a family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on an Immigration and Naturalization Service (INS) appeal.

INS Determination of Ineligibility [24 CFR 912.9(e)]

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, SHA notifies the applicant within 10 working days of their right to appeal to the INS. The family will have 30 days from the date of SHA's notification to request an appeal of the INS results.

The request for appeal shall be made by the family communicating in writing directly to the INS. The family must provide SHA a copy of the written request for appeal, and proof of mailing. For good cause shown, SHA shall grant the family an extension of the time within which to request an appeal.

Documentation to be submitted to the INS as a part of an appeal to the INS:

1. Copy of original Form G-845S received from INS annotated at the top center in bold print: **HUD APPEAL**.
2. Include two stamped envelopes, one addressed to the applicant and one addressed to SHA.
3. Attach any and all documentation available to support the reason or basis for the appeal. This should include legible copies of both sides of the Form G-845S.

The INS will issue the results of the appeal to the family, with a copy to SHA, within 30 days of its receipt. If, for any reason, the INS is unable to issue a response within the 30-day time period, the INS will inform the family and SHA of the reason for delay.

When SHA receives a copy of the INS response, SHA will notify the family of its right to request an Informal Hearing on SHA's ineligibility determination in accordance with the procedures outlined in "Section B. Appeals by Applicants."

If the Hearing Officer decides that the individual is not eligible, and there are no other eligible family members SHA will:

1. Deny the applicant family, or
2. Defer termination if the family is a participant and qualifies for deferral, or
3. Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, SHA will offer to prorate assistance or give the family the option to remove the ineligible members.

A decision against an applicant under the INS appeal process or SHA's Informal Hearing does not preclude the applicant from exercising the right to seek redress directly through judicial procedures [24 CFR 912.9(g)].

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide documentation and/or certification.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

C. TENANT GRIEVANCE POLICY AND PROCEDURES

SHA's Grievance Policy and Procedures, for 30-Day Notices (Two-Part Process) and for 5-Day Notices (Expedited Process), shall be applicable to all individual grievances between the Resident and SHA, except that it shall not apply to an order of eviction following a hearing in a court containing the elements of due process*. Denial of the hearing process does not preclude the resident from exercising the right to seek redress directly through judicial procedures.

* "Elements of Due Process" shall mean an eviction action or termination of tenancy in a state or local court in which the following procedural safeguards are required:

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1. Adequate notice to the Resident of grounds for terminating the tenancy and for eviction.
 2. Opportunity for the Resident to examine all relevant documents, records, and regulations of the Authority prior to the trial for the purpose of preparing a defense.
 3. Right of the Resident to be represented by counsel.
 4. Opportunity for the Resident to refute the evidence presented by SHA, including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have.
 5. A decision on the merits.

Victims of domestic violence have access to the grievance process for an adverse action on admission to assisted housing, or termination of benefits of assisted housing. Only victims retain the right to the formal grievance process as provided under the Violence Against Women's Act (VAWA).

Furthermore, the grievance policy is not applicable to disputes between Residents not involving SHA, nor of class action grievances. The policy and procedures are not intended as a forum for initiating or negotiating policy changes between individual Residents or a group of residents and SHA's Board of Commissioners.

The Grievance Process for a 30-DAY NOTICE to a resident is a two-part process:

- 1. Informal Settlement:** The resident first requests an Informal Settlement (an informal discussion of the problem) with the Property Manager and attempts to resolve the matter with the Property Manager. The request may be presented orally or in writing to the Property Manager. The request must be made within five (5) working days of the time the Resident was notified of an Authority action, or became aware of the condition, situation, or circumstance alleged in the grievance, in order that the grievance may be discussed informally and settled without a hearing if possible.

A summary of the discussion between the resident and Property Manager will be prepared within a reasonable time following the Informal Settlement, not to exceed five (5) working days, and one copy will be given to the Resident and one retained in SHA's Resident lease file. The summary will specify the following:

1. The names of the participants.
2. The date of the meeting or meetings held between the participants.
3. The nature of the disposition thereof and the reason therefore.
4. The procedures by which a hearing under provisions of SHA's policy may be obtained if the resident is not satisfied.

- 2. Hearing:** If the resident is not satisfied with the decision of the Property Manager, the resident may then file a written request for a Hearing with SHA's Hearing Officer within five (5) working days of receipt of the Property Manager's written decision. The **written request** shall be hand delivered or mailed to the attention of SHA's Hearing Officer, at SHA's Administrative Office, Sterling, CO.

The written request shall specify:

- The reasons for the grievance;
- The action of relief sought from the SHA; and
- Several dates and times in the following 5 days when the complainant can attend a grievance hearing.

The Hearing Officer will have five (5) working days from receipt of the request in which to schedule the time, place, and date of the Hearing. The Hearing Officer will prepare of summary of the Informal Hearing within five (5) working days of the Hearing, inclusive of the following:

- The names of the participants.
- The date of the meeting held between the participants.
- The nature of the disposition thereof and the reason therefore.

Hearing Process: Procedures governing the hearing: [966.56]

The hearing shall be held before a hearing panel or hearing officer. The complainant shall be afforded a fair hearing, which shall include:

- A. The opportunity to examine before the hearing SHA documents, including records and regulations that are directly relevant to the hearing. The Tenant shall be allowed to copy any such document at the Tenant's expense. If the SHA does not make the document available for examination upon request by the complainant, the SHA may not rely on such document at the grievance hearing.
- B. The right to be represented by counsel or other person chosen as the Tenant's representative and to have such person make statements on the Tenant's behalf.
- C. The right to a private hearing unless the complainant requests a public hearing. The right to present evidence and arguments in support of the Tenant's complaint to controvert evidence relied on by the SHA or project management, and to confront and cross examine all witnesses upon whose testimony or information the SHA or project management relies; and
- D. A decision based solely and exclusively upon the fact presented at the hearing. [966.56(b)]

The hearing panel or officer may render a decision without proceeding with the hearing if they determine that the issue has been previously decided in another proceeding. [966.56(c)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and, thereafter, the SHA must sustain the burden of justifying the PHA action or failure to act against which the complaint is directed. [966.56(e)]

The hearing shall be conducted informally by the hearing panel or officer. Oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings. [966.56(f)]

The hearing panel or officer shall require the SHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing panel or officer to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate. [966.56(f)]

The complainant or the SHA may arrange in advance, and at expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript. [966.56(g)]

The SHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the Tenant is visually impaired, any notice to the Tenant which is required under this procedure must be in an accessible format. [966.56(h)]

EXPEDITED DECISION PROCESS

The Expedited Grievance Process for a 5-DAY NOTICE to a resident is a one-part process:

Because HUD has issued a due process determination that the law of the State of Colorado requires the Tenant be given an opportunity for a hearing in the court which provides the basic elements of due process before eviction from the dwelling unit, the formal grievance procedure shall not be applicable to any termination of tenancy or eviction that involves:

- Criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the Housing Authority; or
- Any violent or drug-related criminal activity on or off the public housing premises [24 CFR 966.51]; or
- Any activity of an extreme nature that poses a threat to the health/safety of others.

Only an expedited decision process may be requested for the above activities.

The expedited meeting process shall be listed on all **5-Day Notices** and the procedure is as follows:

1. An informal settlement of grievance is not applicable under this provision. When the resident receives a 5-Day Notice and they are subject to the Expedited Grievance Process, the resident may file a **written request for a meeting with their Property Manager within two (2) working days** of receipt of the 5-Day Notice.
2. The expedited meeting will be conducted by the SHA representative and shall **take place within five (5) working days from the date the request was received**.
3. The Property Manager will schedule the meeting **within two (2) working days from receipt of the request** for the expedited hearing. The Property Manager will promptly

notify the appropriate parties of the time, place and date of the meeting. The notice shall state that **no postponements** will be permitted and that **failure to appear waives the right to the meeting**.

4. A written decision shall be provided to all parties within **two (2) working days from the date of the meeting**.

DECISIONS

The decision of the Hearing Officer shall be binding on SHA which shall take all actions, or refrain from any actions, necessary to carry out the decision unless SHA's Executive Director determines within a reasonable time, and promptly notifies the resident of its determination, that (a) the grievance does not concern SHA action or failure to act in accordance with or involving the resident's lease on SHA regulations, which adversely affect the resident's rights, duties, welfare or status; (b) the decision of the Hearing Officer is contrary to applicable Federal, State or local law, HUD regulations or requirements of the annual contributions contract between HUD and SHA.

A decision by the Hearing Officer or Executive Director in favor of SHA or which denies the relief requested by the resident in whole or in part shall not constitute a waiver of, nor affect in any manner whatever, any rights the resident may have to a trial *de novo* or judicial review in any judicial proceedings, which may thereafter be brought in the matter. [24 CFR 966.57]

The SHA shall retain a summary of the decisions rendered by the hearing officers that may be reviewed and provided upon request.

Miscellaneous matters related to the Tenant Grievance Policy and Procedures:

1. Before a hearing is scheduled in any grievance involving the amount of rent which SHA claims is due, the resident shall pay to SHA an amount equal to the amount of rent due and payable as of the first of the month pre-ceding the month in which the act took place. The resident shall thereafter deposit the same amount of rent monthly in an escrow account established and maintained by SHA, to be disbursed at the direction of the Hearing Officer at such time as the grievance is resolved by decision of the Hearing Officer.

If the resident fails to deposit the amount required, he or she shall have waived his or her right to a Hearing. However, SHA in extenuating circumstances may waive these requirements. Unless so waived, the failure to make such payment shall result in a termination of the grievance procedure, provided however, that failure to make payment shall not constitute a waiver of any right the resident may have to contest the Authority's disposition of his or her grievance in any appropriate judicial proceeding.

2. The Hearing Officer may render a decision without proceeding with the Hearing if the Hearing Officer determines that the issue has been previously decided in another proceeding.

3. If the resident or SHA fails to appear at a scheduled Hearing, the Hearing Officer, for good cause and in the interest of justice, may make a determination to postpone the Hearing for a period of time not to exceed five (5) working days (except for an expedited hearing), or may make a determination that the party has waived its right to a Hearing.

Both the resident and SHA shall be notified of any such determination by the Hearing Officer, provided that determination that the resident has waived his or her right to a Hearing shall not constitute a waiver of any right the resident may have to contest the Authority's disposition of the grievance in an appropriate judicial proceeding.

Evidence

The SHA will use the concept of the preponderance of the evidence as the standard for making all admission, termination, and grievance decisions.

Preponderance of the evidence is defined as the greater weight of the evidence; that is, evidence that you believe because it outweighs or overbalances in your mind the evidence opposed to it. A preponderance means evidence that is more probable, more persuasive, or of greater probative value. It is the quality of the evidence that must be weighed. Quality may, or may not, be identical with quantity (the greater number of witnesses).

Consider all evidence. In determining whether an issue has been proved by a preponderance of the evidence, you should consider all of the evidence, regardless of who produced it.

Equally balanced. If the weight of the evidence is equally balanced, or if you are unable to determine which side of an issue has the preponderance, the party who has the burden of proof has not established such issue by a preponderance of the evidence.

D. DEFINITIONS

“Authority” shall mean the Housing Authority abbreviated also as SHA.

“Complainant” shall mean any Tenant (as defined below) whose grievance is presented to the SHA in accordance with the requirements presented in this procedure.

“Drug” means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

“Elements of due process” shall mean an eviction action or a termination of tenancy in a State or local court in which the following procedural safeguards are required:

- (1) Adequate notice to the Tenant of the grounds for terminating the tenancy and for eviction;

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- (2) Right of the Tenant to be represented by counsel;
 - (3) Opportunity for the Tenant to refute the evidence presented by the PHA, including the right to confront and cross examine witnesses and to present any affirmative legal or equitable defense which the Tenant may have;
 - (4) A decision on the merits.

