

The Housing Authority of the City of Daytona Beach



ADMISSIONS AND CONTINUED OCCUPANCY PLAN

FOR THE

AFFORDABLE HOUSING (PUBLIC HOUSING) PROGRAM

**HOUSING AUTHORITY OF THE CITY OF DAYTONA BEACH
HOUSING AUTHORITY (HACDB)**

ADMISSIONS AND CONTINUED OCCUPANCY POLICY

FOR THE

PUBLIC HOUSING PROGRAM

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Glossary of Acronyms Used in Public Housing

Glossary of Terms Used in Public Housing

INTRODUCTION

ABOUT THE MODEL ACOP

HOW TO USE THE MODEL ACOP

The model ACOP includes recommended language for each area in which the HACDB has discretion or flexibility to adopt its own policies. To make the editing process easier, the model ACOP contains only **one version** of each policy – generally HUD’s safe harbor policy or the policy that seems to be common to most PHAs. *This means that if the model policy language works for HACDB, no cutting and pasting is required.*

HUD regulations and other requirements are described in detail in the model ACOP with appropriate citations. They are also summarized in the policy guide as needed to assist in making decisions.

The Policy Guide and Instructions

The policy guide is a decision-making tool for PHA policy makers. You can use the guide as a checklist for evaluating your compliance with HUD requirements and for making decisions about local policies. PHA decision points are identified throughout this document with this symbol:



The policy guide provides recommended language and policy options and explains why the recommended language is used in the model ACOP.

- If you decide to adopt an alternative policy, you may edit or delete the NMA-provided language in the model ACOP, cut and paste another option from the policy guide, or develop and type in your own wording.

Before starting work on the revision, print out the Acrobat PDF files of the model ACOP pages and policy guide for each chapter. Read through the model policy and review the decision points in the policy guide to determine if you want to make any changes to the model ACOP. After you have edited the model ACOP, print out the revised chapter to update