“Hearing Officer” shall mean a person selected in accordance with 24 CFR Section 966.55 and this procedure to hear grievances and render a decision with respect thereto.

“Tenant” shall mean the adult person (or persons)(other than a Live-in aide): (1) Who resides in the unit, and who executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit, (2) Who resides in the unit, and who is the remaining head of the household of the Tenant family residing in the dwelling unit.

“Grievance” shall mean any dispute that a Resident may have with respect to any SHA action, or failure to act, in accordance with the Resident’s lease or SHA regulations, policies, or procedures that adversely affect the Resident’s rights, duties, welfare, or status with SHA

“Request for Hearing” shall mean a written request filed in accordance with the provisions of the SHA’s Grievance Policy and Procedures. The Request for Hearing should state the reason for the grievance, and the action or relief sought.

“Violent Criminal Activity” shall mean any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

“VAWA Activities” shall mean any act in which the applicant claims they are a victim of domestic violence, dating violence, sexual assault, or stalking.

Chapter 14

FAMILY DEBTS TO THE PHA

INTRODUCTION

This Chapter describes SHA's policies for the recovery of monies which have been underpaid by families. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is SHA's policy to meet the informational needs of families, and to communicate the program rules in order to avoid family debts. Before a debt is assessed against a family, the file must contain documentation to support SHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the family or other interested parties.

TENANT REPAYMENT AGREEMENTS (PIH 2010-19)

Tenants are required to reimburse the SHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent. If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the SHA **must** terminate the family's tenancy or assistance, or both. HUD does **not** authorize any PHA-sponsored amnesty or debt forgiveness programs.

All repayment agreements must be in writing, dated, signed by both the tenant and the SHA, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- a. Reference to the paragraphs in the SHA lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- b. The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to SHA.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
- d. Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

SHA is required to determine retroactive rent amount as far back as the SHA has documentation of family reported income.

When families owe money to the PHA, SHA will make every effort to collect it. SHA will use a variety of collection tools to recover debts including, but not limited to:

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- Requests for lump sum payments
 - Payment agreements
 - Collection agencies
 - Credit bureaus

A. PAYMENT AGREEMENT FOR FAMILIES

For payment of the charges, SHA may:

- Request the family to attempt to pay in full.
- Request the family to pay one-half (1/2) of the full amount and enter into a repayment agreement for the balance, or
- If the family is unable to comply with payment under (a) or (b), a repayment agreement may be considered as follows:
 - o If the full amount is under \$300, a repayment agreement for payments of not less than \$25 per month,
 - o If the full amount is over \$300, a repayment agreement for payment in the amount of one-twelfth (1/12) of the full amount per month, or
 - o Repayment agreements for retroactive charges \$1,200 or larger, must be reviewed by] the Director of Operations or authorized designee.

With exception of extreme circumstances approved by the Director of Operations, all repayment agreements must be paid within a maximum of twelve (12) months.

Late Payments

A payment will be considered to be in arrears if:

The payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's payment agreement is in arrears, SHA will:

Terminate tenancy

If the family requests a transfer to another unit and has a payment agreement in place and the payment agreement is not in arrears:

The family will be required to pay the balance in full prior to the unit transfer.

Payment Schedule for Monies Owed to the SHA

There are some circumstances in which the SHA will not enter into a payment agreement.

They are:

- If the family already has a payment agreement in place.
- If SHA determines that the family has committed program fraud.

Guidelines for Payment Agreements

Payment agreements will be executed between SHA and the head of household only.

Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Director of Operations.

No transfer will be approved until the debt is paid in full unless the transfer is the result of the following causes, and the payment agreement is current:

- Family size exceeds the maximum occupancy guidelines
- A natural disaster
- Housing Authority mandated

Additional Monies Owed

If the family has a payment agreement in place and incurs an additional debt to SHA:

- SHA will not enter into more than one payment agreement at a time with the same family.

B. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead.

Family Error/Late Reporting

Families who owe money to SHA due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Payment Section of this Chapter.

Families who owe money to SHA due to the family's failure to report increases in income will be required to repay in accordance with the payment procedures for program fraud, below.

Program Fraud

Families who owe money to the SHA due to program fraud will be required to repay it in accordance with the payment procedures for program fraud, below.

Families who owe money to SHA due to program fraud will be required to repay the amount in full within 30 days. If the full amount is paid within this time period, and the family is still eligible, SHA will continue assistance to the family.

If a family owes an amount which equals or exceeds \$10,000 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, SHA will refer the case for criminal prosecution.

Payment Procedures for Program Fraud

Families who commit program fraud or untimely reporting of increases in income will be subject to the following procedures:

- Repayment agreement for program fraud will be allowed if the amount is \$5,000 or less. All repayment agreements for program fraud must be approved by the Director of Operations.
- The family will be required to pre-pay $\frac{1}{2}$ of the amount owed prior to or upon execution of the payment agreement.
- Monthly payments will be $\frac{1}{12}$ of the remaining amount and the balance must be paid within 12 months.
- If the amount is over \$5,000, refer to Chapter 16, Program Integrity.

C. WRITING OFF DEBTS

Debts will be written off if:

- A determination is made that the debtor is judgment proof.
- The debtor is deceased.
- Judgment proof debts will be written-off

D. FORMS**Housing Authority of the City of Sterling**

NAME: _____ ACCOUNT # _____

ADDRESS: _____

REASON FOR DELINQUENCY: _____

CHARGES INCLUDED IN CURRENT ACTIVE RESIDENT REPAYMENT AGREEMENT

<u>Date</u>	<u>Description</u>	<u>Amt.</u> <u>Trns</u>	<u>Amt. Due</u>

AGREEMENT DATE: _____

TOTAL AGREEMENT AMT: _____

AGREEMENT MONTHS: _____

DOWN PAYMENT: _____

START PAYMENT MO./YR.: _____

BALANCE DUE: _____

MONTHLY PAYMENT: _____

FINAL PAYMENT: _____

I the head of household agree that this Active Resident Repayment Agreement, if approved, will become an addendum to my current and any future lease agreement(s) with the SHA. I agree that I owe the amounts set forth above. I agree to pay the monthly amount set forth above, in addition to my current rent, and any other new charges assessed to my account, in accordance with my lease agreement. I reaffirm all other conditions of my lease agreement. I agree and understand that if I fail to pay the monthly amount set forth above, with my current rent payment, and any new charges assessed to my account, that the SHA may proceed with terminating my lease agreement for non-payment of rent. I understand and agree that only one Active Resident Repayment Agreement will be allowed per a 12 month period. I understand that failure to make payments in accordance with the agreement will result in the balance being due and payable in a single full payment upon demand by the SHA.

The lease requires that a tenant in non-compliance with the repayment agreement may be subject to termination of tenancy or assistance, or both.

The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the SHA.

The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income. This will be subject to verification of the decrease or increase in income.

Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

Signature

Date

Housing Manager/Aide

Date

Chapter 15

COMMUNITY SERVICE POLICY/SELF SUFFICIENCY

Introduction

The Quality Housing and Work Responsibility Act of 1998 requires that all non-exempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes and other activities which help an individual toward self-sufficiency and economic independence. This is a requirement of the dwelling lease signed with all residents of SHA.

HUD issued the PIH 2015-15 notice to assist SHA's understanding and administration of the mandated Community Service and Self-Sufficiency Requirement (CSSR) and in response to an audit report issued by the Office of Inspector General on February 13, 2015. The Notice addressed:

- Statutory/Regulatory Requirements for Administering CSSR;
- Data Collection and Reporting Requirements;
- Action to take against non-compliant tenants; and,
- Penalties/sanctions against LHAs housing ineligible households.

Background: Section 12(c) [42 U.S.C. Section 1437j] of the United States Housing Act of 1937, as amended on October 12, 1998 by Section 512 (Pub. L. 105-276) of the Quality Housing and Work Responsibility Act of 1998, contained a CSSR that every adult resident of public housing contributes eight hours of community service per month, or participate in an economic self-sufficiency program for eight hours per month. Regulations for the CSSR requirement can be found at 24 CFR Subpart F, 960.600 through 960.609.

On April 7, 2016 HUD issued PIH 2016-06 to allow flexibility when verifying Community Service and Self-certification which was based on the March 8, 2016 final rule in the Federal Register providing programmatic streamlining across several HUD programs. The rule amended a provision in 24 CFR Subpart F, 960.605, to permit, but not require, a PHA to accept resident self-certifications of compliance with the CSSR. The final rule also amended 24 CFR, Subpart F, 960.607 to require a PHA that elects to accept self-certification to notify residents the self-certifications may be subject to third-party verification, and to require PHAs to validate a New Rochelle of the self-certifications annually. SHA will exercise the option to accept self-certifications.

Contents of Annual Notification to Residents and Self-Certification

Residents eligible to complete the CSSR must sign an acknowledgement of their obligation to complete the CSSR annually. This obligation is outlined in more detail in Notice PIH 2015-12.

However, a PHA that elects to permit resident self-certifications must notify the resident of the resident's ability to submit a self-certification. Notifications are provided in in Form Attachments to these policies.

As required in Section 11 of Notice PIH 2015-12, in order to determine compliance with CSSR, at each regularly scheduled rent re-examination, each non-exempt family member presents a signed certification on a form provided by the PHA of CSSR activities performed over the previous twelve (12) months. SHA has developed a standardized form with places for signature confirmation by supervisors, instructors, or counselors certifying the number of hours contributed. SHA elects to permit self-certifications and SHA's developed form includes the following information:

- a statement that the resident has completed the number of hours listed and this statement is subject to penalties of perjury;
- the number of hours and type of activity (community service or self-sufficiency) that the resident completed;
- the name of the organization or person for which the activity was completed;
- the address of the organization or person;
- the phone number of the organization or person; and
- a contact person in the organization or the person for which the activity was completed.

If a resident completes their CSSR obligation for more than one organization or person during the course of a year, the resident must complete one self-certification for each organization or person for which the resident performed the CSSR activity.

SHA Policies: SHA chooses to accept resident self-certifications of compliance with CSSR and has made updates its CSSR policies prior to accepting resident self-certifications. Further, SHA understands that when it elects to accept self-certifications, it may only may do so prospectively after making necessary policy changes. For residents under lease at the time SHA amends its policies, SHA must review annual compliance and obtain third party verification for that lease cycle. However, for any subsequent lease cycles beginning after SHA has adopted the policy change, SHA may accept resident self-certifications for those periods. SHA may not accept resident self-certifications for a tenant subject to a work-out agreement until the resident has completed, and the SHA has verified through a third party, that the resident has completed the required hours.

Sampling Methodology and Validation Requirements: As required by amended 24 CFR Part 960.605, SHA elects to accept self-certifications must validate a New Rochelle of self-certifications with the third-party for whom the resident completed the community service or self-sufficiency activity. The New Rochelle of self-certifications SHA validates must be a statistically valid, random New Rochelle. These policies provide the appropriate sampling

methodology to be used by SHA when determining how many self-certifications must be validated annually.

The universe of self-certifications should only include residents that submitted a self-certification, and should not include:

- Residents that are under the age of 18 years or 62 years or older;
- Residents that are exempt;
- Residents for which SHA receives third party verification of completion with CSSR; and
- Residents that did not complete the required CSSR.

Because the number of residents subject to the CSSR is constantly in fluctuation due to unit turnover, resident employment, etc., SHA must choose a point in time annually to calculate the universe of self-certifications received during the previous 12 months. However, SHA does not need to wait until the end of the 12-month period to begin validating self-certifications. For example, SHA can reasonably determine the expected number of self-certifications to be received throughout the 12-month period may validate the appropriate New Rochelle of self-certifications during the 12-month period rather than waiting until the end of that time period, subject to any necessary reconciliations once the final universe and New Rochelle size is determined.

To validate a self-certification, SHA must obtain third-party documentation that includes, at a minimum, the name of the organization or person, the number of hours completed by the resident, a signature from the appropriate staff person within the third-party organization or person and that staff person's contact information. Consistent with the written third-party verification techniques outlined in Notice PIH 2010-19, SHA may accept third-party generated documentation directly from the third-party or from the resident.

Treatment of Fraudulent Self-Certifications: In the event SHA determines a resident has submitted a fraudulent self-certification, SHA must provide a notice of noncompliance to the resident pursuant to 24 CFR 960.607. If the resident agrees to sign a work-out agreement, SHA must obtain written third-party documentation of the resident's compliance with the requirements of the workout agreement. Should the resident refuse to enter into a work-out agreement pursuant to the notice of noncompliance, SHA must take steps to terminate the tenancy of the resident. For more information on this process, see Notice PIH 2015-12.

HUD Oversight: SHA elects to accept self-certifications and must retain the self-certification, any third-party validation, and any information related to fraudulent self-certifications in the resident's file for at least two years from the date the documents are received by SHA for possible HUD review. As part of HUD's oversight and regulatory review processes, and on a risk basis, HUD may review SHA's administration of CSSR, resident self-certifications, and New Rochelle validations.

Statutory/Regulatory Requirements for Administering CSSR: Community Service is "The

performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities.” (See 24 CFR 960.601(b)).

Community service and economic self-sufficiency requirements mandate that each nonexempt adult household member (18 years or older) shall either contribute 8 hours per month of community service, or participate in an economic self-sufficiency program for 8 hours per month (see 24 CFR 960.603(a)). The requirements can also be met by performing a combination of 8 hours of community service and participation in an economic self-sufficiency program. The required community service or self-sufficiency activity may be completed at 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification.

SHA requires residents to verify compliance annually, at least 30 days before the expiration of the lease term. Self-certification by residents is now acceptable as a form of verification.

Administrative Provisions: SHA must develop a local policy for administration of the CSSR for public housing residents (see 24 CFR 960.605(a)) within the Admissions and Continued Occupancy Policies (ACOP). Elements of the CSSR policy include, but are not limited to, the PHA responsibility to administer the requirement; eligible and non-eligible activities; exemptions from the requirement; and compliance review standards. These elements are described further in this document.

SHA may administer qualifying community service and self-sufficiency activities directly, or make the activities available to residents through a contractor or partnership with qualifying organizations (including resident organizations), community agencies, or institutions (see 24 CFR 960.605(b)). In administering the CSSR, the SHA may provide names and contacts of agencies offering opportunities for residents, including persons with disabilities, to fulfill their community service obligations. In administering the CSSR, SHA may choose to coordinate with social service agencies, local schools and human service offices to develop a referral list of names and agency contacts. If the SHA administers a ROSS or Family Self-Sufficiency program, SHA may wish to engage the Program Coordinating Committee in this endeavor. SHA is encouraged to create agreements with local organizations, including faith-based and community organizations, to assist CSSR. Specifically, such agreements would allow local organizations to advertise their programs, assist with transportation, child-care or other barriers to CSSR attainment and verify hours within individual monthly logs. HUD strives to provide maximum flexibility to SHA to allow successful CSSR implementation without adding excessive costs or administrative burdens (see 24 CFR 960.605(b)).

A. GENERAL PROVISIONS

1. **Community Services:** Eligible community service activities include, but are not limited to, serving at:

- A. Local public or nonprofit institutions, such as schools, Head Start Programs,

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- before-or after-school programs, childcare centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult daycare programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing);
- B. Nonprofit organizations serving SHA residents or their children, such as: Boy or Girl Scouts, Boys or Girls Club, 4-H Clubs, Police Activities League (PAL), organized children's recreation, mentoring, or education programs, Big Brothers or Big Sisters, Garden Centers, community clean-up programs, beautification programs;
 - C. Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels;
 - D. Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods or performing arts;
 - E. SHA housing to improve grounds or provide gardens (so long as such work does not alter the SHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board, outreach and assistance with SHA-run self- sufficiency activities including supporting computer learning centers; and,
 - F. Care for the children of other residents so parents may volunteer.

SHA may form policy in regards to accepting community services at profit-motivated entities, acceptance of volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work.

Pursuant to 24 CFR 960.609, SHA may not substitute community service activity performed by a resident for work ordinarily performed by a SHA employee. However, residents may do community service on SHA property or with or through SHA programs to assist with or enhance work done by a SHA employee.

Self-Sufficiency: Eligible self-sufficiency activities include, but are not limited to:

- A. Job readiness or job training while not employed;
- B. Training programs through local One-Stop Career Centers, Workforce Investment Boards (local entities administered through the U.S. Department of Labor), or other training providers;
- C. Higher education (junior college or college);
- D. Apprenticeships (formal or informal);
- E. Substance abuse or mental health counseling;
- F. Reading, financial and/or computer literacy classes;
- G. English as a second language and/or English proficiency classes;

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- H. Budgeting and credit counseling.
 - I. Any activity required by the Department of Public Assistance under Temporary Assistance for Needy Families (TANF).
 - J. Employment and Training programs
 - K. Homeownership educational programs or seminars (offered by SHA and other community organizations)
 - L. Any kind of class that helps a person move toward economic independence

CSSR Partnerships: If SHA has a ROSS Service Coordinators program or Family Self-Sufficiency (FSS) program, SHA may coordinate Individual Training and Services Plans (ITSPs) with CSSR. The ITSP is a tool to plan, set goals and track movement towards self-sufficiency through education, work readiness and other supportive services such as health, mental health and work supports. Specific CSSR activities may be included in ITSPs to enhance a person's progress towards self-sufficiency. Regular meetings with SHA coordinators may satisfy CSSR activities and SHA Service Coordinators or FSS Program Coordinators may verify community service hours within individual monthly logs.

Exempt Residents: SHA is required to set out in their Admissions and Continuing Occupancy Policy (ACOP) how the SHA determines if an individual is exempt from the CSSR and the documentation needed to support the exemption. Exemptions for adult residents, as codified at 24 CFR 960.601, include persons who are:

- A. 62 years or older;
- B. 1. Blind or disabled, as defined under 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. Section 416(i)(1); Section 1382c), and who certify that, because of this disability, she or he is unable to comply with the service provisions of this subpart, or
2. is a primary caretaker of such individual;
- C. Engaged in work activities for 20 hours per week. In order for an individual to be exempt from the CSSR requirement because he/she is “engaged in work activities,” the person must be participating in an activity that meets one of the following definitions of “work activity” contained in Section 407(d) of the Social Security Act (42 U.S.C. Section 607(d)):
 - 1. Unsubsidized employment;
 - 2. Subsidized private-sector employment;
 - 3. Subsidized public-sector employment;
 - 4. Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
 - 5. On-the-job-training;
 - 6. Job-search;

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7. Community service programs;
 8. Vocational educational training (not to exceed 12 months with respect to any individual);
 9. Job-skills training directly related to employment;
 10. Education directly related to employment in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
 11. Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalency, in the case of a recipient who has not completed secondary school or received such a certificate;
- D. Able to meet requirements under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.) or under any other welfare program of the State in which PHA is located including a State-administered Welfare-to-Work program; or,
- E. A member of a family receiving assistance, benefits, or services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.), or under any other welfare program of the State¹ in which the PHA is located, including a State-administered Welfare-to-Work program, and has not been found by the State or other administering entity to be in noncompliance with such a program.
- F. HUD has determined that the Supplemental Nutrition Assistance Program (SNAP) qualifies as a welfare program of the state. Therefore, if a tenant is a member of family receiving assistance under SNAP, and has been found by the administering State to be in compliance with the program requirements, that tenant is exempt from the CSSR.

SHA must describe in its CSSR policy the process to determine which family members are exempt from the requirement, as well as the process for determining any changes to the exempt status of the family member. SHA provides the family a copy of CSSR policy at initial application and secure certification of receipt as shown in Attachment A, (see 24 CFR 960.605(c)(2)).

SHA makes the final determination whether to grant an exemption from the community service requirement. If a resident does not agree with the SHA's determination, the resident may dispute the decision through the SHA's Grievance Procedures (see 24 CFR Part 966 Subpart B, 24 CFR 960.607(b)).

Each adult member of the household must sign a Community Service Exemption Certification at each annual recertification or if they become an "exempt adult" at any time between recertification that the status should change.

At least 30 days before the annual reexamination and/or lease expiration, the SHA reviews the exempt or nonexempt status and compliance of family members (see 24 CFR 960.605(c)(3)).

Resident Responsibilities at Lease Execution or Re-examination: At lease execution or re-examination, after the effective date of the adopted policy, all adult members (18 or older) of a public housing resident family must:

- A. Provide documentation, if applicable, that they qualify for an exemption; (Documentation provided by the tenant will be used by the SHA to determine whether the tenant is exempt from the CSSR) and,
- B. Sign a certification that they have received and read the policy and understand that if they are not exempt, failure to comply with the community service requirement will result in nonrenewal of their lease, per 24 CFR 966.4(l)(2)(iii)(D).

When a non-exempt person becomes exempt, it is his or her responsibility to report this to the SHA and provide documentation. When an exempt person becomes non-exempt, it is his or her responsibility to report this to the SHA as soon as possible.

Documentation of CSSR Completion: SHA must include in the CSSR policy that exemption/CSSR completion is verified annually by the SHA. At least 30 days before the annual reexamination and/or lease expiration, the SHA reviews the exempt or nonexempt status and compliance of non-exempt family members (see 24 CFR 960.605(c)(3)). At each regularly scheduled rent re-examination, each non-exempt family member presents a signed certification on a form provided by the SHA of CSSR activities performed over the previous twelve (12) months. When allowed, the SHA will use self-certifications. When required, SHA must obtain third-party verification of CSSR completion administered through outside organizations. The SHA has developed a standardized form with places for signature confirmation by supervisors, instructors, or counselors certifying the number of hours contributed. Additional supporting documentation may be requested of the resident to verify CSSR participation or exempt status or if allowed, self-certification. Copies of the certification forms and supporting documentation will be retained in tenant file or community service file.

B. SHA REQUIREMENTS OF THE PROGRAM

1. The eight- (8) hours per month may be either volunteer service or self-sufficiency program activity or a combination of the two.
2. At least eight (8) hours of activity must be performed each month. An individual may skip a month and then double up the following month as long as the 96 hours are performed within the 12month period.
3. Activities must be performed within the community and not outside the jurisdictional area of SHA.
4. Family obligations
 - At lease execution or re-examination, all adult members (18 or older) of a public housing resident family must
 - 1) Provide documentation that they are exempt from Community Service requirement, if they qualify for an exemption, and;

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- 2) Sign a certification that they have received and read this policy and understand that if they are not exempt, failure to comply with the Community Service requirement will result in non-renewal of their lease.
 - At each annual re-examination, non-exempt family members must present a completed documentation form (to be provided by SHA's recertification area) of activities performed over the previous twelve (12) months, or if allowed by HUD, a self-certification. This form may include places for signatures of supervisors, instructors, or counselors certifying to the number of hours contributed. If allowed by HUD, the family member may provide self-certification.
 - If a family member is found to be noncompliant at re-examination, he/she and the Head of Household will sign an agreement with SHA to make up the deficient hours over the next twelve- (12) month period or certify that the non-compliant family member is no longer in the household.
 5. Change in exempt status:
 - If, during the twelve- (12) month period, a non-exempt person becomes exempt, it is his/her responsibility to report this to the management office and provide documentation of such.
 - If, during the twelve- (12) month period, an exempt person becomes non-exempt, it is his/her responsibility to report this to the management office. SHA will provide the person with the Recording/Certification documentation form and a list of agencies in the community that provide volunteer and/or training opportunities.

C. SHA OBLIGATIONS

1. To the greatest extent possible and practicable, SHA will:
 - Provide names and contacts at agencies that can provide opportunities for residents, including disabled, to fulfill their Community Service obligations. (According to the Quality Housing and Work Responsibility Act, a disabled person who is otherwise able to perform community service is not necessarily exempt from the Community Service requirement).
 - Provide opportunities for volunteer service or self-sufficiency programs.
2. SHA offices will provide the family with: Community Service Exemption Certification Form; Community Service Compliance Certification Form; Record and Certification of Community Service and Self-Sufficiency Activities Form; and Caretaker Verification for Community Service Exemption Form; and a copy of this policy at initial application and at lease execution.
3. SHA's Executive Director or their designee will make the final determination as to whether or not a family member is exempt from the Community Service requirement. Residents may use the Grievance Procedure if they disagree with SHA's determination.

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4. Non-compliance of family member. The responsibility for enforcement will be with the SHA.
- At least thirty (30) days prior to annual re-examination and/or lease expiration, SHA will begin reviewing the exempt or non-exempt status and compliance of family members.
 - If SHA finds a family member to be non-compliant, the SHA will enter into an agreement with the non-compliant member and the head of household to make up the deficient hours over the next twelve- (12) month period.
 - If, at the next annual reexamination, the family member still is not compliant, the lease will not be renewed, unless the non-compliant member agrees to move out of the unit and a new lease is signed with the family amending its composition accordingly.
 - The family may use the Grievance Procedure to appeal the lease termination, after attending a private conference with the SHA representative.

Noncompliant Residents: SHA may not evict a family due to CSSR non-compliance. However, if PHA finds a tenant is non-compliant with CSSR, then the SHA must provide written notification to the tenant of the noncompliance which must include:

- A. A brief description of the finding of non-compliance with CSSR.
- B. A statement that the SHA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the SHA or the family provides written assurance that is satisfactory to the SHA explaining that the tenant or other noncompliant resident no longer resides in the unit. Such written work-out agreement must include the means through which a noncompliant family member will comply with the CSSR requirement.

The tenant may request a grievance hearing on the SHA determination, in accordance with 24 CFR Part 966, subpart B, and the tenant may exercise any available judicial remedy to seek timely redress for the SHA's nonrenewal of the lease because of such determination.

Enforcement Documentation: Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, SHA is required to initiate termination of tenancy proceedings at the end of the current 12-month lease (see 24 CFR 966.53(c)) due to the fact that the family is failing to comply with lease requirements. When initiating termination of tenancy proceedings, the SHA will provide the following procedural safeguards:

- A. Adequate notice to the tenant of the grounds for terminating the tenancy and for non-renewal of the lease;
- B. Right of the tenant to be represented by counsel;
- C. Opportunity for the tenant to refute the evidence presented by the SHA, including the

right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have; and,

D. A decision on the merits.

Enforcement Determinations and Documentation

SHA is required to initiate due process (see 24 CFR 966.53(c)) against households failing to comply with lease requirements including CSSR. When initiating due process, the following procedural safeguards are required:

- Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction;
- Right of the tenant to be represented by counsel;
- Opportunity for the tenant to refute the evidence presented by the PHA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have; and,
- A decision on the merits.

Sanctions Against PHAs: Section 6(j)(4)(A) of the United States Housing Act of 1937 provides sanctions against any housing authority failing to comply substantially with any provision of the Act relating to the public housing program. Sanctions include, but are not limited to, terminating, withholding, or reducing assistance payments. These sanctions are applicable to housing authorities failing to substantially comply with the CSSR requirement.

D. FORMS

The following forms shall be used to process and account for community service requirements.



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522 -6902

EXECUTIVE DIRECTOR

ATTACHMENT "A"

Dear Mr./Ms.

Congratulations, and welcome to the Housing Authority of the City of Sterling (SHA) Public Housing Program. We are happy that you have selected the SHA as your primary place of residency. We want to make every effort to ensure that your housing experience with us is safe, decent and above all, amicable. However, this can only be accomplished through our joint efforts. Therefore, we need your assistance.

During your Public Housing Orientation, the SHA staff, informed you about certain provisions of your lease; i.e. tenant obligations and landlord obligations; both of which must be followed in order to create the kind of housing experience you can enjoy. One of your obligations is the performance of 8 hours of community service. Housing and Urban Development (HUD) has mandated that every adult member of the household who is 18 years old or older who is not exempt from the following criteria MUST complete 8 hours of community service. The only persons who would not be required to complete these hours are persons who are:

- 62 years old or older
- Blind or disabled or caretaker of such individual
- Engaged in work activities (ask your manager for a list of qualified work activities)
- Exempted under the provisions of the regulations or PIH 2015-12

If you need to know if you are or are not required to perform these 8 hours of community service a month, you should contact your public housing manager as soon as possible. He or she will be glad to provide you with the necessary paperwork to fulfill the Mandatory Community Service Requirements.

Your failure to complete this HUD-Mandatory Community Service requirement could result in the refusal to renew your lease or eviction. Please, let's make every effort to keep you in compliance with the requirements of your lease.

Any questions, explanations or clarifications should be addressed with your manager. Again, thank you for your cooperation in this matter.

Sincerely,

Manager's name



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

EXECUTIVE DIRECTOR

Community Services and Self-Sufficiency Requirement Certification for Non-Exempt Individuals

Entrance Acknowledgement

Date:

Participant Name:

I have received and read the Community Services and Self Sufficiency Requirement. I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours over the course of a year) of community service or participate in an economic self-sufficiency program. I further understand that if I am not exempt, failure to comply with CSSR is grounds for lease nonrenewal. My signature below certifies I received notice of this requirement at the time of initial program participation.

Applicant

Date

Spouse

Date

Co-Head of Household

Date

SHA Staff Member

Date



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

EXECUTIVE DIRECTOR

ATTACHMENT "B"

Annual Renewal at Recertification

Community Services and Self-Sufficiency Requirement Certification

For Non-Exempt Individuals

Date:

Participant Name:

I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours over the course of a year) of community service or participate in an economic self-sufficiency program. I certify I have complied with this requirement.

Signature: _____

Date of Signature: _____



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

EXECUTIVE DIRECTOR

Community Service Compliance Certification

I/We hereby certify that I/We have received a copy of, have read and understand the contents of the Housing Authority of the City of Sterling's Community Service/Self Sufficiency Policy.

I have received and read the Community Services and Self Sufficiency Requirement. I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours per year) of community service or participate in an economic self-sufficiency program. I further understand that if I am not exempt, failure to comply with CSSR is grounds for lease nonrenewal. My signature below certifies I received notice of this requirement at the time of initial program participation.

I/We understand that this is a requirement of the Quality Housing and Work Responsibility Act of 1998 and that if I/We do not comply with this requirement, our lease will not be renewed and I/We will be evicted.

Head of Household's Name

Date

Spouse's Name

Date

Co-Head of Household's Name

Date

Manager's Name

Date



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

Community Service Exemption Certification

I, _____, certify that I am eligible for an
(Tenant's Name)

exemption from the Community Service requirement for the following reason:

- ☐ I am 62 years old or older
- ☐ I have a disability which prevents me from working (Certification of Disability Form will serve as documentation)
- ☐ I am currently working (employment verification form will serve as documentation)
- ☐ I am participating in a Welfare to Work Program (may provide verification letter from agency)
- ☐ I am receiving TANF and am participating in a required economic self-sufficiency program or work activity (Must provide verification from the funding agency that you are complying with job training or work requirements)
- ☐ I am a full-time student (Must provide verification letter from institution attending)
- ☐ I am a member of a family receiving assistance under SNAP, and has been found by the administering State to be in compliance with the program requirements.

Tenant's Name

Date

Manager's Name

Date



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

EXECUTIVE DIRECTOR

Date: _____

Name: _____

Address: _____

City, State, Zip: _____

Dear

It has come to my attention that you have failed to complete the mandatory Community Service hours that are expected of you. Your failure to complete these hours can result in your being evicted from the Housing Authority of the City of Sterling (SHA) public housing program.

To avoid eviction, please contact me as soon as possible to resolve this matter.

Please remember that this is a HUD-mandatory requirement and 8 hours a month (96 hours per year) must be completed. You may pick up a Community Service form at my office.

If you have any questions or need additional information, please contact me.

Sincerely,

Property Manger

Housing Authority of the City of Sterling



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

EXECUTIVE DIRECTOR

CHANGE IN STATUS FORM

COMMUNITY SERVICE / SELF-SUFFICIENCY

Name (print)

Date Submitted

Full Address

City/State/Zip

I need to report a change of: (check the one that applies to you)

☐ a – non-compliant become exempt

☐ b – Exempt becomes non-exempt



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

EXECUTIVE DIRECTOR

COMMUNITY SERVICE FORM

Date Received	Agency/Business/Org.	Month for which hours completed	# of Hours Performed



Housing Authority of the City of Sterling

1200 N 5th Street, Sterling, CO 80751

Telephone (970) 522-0869 ♦ Fax (970) 522-6902

EXECUTIVE DIRECTOR

Date: _____

Tenant's Name: _____

Address: _____

****NOTICE****

Federal law requires adult residents of public housing to provide eight (8) hours of community service or to receive eight (8) hours of self-sufficiency training as a condition for retaining their tenancy. This form should be signed by the supervisor of the organization/agency for whom service was provided or by the instructor where training was given each time service or training was provided.

Additional verification forms are available from the main office. Please retain and submit all completed verification forms as part of your annual recertification.

DATE	COMPANY NAME & ADDRESS	HOURS	SUPERVISOR/INSTRUCTOR
			Print:
			Signature:
			Business Contact #:
			Print:
			Signature:
			Business Contact #:
			Print:
			Signature:
			Business Contact #:
			Print:
			Signature:
			Business Contact #:
			Print:
			Signature:
			Business Contact #:
			Print:

			Signature:
			Business Contact #:
Total			

Submitted by: _____

Date: _____

FOR SHA OFFICE USE ONLY	
Manager's Signature:	Date:

Chapter 16

PROGRAM INTEGRITY

INTRODUCTION

SHA is committed to assure that the proper level of benefits is paid to all tenants, and that housing resources reach only income-eligible families so that program integrity can be maintained.

SHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines the SHA's policies for the prevention, detection and investigation of program abuse and tenant fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will SHA undertake an inquiry or an audit of a tenant family arbitrarily or retaliatory. SHA's expectation is that tenant families will comply with HUD requirements, provisions of the lease, and other program rules. SHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, SHA has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance, to monitor tenants' lease obligations for compliance and, when indicators of possible abuse come to SHA's attention, to investigate such claims.

SHA will initiate an investigation of a tenant family only in the event of one or more of the following circumstances:

Referrals, Complaints, or Tips: SHA will follow up on referrals from other agencies, companies or persons which are received by mail, e-mail, or in person, which allege that a tenant family is in non-compliance with, or otherwise violating the lease or the program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the tenant file.

Internal File Review: A follow-up will be made if SHA staff discovers (as a function of a [re]certification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, SHA's knowledge of the family, or is discrepant with statements made by the family.

Verification or Documentation: A follow-up will be made if SHA receives independent verification or documentation which conflicts with representations in the tenant file (such as public record information or credit bureau reports, reports from other agencies).

B. STEPS SHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

The management and occupancy staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and tenant families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by tenant families.

Things You Should Know: The program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify the PHA's expectations for cooperation and compliance.

Program Orientation Session: Mandatory orientation sessions will be conducted by Housing Management for all tenants at the time of initial occupancy. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a "Program Briefing Certificate" to confirm that all rules and pertinent regulations were explained to them.

Resident Counseling: SHA will routinely provide tenant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and explanation of Forms: SHA will explain all required forms and review the contents of all (re)certification documents prior to signature.

Use of Instructive Signs and Warnings: Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Third-Party Verifications: SHA will use third party verification whenever possible, and if using tenant supplied or other documents for verification purposes, SHA will document the attempts to obtain third party verification.

C. STEPS SHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

SHA Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews: Prior to initial certification, and at the completion of all subsequent recertifications, each tenant file will be reviewed. Such reviews shall include, but are not limited to:

- Changes in reported Social Security Numbers or dates of birth.
- Authenticity of file Documents.
- Third party and other verifications
- Differences between reported income and expenditures.
- Review of signatures for consistency with previously signed file documents.

Observation: SHA Management and Occupancy Staff (to include maintenance personnel)

will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Public Record Bulletins: may be reviewed by Management and Staff.

State Wage Data Record Keepers: Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

Use of UIV/EIV and Third-Party Computer Matching Verification: SHA shall use the Enterprise Income Verification and other computer matching systems for the determination of income, and other information that is available through computer matching. SHA will verify the existence of the families in EIV and use the HUD reports in the system to further confirm accuracy for RIM.

Credit Bureau Inquiries: Credit Bureau inquiries may be made (with proper authorization by the tenant) in the following circumstances:

- At the time of final eligibility determination
- When a tenant's expenditures exceed his/her reported income, and no plausible explanation is given.

D. SHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

SHA staff will encourage all tenant families to report suspected abuse. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the tenant file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The Property Manager or other SHA staff will not follow up on allegations that are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

File Review: An internal file review will be conducted to determine:

- If the subject of the allegation is a tenant of SHA and, if so, to determine whether or not the information reported has been previously disclosed by the family.
- It will then be determined if SHA is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review: If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the Property Manager, Eligibility Specialist, or other appropriate

personnel will initiate an investigation to determine if the allegation is true or false.

E. HOW SHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If SHA determines that an allegation or referral warrants follow-up, the staff person who is responsible for the file will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, SHA will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries: In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity which conflicts with the reported income of the family.

Verification of Credit: In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers: Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses: Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to SHA's review.

Other Agencies: Investigators, caseworkers or representatives of other benefit agencies may be contacted.

Public Records. If relevant, SHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members: SHA will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the appropriate PHA office. A high standard of courtesy and professionalism will be maintained by the SHA Staff Person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY SHA

Documents and other evidence obtained by SHA during the course of an investigation will be considered "work product" and will either be kept in the tenant file, or in a separate "work file." In either case, the tenant file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among SHA Staff unless they are involved in the process, or have information which may assist in the investigation.

G. CONCLUSION OF SHA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to his/her supervisor or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

H. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, SHA will review the facts to determine:

- The type of violation (Procedural, non-compliance, fraud).
- Whether the violation was intentional or unintentional.
- What amount of money (if any) is owed by the tenant.
- Is the family eligible for continued occupancy.

I. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, SHA will propose the most appropriate remedy based upon the type and severity of the violation.

Procedural Non-compliance

This category applies when the tenant "fails to" observe a procedure or requirement of SHA, but does not misrepresent a material fact, and there is no retroactive rent owed by the family.

Examples of non-compliance violations are:

- Failure to appear at a pre-scheduled appointment.
- Failure to return verification in time period specified by SHA.

Warning Notice to the Family: In such cases a notice will be sent to the family which contains the following:

- A description of the non-compliance and the procedure, policy or obligation which was violated.
- The date by which the violation must be corrected, or the procedure complied with.
- The action which will be taken by SHA if the procedure or obligation is not complied with by the date specified by SHA.
- The consequences of repeated (similar) violations.

Procedural Non-compliance - Retroactive Rent

When the tenant owes money to SHA for failure to report changes in income or assets, SHA will issue a Notification of Underpaid Rent. This Notice will contain the following:

- A description of the violation and the date(s).
- Any amounts owed to the PHA.
- The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Tenant Fails to Comply with SHA's Notice. If the Tenant fails to comply with SHA's notice, and a material provision of the lease has been violated, SHA will initiate termination of tenancy.

Tenant Complies with SHA's Notice. When a tenant complies with SHA's notice, the staff person responsible will meet with him/her to discuss and explain the obligation or lease provision which was violated. The staff person will document to the tenant file that the tenant has complied.

Intentional Misrepresentations

When a tenant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an underpayment of rent by the tenant, SHA will evaluate whether or not:

- the tenant had knowledge that his/her actions were wrong, and
- that the tenant willfully violated the lease or the law.

Knowledge that the action or inaction was wrong: This will be evaluated by determining if the tenant was made aware of program requirements and prohibitions. The tenant's signature on various certifications, briefing certificate, Personal Declaration and *Things You Should Know* are adequate to establish knowledge of wrong-doing.

The tenant willfully violated the law: Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the tenant of the misrepresentation.
- That the act was done repeatedly.
- If a false name or Social Security Number was used.
- If there were admissions to others of the illegal action or omission.
- That the tenant omitted material facts which were known to them (e.g., employment of self or other household member).
- That the tenant falsified, forged or altered documents.
- That the tenant uttered and certified to statements at a rent (re)determination which were later independently verified to be false.

The Tenant Conference for Serious Violations and Misrepresentations

When SHA has established that material misrepresentation(s) have occurred, a Tenant Conference will be scheduled with the family representative and the SHA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by SHA. The purpose of such conference is to review the information and evidence obtained by SHA with the tenant, and to provide the tenant an opportunity to explain any document findings which conflict with representations in the tenant file. Any documents or mitigating circumstances presented by the tenant will be taken into consideration by SHA. The tenant will be given 5 working days to furnish any mitigating evidence.

A secondary purpose of the Tenant Conference is to assist SHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, SHA will consider:

- The duration of the violation and number of false statements.
- The tenant's ability to understand the rules.
- The tenant's willingness to cooperate, and to accept responsibility for his/her actions.
- The amount of money involved.
- The tenant's past history.
- Whether or not criminal intent has been established.
- The number of false statements.

Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, SHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution: If SHA has established criminal intent, and the case meets the criteria for prosecution, SHA may:

Refer the case to HUD's RIGI, and terminate rental assistance.

Administrative Remedies: SHA may:

- Terminate tenancy and demand payment of restitution in full.
- Terminate tenancy and execute an administrative repayment agreement in accordance with the SHA's Repayment Policy.
- Permit continued occupancy at the correct rent and execute an administrative repayment agreement in accordance with SHA's Repayment Policy.

Notification to Tenant of Proposed Action

SHA will notify the tenant of the proposed action no later than 10 working days after the tenant conference by mail.

Chapter 17

CRIMINAL RECORDS

and

RECORDS MANAGEMENT POLICY

INTRODUCTION

In the course of its regular operations, SHA comes into possession of criminal records, as well as other documents related to criminal offenses of applicants (i.e. drug and alcohol abuse treatment documentation). While necessary to accomplish Housing Authority business, these records must be maintained securely and kept from improper use.

The Housing Authority may also be called upon to perform criminal record checks and other record checks regarding applicants or tenants for housing that receives federal assistance from SHA. SHA shall maintain the records received for these residents or applicants in the manner prescribed in this policy.

A. ACQUISITION

All adult applicants shall complete the required forms authorizing the release of criminal record history to the Authority upon applying for housing, or at any time an existing resident household wishes to add an adult member to the lease. Through its cooperative agreement with local law enforcement, a check of police records will be made. This check is done for the purpose of screening adult applicants for housing.

All requests for criminal records and records relating to criminal history shall be sent to the designated Eligibility Specialist. Only the designated Eligibility Specialist, Property Manager, the Director of Operations, and the Hearings Officer, shall have access to these records (the Human Resources Manager has access to criminal records only for the purpose of screening employees/potential employees of the Housing Authority, and does not have access to criminal background checks conducted for the purpose of applicant screening). The designated Eligibility Specialist, Project Manager, Director of Operations, and Hearing Officer shall discuss the records with other Authority employees only as required to make a housing decision.

B. MAINTENANCE

The Authority will keep all criminal records or records relating to criminal history that are received confidential. These records will be used only to screen applicants for housing or to pursue evictions. The records will not be disclosed to any person or entity except for official use in the application process, Hearing process, in accordance with the regulations, and/or in court proceedings. No copies will be made of the records except as required for official or court proceedings.

Criminal records or records relating to criminal history status are maintained in a separate file from other application or eviction information. These files are maintained in locked cabinetry in a secured office with limited access. The designated Eligibility Specialist and the Director of Operations are the only employees having access to the cabinet or to the office.

C. DISPOSITION

The records shall be destroyed immediately upon determination of applicant eligibility. If contested, the records shall be retained until all issues are resolved. In the event eligibility is denied, the records shall be destroyed at the conclusion of 60 calendar days, such time affording the applicant or resident the opportunity for a Hearing. The 60 calendar days may be extended in order to complete an action underway (i.e. Hearing, court proceeding), but the record shall be destroyed upon finalization of the action.

D. PRIVACY PROTECTION on RECORDS (PIH 2010-15 and update PIH 2014-10)

Overview

SHA is responsible for safeguarding personally identifiable information (PII) required by HUD and preventing potential breaches of this sensitive data. SHA and HUD are committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects SHA and other parties who collect, use, maintain, or disseminate HUD information to protect the privacy of that information in accordance with applicable law.

General HUD program requirements are set forth in 24 C.F.R. Part 5. Compliance with the Privacy Act and other requirements for grants and contracts is spelled out in 24 C.F.R. § 5.212 which states:

- *Compliance with the Privacy Act.* The collection, maintenance, use, and dissemination of SSNs, EINs, any information derived from SSNs and Employer Identification Numbers (EINs), and income information under this subpart shall be conducted, to the extent applicable, in compliance with the Privacy Act (5 U.S.C. 552a) and all other provisions of Federal, State, and local law.
- *Privacy Act Notice.* All assistance applicants shall be provided with a Privacy Act notice at the time of application. All participants shall be provided with a Privacy Act notice at each annual income recertification. The Federal Acquisition Regulation (FAR), 48 C.F.

R. Subpart 1524.1, sets forth that compliance with the requirements of the Privacy Act be included in HUD contracts at clause 52.224-2.

Personally Identifiable Information (PII)

The PII is defined in OMB M-07-16 as “. . . information which can be used to distinguish or trace an individual’s identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.”

Sensitive Personally Identifiable Information

Sensitive Personally Identifiable Information is defined as PII that when lost, compromised or disclosed without authorization could substantially harm an individual. Examples of sensitive PII include social security or driver’s license numbers, medical records, and financial account numbers such as credit or debit card numbers.

Guidance on Protecting Sensitive Privacy Information

The Privacy Act requires that federal agencies maintain only such information about individuals that is relevant and necessary to accomplish its purpose. The Privacy Act also requires that the information be maintained in systems or records – electronic and paper – that have the appropriate administrative, technical, and physical safeguards to protect the information, however current. This responsibility extends to contractors and SHA, who are required to maintain such systems of records by HUD.

SHA will take the following steps to help ensure compliance with these requirements:

i) Limit Collection of PII

(1) Do not collect or maintain sensitive PII without proper authorization. Collect only the PII that is needed for the purposes for which it is collected.

ii) Manage Access to Sensitive PII

(1) Only share or discuss sensitive PII with those personnel who have a need to know for purposes of their work. Challenge anyone who asks for access to sensitive PII for which you are responsible.

(2) Do not distribute or release sensitive PII to other employees, contractors, or other third parties unless you are first convinced that the release is authorized, proper and necessary.

(3) When discussing sensitive PII on the telephone, confirm that you are speaking to the right person before discussing the information and inform him/her that the discussion will include sensitive PII.

(4) Never leave messages containing sensitive PII on voicemail.

(5) Avoid discussing sensitive PII if there are unauthorized personnel, contractors, or guests in the adjacent cubicles, rooms, or hallways who may overhear your conversations.

(6) Hold meetings in a secure space (i.e., no unauthorized access or eavesdropping possible) if sensitive PII will be discussed and ensure that the room is secured after the meeting.

(7) Treat notes and minutes from such meetings as confidential unless you can verify that they do not contain sensitive PII.

(8) Record the date, time, place, subject, chairperson, and attendees at any meeting involving sensitive PII.

iii) Protect Hard Copy and Electronic Files Containing Sensitive PII

(1) Clearly label all files containing sensitive PII by placing appropriate physical labels on all documents, removable media such as thumb drives, information systems, and application. **Examples of appropriate labels might include “For Official Use Only” or “For (Name of Individual/Program Office) Use Only.”**

(2) Lock up all hard copy files containing sensitive PII in secured file cabinets and do not leave unattended.

(3) Protect all media (e.g., thumb drives, CDs, etc.) that contain sensitive PII and do not leave unattended. This information should be maintained either in secured file cabinets or in computers that have been secured.

(4) Keep accurate records of where PII is stored, used, and maintained.

(5) Periodically audit all sensitive PII holdings to make sure that all such information can be readily located.

(6) Secure digital copies of files containing sensitive PII. Protections include encryption, implementing enhanced authentication mechanisms such as two factor authentication and limiting the number of people allowed access to the files.

(7) Store sensitive PII only on workstations that can be secured, such as workstations located in areas that have restricted physical access.

iv) Protecting Electronic Transmissions of Sensitive PII via fax, email, etc.

(1) When faxing sensitive PII, use the date stamp function, confirm the fax number, verify that the intended recipient is available, and confirm that he/she has received the fax. Ensure that none of the transmission is stored in memory on the fax machine, that the fax is in a controlled area, and that all paper waste is disposed of properly (e.g., shredded). When possible, use a fax machine that uses a secure transmission line.

(2) Before faxing PII, coordinate with the recipient so that the PII will not be left unattended on the receiving end.

(3) When faxing sensitive PII, use only individually-controlled fax machines, not central receiving centers.

(4) Do not transmit sensitive PII via an unsecured information system (e.g., electronic mail, Internet, or electronic bulletin board) without first encrypting the information.

(5) When sending sensitive PII via email, make sure both the message and any attachments are encrypted.

(6) Do not place PII on shared drives, multi- access calendars, the Intranet, or the Internet.

v) Protecting Hard Copy Transmissions of Files Containing Sensitive PII

(1) Do not remove records about individuals with sensitive PII from facilities where HUD information is authorized to be stored and used unless approval is first obtained from a supervisor. Sufficient justification, as well as evidence of information security, must be presented.

(2) Do not use interoffice or translucent envelopes to mail sensitive PII. Use sealable opaque solid envelopes. Mark the envelope to the person's attention.

(3) When using the U.S. postal service to deliver information with sensitive PII, double-wrap the documents (e.g., use two envelopes – one inside the other) and mark only the inside envelope as confidential with the statement "To Be Opened by Addressee Only"

vi) Records Management, Retention and Disposition

(1) Follow records management laws, regulations, and policies applicable within your jurisdiction.

(2) Ensure all SHA locations and all entities acting on behalf of the Authority are managing records in accordance with applicable laws, regulations, and policies.

(3) Include records management practices as part of any scheduled oversight protocols.

(4) Do not maintain records longer than required.

(5) Destroy records after retention requirements are met.

(6) Dispose of sensitive PII appropriately – use cross-cut shredders or burn bags for hard copy records and permanently erase (not just delete) electronic records.

vii) Incident Response

(1) Supervisors should ensure that all personnel are familiar with reporting procedures.

(2) Promptly report all suspected compromises of sensitive PII related to HUD programs and projects to the Executive Director.

Chapter 18

SECURITY DEPOSITS

INTRODUCTION

Tenant security deposits are required to minimize collection losses and to encourage tenants to leave their apartments clean and in good condition when they vacate.

A. SECURITY DEPOSIT AMOUNT

The security deposit for Public Housing shall be based on the following bedroom sizes:

- 1 Bedroom Unit: Based on Rent
- 2 Bedroom Unit: Based on Rent
- 3 Bedroom Unit: Based on Rent
- 4 Bedroom Unit: Based on Rent

Security deposits will be updated for current residents and any additional amounts will be collected upon execution of a new lease after the effective date of this policy. Payment agreements may be made for the difference of their current deposit and the new amount.

SHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

B. PAYMENT AGREEMENT

Arrangements, determined on a case-by-case basis, may be made to pay the security deposit in more than one payment. The resident must sign a payment agreement if the entire amount is not paid at the time of move-in.

Families are expected to obtain the funds to pay security deposits from their own resources and/or other private or public sources.

C. ADDITIONAL SECURITY DEPOSIT COLLECTION PROCEDURES

Security Deposits are governed by the terms of the lease, 24CFR's and Colorado Statutes. The SHA reserves the right to bill a resident's account additional charges of \$50 per room if any of the situations below exist or take place within a resident's apartment. This money will be added to the resident's current security deposit. Such deposits may be collected for the following:

- 1) Unauthorized wallpapering.
- 2) Painting walls any color other than the original color upon move-in.
- 3) If the resident fails a housing inspection due to unsanitary housekeeping or excessive damage to the unit that is beyond normal wear and tear.

The security deposit amount will be held by SHA until the termination of the resident's lease and vacate of the unit by the resident. After vacate and inspection, the security deposit may be returned to the resident if:

- 1) There is no unpaid rent or other charges.
- 2) The unit, exterior surroundings, and all equipment therein is left clean.
- 3) There is no breakage or damage that is not due to normal wear and tear.
- 4) There is no equipment missing.
- 5) The security deposit for cases of unauthorized wallpapering or painting will be fully refundable should the resident restore the unit back to original condition with normal wear and tear accepted.
- 6) A thirty-day (30) written notice is provided to SHA and the keys to the dwelling are surrendered to the management office.

Refund of Security Deposit

SHA will refund to the Tenant the amount of the security deposit, less any amount needed to pay the cost of:

- Unpaid Rent;
- Damages listed on the Move-Out Inspection Report that exceeds normal wear and tear;
- Other charges under the Lease.

SHA will provide the tenant or designee identified above with a written list of any charges against the security deposit. If the tenant disagrees with the amount charged to the security deposit, SHA will provide a meeting to discuss the charges.

SHA will refund the Security Deposit less any amounts owed, within 30 days after move out and tenant's notification of new address.

D. TRANSFER OF SECURITY DEPOSIT

If a resident transfers, the original security deposit transfers also. The resident will be responsible for payment of any additional security deposit as outlined in the policy. If the security deposit for the new unit is less than the original security deposit, the tenant will be refunded the proper amount, less any charges that have assessed for damages to the unit they moved from. The tenant will also be further billed for any maintenance or other charges beyond the security deposit.

Chapter 19

EVICTON POLICY AND PROCEDURES

A. OVERVIEW

The eviction of a resident from Public Housing, Section 202/8, or affordable housing program as operated by the Housing Authority of the City of Sterling, Colorado (SHA) is a serious matter. Eviction is not the preferred method of resolving agency or resident problems. However, when all other reasonable efforts have failed, resident eviction becomes necessary to enforce reasonable rules and regulations of the agency and to ensure that the individual rights of the resident population as a whole are protected.

This eviction policy and procedure IS IN ADDITION TO AND INTENDED TO SUPPLEMENT AND CLARIFY THE ALLOWED GROUNDS FOR EVICTION UNDER THE LEASE(S) and the Admission and Occupancy Policies.

B. CAUSES FOR EVICTION

Tenancy may be terminated for **serious and/or repeated** violation of material terms of the lease agreement. The most common causes of lease termination are as follows:

1. Failure to pay rent
2. Failure to pay charges other than rent (maintenance repair costs, late fees, repayment agreements, or other charges as applicable)
3. Drug-related criminal activity on or off SHA premises
4. Disruptive, violent, or criminal behavior that threatens the health, safety or right to peaceful enjoyment of the premises
5. Unit damage/destruction
6. Failure to maintain the unit in a decent, safe and sanitary condition
7. Assignment of lease, subletting of premises, or providing accommodations for persons not on the lease
8. Failure to appear for scheduled appointments or failure to provide information to management for continued occupancy recertifications (“family obligations”)
9. Permitting individuals that are banned from the property to visit or reside on the property.
10. Being over-income for public housing for 2 consecutive years.

Note: The above listing is not all inclusive of evictable violations. Violation of any material term of the lease agreement may be grounds for lease termination/eviction.

Evictions are to be based solely upon documented facts.

C. DOCUMENTATION AND PROCESSING THE REQUEST FOR EVICTION

Documentation Sources

The Property Manager prior to filing any action with the Courts shall compile all the necessary documentation regarding the tenant(s) failure to uphold the material terms of the lease. Documentation must clearly support the need for eviction. Documentation must show that all other reasonable efforts to resolve the problem and to enforce the rules and regulations have been made by the Property Manager, and/or other SHA staff as applicable (i.e. Inspectors, Hearing Officers, Resident Services), or that the seriousness of such offense requires immediate action. Documentation may consist of one or more of the following items:

- Proof of arrest or a preponderance of evidence (Note: Conviction of crime is not necessary for eviction)
- Incident Report or other written statement from law enforcement
- Written statements from credible neighbors and/or residents
- Written statements from SHA staff acting as eye-witnesses
- Photographic evidence
- UPCS Inspection Report, maintenance inspection, maintenance work order
- Prior written warnings from Property Manager (Written warnings must quote the applicable lease provision violated).

CAUTION: Attention should be given to the Witness's/Complainant's credibility, motivation, and source(s) of documentation provided.

Note: In the event that the eviction is for violation of health/safety (commonly referred to as “housekeeping”) or for tenant damages, tenants must have been afforded the opportunity to pay the costs for repairs and failed to do so or other follow-up procedures (re-inspections, referral of tenant to outside service agencies for assistance) have failed to remedy the deficiency.

The Property Manager is authorized to serve the initial notice and to proceed in the action, up to and including filing the legal documents with the Courts as dictated by the appropriate jurisdiction.

D. TYPES OF EVICTION NOTICES AND FILING PROCEDURES

Timing of the Notice

If the SHA terminates the lease, written notice will be given as follows:

At least 14 calendar days prior to termination in the case of failure to pay rent;

A reasonable time, defined in the lease as 5 calendar days, according to State law, considering the seriousness of the situation when the health or safety of other residents or SHA employees is threatened;

At least thirty days prior to termination in all other cases.

The SHA shall notify the Post Office that mail should no longer be delivered to the person who was evicted for criminal activity, including drug-related criminal activity.

Non-Payment of Rent

Notice (*Notice of Charges Due*) shall be served for delinquency of rent. Notice may be served by (a) Personal Service (with Notice delivered personally to Head of Household and witnessed by other SHA personnel) or first-class mail, (b) Substitute Service (with Notice delivered personally to family member over the age of 18 years), or (c) Conspicuous Service (with Notice adhered to premise door).

Lockout paperwork (*Affidavit of Complaint for Summery Eviction*) shall be filed with the appropriate jurisdictional Court and with the Constable in the event payment is not received in full prior to the Notice deadline.

Processing Fees:

The resident will be charged a Processing Fee according the posted Schedule of Charges.

30-Day Notice for Lease Violations

For general lease violations not inclusive of drug or criminal activity or activity posing an extreme threat to health/safety, a 30-Day Notice is served to the resident household (*30-Day Notice of Violation of Lease and Intent to Terminate*) citing the provision(s) of the Lease violated.

The 30-Day Notice must be served with the applicable programmatic Grievance Procedure included in the Notice.

The Notice and Grievance Procedure may be served by (a) Personal Service or first-class mail, (b) Substitute Service, or (c) Conspicuous Service.

In the event the resident grieves the action (in compliance with the Grievance Procedure or Court), the Eviction is stayed until such time as a decision is rendered.

In the event the resident does not grieve the action and the Notice period elapses, or, in the event the resident grieves the action and the Hearing or Court results in a recommendation to proceed with the Eviction and the Notice period has elapsed, the Property Manager shall file action with the Court requesting removal of the family and release of the unit (*5 Day Unlawful Detainer*).

In the event the resident does not vacate once the five (5) days have elapsed, the Property Manager shall file for lockout with the appropriate jurisdictional Court.

Criminal Activity (Expedited Process)

As stated in the SHA “One Strike” Policy, any person who while a resident of the Authority is found to have engaged in one of more of the following specified criminal offenses or disruptive behaviors on any property owned by the Authority, or in the case of drug-related criminal activity committed any violation whether or not such offense was committed on or off Authority property, the resident, tenant and/or the entire household *shall be evicted* from the Authority dwelling unit. For the purposes of this section, proof of engaging in or committing a prohibited act shall not require a formal court proceeding or conviction, but rather may be based solely upon evidence of arrest for a proscribed act or other competent and reliable evidence tending to suggest that such a criminal offense or prohibited act was committed. The criminal activities and other disruptive behaviors that will result in eviction include:

- Any violation (relating to Homicide)
- Any violation (relating to Assault or Battery)
- Any violation (relating to Sexual Battery)
- Any violation (relating to Lewd and Lascivious Behavior)
- Any violation (relating to Robbery, Car Jacking and Home Invasion Robbery)
- Any violation (relating to Weapons and Explosives)
- Any violation (relating to the Possession, Sale or Distribution of Controlled Substances)
- Any violation (relating to Kidnapping and False Imprisonment)
- Any violation (relating to Burglary and Trespass)
- Any violation (relating to Arson and Criminal Mischief)
- Any violation (relating to Child Abuse)
- Any violation (relating to Threats and Extortion)
- Any violation (relating to Disorderly Intoxication)
- Any violation (relating to Disorderly Conduct and Breach of Peace)
- Any other violation of any state or federal law which contains as an element of the offense the use of force or violence, the possession of a controlled substance, or the presence of a state of intoxication or inebriation.
- Any disruptive or dangerous activity or conduct of a person while on Authority property, which is committed while such person is intoxicated or in an inebriated state.

The SHA will immediately and permanently terminate tenancy of persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

5-Day Expedited Notice

5-Day Expedited Notice (*Notice of Violation of Lease with Intent to Terminate*) is served in cases of drug-related criminal activity, criminal activity, or any activity of an extreme nature that pose a threat to the health/safety of others including but not limited to a threat to the safety of staff.

The 5-Day Expedited Notice will be served without and applicable programmatic Grievance Procedure securely attached to the Notice. The Grievance Procedure states that for lease violations involving drug related criminal activity, criminal activity, or any activity of an extreme nature, there is no SHA grievance granted by the Property Manager or the Hearing Officer. Any response the resident shall make in regard to such Notice shall be made to the court of law in the jurisdiction in which the Notice was issued.

The Notice and Grievance Procedure may be served by (a) Personal Service, or first-class mail (b) Substitute Service, or (c) Conspicuous Service.

In the event the resident does not vacate the unit within the 5-Day Notice period, the Property Manager shall file action with the Court requesting removal of the family and release of the unit (*5-Day Unlawful Detainer*).

In the event the resident does not vacate the premises once the five (5) days have elapsed under the *Unlawful Detainer*, the Property Manager shall file for lockout with the appropriate jurisdictional Court.

E. ACCEPTANCE OF PAYMENTS DUE WHILE UNDER EVICTION

Evictions for Non-Payment: No payments may be accepted by SHA, its agents or employees, for charges due under the lease agreement (including rent, late fees, maintenance charges, etc.) *except* when payment is for charges in full*. Acceptance of funds, whether payment in full or partial payment, negates the eviction and halts all eviction actions and process.

*SHA will not accept personal or private third-party checks in matters of eviction for non-payment. If the resident desires to cease the eviction action through payment of all charges, payment must be made by cash or money order. (Third party checks are acceptable from known social service agencies.)

Evictions for Other than Non-Payment: No payments may be accepted by SHA, its agents or employees, for charges due under the lease agreement (including rent, late fees, maintenance charges, etc.) *including* when payment is for full charges. *However*, such payment may be requested to be paid to the Court by either the Court or the lessee, and held in escrow pending the outcome of the Court's decision, as specified.

F. DECISIONS OF THE COURT

In matters of Eviction, all Evictions pursued by SHA are subject to civil law including evictions for drug-related or criminal activity.

The decisions of the presiding Court shall be considered final in all matters of eviction unless through Administrative Review it is found that staff has erred or other similar mitigating circumstances prevail. In cases wherein the decision of the Court is subject to reversal, the complete file (hardcopy of tenant file, all Eviction documentation) shall be presented to the

Executive Director for review and decision. Only the Executive Director may reverse a decision of the Court and reinstate an Evicted household.

G. TERMINATIONS PROTECTED BY VAWA

Criminal Activity directly relating to domestic violence, dating, sexual assault or stalking engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be cause for termination of the tenancy or occupancy rights, if the tenant or an immediate member of the tenant's family is the victim of threatened victim of that domestic violence, dating violence, sexual assault, or stalking.

The SHA may bifurcate the lease to terminate assistance to remove a lawful occupant or tenant who engages in criminal acts of violence to a family members or others without terminating assistance/evicting victimized lawful occupants.

Chapter 20

EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE

INTRODUCTION

EMERGENCY TRANSFERS

The Housing Authority of the City of Sterling (SHA) is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), SHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability of SHA to honor such request for tenants currently receiving rental assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether SHA has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the Department of Housing and Urban Development (HUD), the Federal agency that oversees that Public Housing is in compliance with VAWA.

Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, sexual orientation, disability, or age.

A. ELIGIBILITY FOR EMERGENCY TRANSFERS

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L, is eligible for an emergency transfer, if:

- The tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit;
- The tenant is a victim of a sexual assault, and the sexual assault occurred on the premises within the 90-day period preceding a request for an emergency transfer.
- A tenant requesting an emergency transfer must expressly request the

transfer in accordance with the procedures described in this plan.

B. EMERGENCY TRANSFER REQUEST DOCUMENTATION

To request an emergency transfer, the tenant shall notify SHA's management office and submit a written request for a transfer to the management office.

The tenant's written request for an emergency transfer should include either:

1. A statement expressing why the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under SHA's program.
2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-day period preceding the tenant's request for an emergency transfer.

SHA may request additional documentation from a tenant in accordance with the documentation policies of HUD's regulations at 24 CFR part 5, subpart L.

C. CONFIDENTIALITY

SHA will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives SHA written permission to release the information, or disclosure of the information is required by law or in the course of an eviction or termination proceeding. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the tenant. The Notice of Occupancy Rights under the Violence Against Women's Act provides additional information regarding confidentiality of information.

D. EMERGENCY TRANSFER TIMING AND AVAILABILITY

SHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. SHA will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred.

If SHA has no safe and available units for which a tenant who needs an emergency is eligible, SHA will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, SHA will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

E. SAFETY AND SECURITY OF TENANTS

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe. The tenant is encouraged to contact the National Domestic Violence Hotline at 1–800–799–7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1–800–787–3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network’s National Sexual Assault Hotline at 800–656–HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime’s Stalking Resource Center at [https:// www.victimsofcrime.org/our-programs/ stalking-resource-center](https://www.victimsofcrime.org/our-programs/stalking-resource-center).

Other local Sources

Police Department

Local Domestic Violence Advocate Groups

Chapter 21

SMOKE FREE POLICY

Introduction and Purpose

The Department of Housing and Urban Development (HUD) is requiring Public Housing Authorities to adopt smoke-free policies in order to reduce the public health risks associated with tobacco use. (See PIH NOTICE: PIH-2012-25 Smoke Free Policies in Public Housing and the final rule on instituting smoke-free public housing dated December 5, 2016). This will enhance HUD's efforts to increase the effectiveness of HUD's efforts to provide increased public health protection for residents of public housing.

This policy is the SHA's **Smoke-free policy for Housing Authority of the City of Sterling (SHA) properties**. This policy is based on HUD and SHA's intent to provide healthier, safer, living environments for residents and work environment for its employees. Effective April 30, 2018, all current residents, all employees, all guests, and all new residents of the SHA will be prohibited from smoking inside the buildings including the housing units and within any common areas owned or under the control of the SHA. The original policies are now updated to include the provisions of the final rules under Smoke Free Public Housing.

The new final rule requires each public housing agency (PHA) administering public housing to implement a smoke-free policy. Specifically, no later than by July 30, 2018, the SHA must implement a "smoke-free" policy banning the use of prohibited tobacco products in all public housing living units, indoor common areas in public housing, and in PHA administrative office buildings. SHA has been proactive in smoke free public housing and will implement the provisions prior to the required date.

HUD requires the smoke-free policy must at least extend to all outdoor areas up to 25 feet from the public housing and administrative office buildings. The smoke free rule improves indoor air quality in the housing; benefits the health of public housing residents, visitors, and SHA staff; reduces the risk of catastrophic fires; and lowers overall maintenance costs.

Any current resident as of adoption of this policy who is a smoker and desires to cease smoking but may need additional time to cease smoking must, on or before March 1, 2018, request and sign the temporary smoking exemption form allowing them to smoke in their unit/apartment. This exemption will continue only until the March 1, 2018, at which time the smoke-free policy will also apply to the resident. The original notices and changes will be included in the lease provisions and an updated signed certification.

General Provisions

SHA must design and implement a policy prohibiting the use of prohibited tobacco products in all

public housing living units and interior areas (including but not limited to hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures), as well as in outdoor areas within 25 feet from public housing and administrative office buildings (collectively, “restricted areas”) in which public housing is located.

According to HUD, SHA may limit smoking to designated smoking areas on the grounds of the public housing or administrative office buildings in order to accommodate residents who smoke. These areas must be outside of any restricted areas, as stated above and may include partially enclosed structures. Alternatively, SHA may choose to create additional smoke-free areas outside the restricted areas or to make their entire grounds smoke-free.

SHA’s smoke-free policy must, at a minimum, ban the use of all prohibited tobacco products. Prohibited tobacco products are defined as:

- Items that involve the ignition and burning of tobacco leaves, such as (but not limited to) cigarettes, cigars, pipes, and waterpipes (hookahs), etc.
- SHA will include that the smoke-free policy will also include legal and illegal substances to include marijuana, and other controlled substances.
- SHA may enhance the smoke free regulations, and will use the opportunity under this policy to enhance the smoke free policy to include a smoke free campus.

Lease Provisions

All properties in SHA will be considered a smoke free campus. This means that no smoking of tobacco or other products will be allowed on the SHA property. The SHA will not allow the electronic nicotine delivery systems (ENDS) to be smoked within the individual’s dwelling unit or other areas.

The lease will require the following provisions:

To assure that no tenant, member of the tenant’s household, or guest engages in:

Civil activity. For any units covered by 24 CFR part 965, subpart G, any smoking of prohibited tobacco products in restricted areas, as defined by 24 CFR 965.653(a), or in other outdoor areas that the SHA has designated as smoke-free. SHA does not allow smoking on any of SHA’s property, and is considered a “smoke free campus”.

To assure that no other person under the tenant’s control engages in:

Civil activity. For any units covered by 24 CFR part 965, subpart G, any smoking of prohibited tobacco products in restricted areas, as defined by 24 CFR 965.653(a), or in other outdoor areas that the SHA has designated as smoke-free.

Policy and Applicability

1. Smoking is not be permitted in individual units. Smoking including ENDS will not be permitted in the, units, common spaces of a designated Housing Authority community

or facility of any type after the effective date of the Policy, unless otherwise specified. "Smoke" or "smoking" means the possession or use (carrying or smoking) of any kind of lighted pipe, cigar, cigarette, pipe, waterpipe, chew/snuff or any other lighted smoking equipment or tobacco product or other substance- controlled (k2/spice, marijuana or uncontrolled.

2. This policy covers all SHA properties, grounds and buildings, including, but not limited to park areas, parking lots, vehicles, common areas, elevators, stairs, hallways, playground areas, and resident unit units, both new and existing. SHA includes provisions in the policy prohibiting the use of prohibited tobacco products in all public housing living units and interior areas (including but not limited to hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures), as well as in outdoor areas in the public housing and administrative office buildings (collectively, “restricted areas”) in which public housing is located.
3. The SHA does not allow the electronic nicotine delivery system (ENDS) within the dwelling unit. The ENDS is not allowed in other common areas or other restricted areas. The SHA is considered a smoke free campus.
4. This policy applies to any and all persons entering the SHA properties including S HA residents, their guests and visitors, contractors, and SHA employees.
5. “Individual units” for restrictions are defined as the interior and exterior spaces tied to a particular multi-family or single-family dwelling unit. This includes, but is not limited to, bedrooms, hallways, kitchens, bathrooms, patios, balconies, and unit entryway areas.
5. “Common spaces” are defined as areas within the building interior and exterior that are open to the public, including but not limited to entryways, community patios or balconies, roof terraces, lobbies, hallways, elevators, management offices, restrooms, community rooms, community kitchens, stairwells, sidewalks, parking lots, parking garages, carports, lands within the developments; lands owned by or under the control of the Housing Authority and any other similar area of the property that is accessible to employees, residents and guests or any other person.
6. The Housing Authority will inform current residents, new applicants on waiting lists, Housing Authority employees, contractors, and sub-contractors of this policy, all of whom are also responsible for compliance with this policy.
7. The Housing Authority will post “No Smoking” or “Smoke-Free Campus” or similar signs at entrances and exits of administrative, office and multi-family buildings; in common areas; inside residential units and other practical places to facilitate enforcement and compliance with this policy.
8. All residents will be given a copy of the smoking policy. After review, the resident will

be required to sign an acknowledgement of the policy. A copy of the acknowledgement will be placed in the resident file. Current residents will be required to sign an amendment to their lease incorporating the non-smoking policy. Leases for residents will include the non-smoking policy.

9. All employees will be given a copy of the smoking policy. After review, the employee will be required to sign an acknowledgement of the policy. A copy of the acknowledgement will be placed in the employee's personnel file.
10. Although SHA prohibits smoking as noted above, there is no warranty or guaranty of any kind that units, grounds, office areas or common areas will be totally smoke free. Enforcement of SHA's no smoking policy is a joint responsibility that requires the cooperation of residents, employees and others in reporting incidents or suspected violations of smoking.

Progressive Actions for Violations of the Smoke- Free Policies

SHA will use a series of progressive actions for the enforcement of the policies; The actions are as follows:

- 1st Offense – Written warning issued & referral to area Health Department Smoking Cessation Program
- 2nd Offense – Written warning issued & referral to area Health Department Smoking Cessation Program
- 3rd Offense – Final written warning issued; referral to area Health Department Smoking Cessation Program & \$50.00 fine charged
- 4th Offense – Lease termination

Should no further violation occur within that year after the first or second violation notice occur, the progressive violation clock will be reset on that resident. The Housing Authority will use termination as the last means of resort, in accordance with HUD requirements.

RESIDENT RESPONSIBILITY

1. It will be the resident's responsibility to inform his/her household members, and guests of this No Smoking Policy and for ensuring compliance with the policy.
2. The resident will prohibit smoking by his/her household members or guests while on the premises that would violate this Policy.
3. Failure to comply or upon repeated violations to this policy and the lease provisions will be cause for lease enforcement action up to and including termination of resident lease agreement.

EMPLOYEES RESPONSIBILITIES

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1. It is the responsibility of every employee to be aware of SHA's No Smoking Policy and assist SHA in the enforcement of the policy.
 2. Employees will prohibit smoking by anyone while on the premises that would violate this Policy.
 3. Failure to comply or upon repeated violations to this policy will be cause for disciplinary action up to and including termination of employment.

SMOKING CESSATION NATIONAL AND SUPPORT SERVICES

Smoking tobacco is an addictive behavior. The SHA in implementing the non-smoking policies will be persistent in our efforts to support smoking cessation programs for residents, adapting our efforts as needed to local conditions. SHA will work with local service providers to provide information on local smoking cessation resources and programs.

Resources and program may include: the National Network of Tobacco Cessation Quitlines, 1-800-QUIT-NOW (1-800-784-8669) which connects users directly to their State quitline; the National Cancer Institute's website www.smokefree.gov which provides tips on quitting tobacco use; the National Cancer Institute counselors who can be accessed by calling the toll-free number 1-877-44U-QUIT (1-877-448-7848). Hearing or speech-challenged individuals may access these numbers through TTY by calling the toll-free Federal Relay Service at 1-800-877- 8339; and the American Lung Association's Web page on State Tobacco Cessation Coverage www.lungusa2.org/cessation2 which provides information on cessation insurance programs.

No Smoking Lease Addendum

Lease Addendum:

All of these terms and provisions appearing in Housing Authority's Smoking Policy adopted _____ (the Policy) are specifically made a part of the Dwelling Lease in force at the applicable property (ies) named in the Policy and are hereby agreed to by both parties.

This provision applies to any and all persons entering a Housing Authority non-smoking property, under tenant's control including tenants and their guests and visitors, contractors, and employees.

1. Smoking is not be permitted in individual units. Smoking including ENDS will not be permitted in the, units, common spaces of a designated Housing Authority community or facility of any type after the effective date of the Policy, unless otherwise specified. "Smoke" or "smoking" means the possession or use (carrying or smoking) of any kind of lighted pipe, cigar, cigarette, pipe, waterpipe, chew/snuff or any other lighted smoking equipment or tobacco product or other substance-controlled (k2/spice, marijuana or uncontrolled.
2. This policy covers all SHA property, grounds and buildings, including, but not limited to park areas, parking lots, playground areas, vehicles, common areas, elevators, stairs, hallways, and resident unit units, both new and existing.
3. This policy applies to any and all persons entering the SHA properties including S HA residents, their guests and visitors, contractors, and SHA employees.
4. "Individual units" are defined as the interior and exterior spaces tied to a particular multi-family or single-family dwelling unit. This includes, but is not limited to, bedrooms, hallways, kitchens, bathrooms, patios, balconies, porches, and unit entryway areas.
5. "Common spaces" are defined as areas within the building interior and exterior that are open to the public, including but not limited to entryways, community patios or balconies, roof terraces, lobbies, hallways, elevators, management offices, restrooms, community rooms, community kitchens, stairwells, sidewalks, parking lots, parking garages, carports, playgrounds. lands within the developments; lands owned by or under the control of the Housing Authority and any other similar area of the property that is accessible to employees, residents and guests or any other person.
6. The Housing Authority will inform current residents, new applicants on waiting lists, Housing Authority employees, contractors, and sub-contractors of this policy,

all of whom are also responsible for compliance with this policy.

7. The Housing Authority will post “No Smoking” or “Smoke-Free Campus” or similar signs at entrances and exits of administrative, office and multi-family buildings; in common areas; inside residential units and other practical places to facilitate enforcement and compliance with this policy.
8. All residents will be given a copy of the smoking policy. After review, the resident will be required to sign an acknowledgement of the policy. A copy of the acknowledgement will be placed in the resident file. Current residents will be required to sign an amendment to their lease incorporating the non-smoking policy. Leases for new residents will include the non-smoking policy.
9. Although SHA prohibits smoking as noted above, there is no warranty or guaranty of any kind that units, grounds, office areas or common areas will be totally smoke free. Enforcement of SHA’s no smoking policy is a joint responsibility that requires the cooperation of residents, employees and others in reporting incidents or suspected violations of smoking.
10. Any resident may not smoke in any unit other than their own. Any resident must not allow anyone not on their lease to smoke in their unit at any time including guests and other residents.
11. Any deviation from the smoke-free policy by any tenant, a member of their household, or their guest will be considered a lease violation. A charge of \$250.00 may be charged to the tenant for each violation of the policy that occurs inside a building/unit/apartment to make necessary maintenance to the unit.

RESIDENT RESPONSIBILITY

1. It will be the resident’s responsibility to inform his/her household members, and guests of this No Smoking Policy and for ensuring compliance with the policy.
2. The resident will prohibit smoking by his/her household members or guests while on the premises that would violate this Policy.
3. Failure to comply or upon repeated violations to this addendum will be cause for lease enforcement action up to and including termination of resident lease agreement.
4. If a resident smells tobacco or other substances smoke or smoking in any building, they are to report this to the office as soon as possible. Management will seek the source of the smoke and take appropriate action.

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5. For the health and safety of the Housing Authority employees and their representatives, no resident will have any type of tobacco or related product burning at such time as any employee or representative of the Housing Authority enters and remains in their housing unit. If any resident refuses to put out the burning tobacco or related product prior to the employee or representative entering the unit, or if the resident lights a tobacco or related product while an employee or representative remains in the apartment, the employee or representative will vacate the apartment immediately and not return until such time as there is no longer any tobacco or related product burning. This may result in a delay of services to the unit/apartment.
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Note: This policy is an agreement between the head of household (spouse and all other parties to the Lease) and the _____ Housing Authority and needs to be signed as an addendum to the Lease.

I have read the No Smoking Policy as written above and understand its provisions. I agree to abide by these provisions fully, and understand that failure to comply with any part of the above after sufficient notice of the violation will be cause for termination of my Lease. I have received a copy of this policy.

RESIDENT

HOUSING AUTHORITY

Head of Household (Signature) Date

Manager (Signature) Date

Spouse or Other Adult Member Date

Management Office

Other Adult Member (2) Date

Street Address Zip Code

Unit Address: _____

Phone

Date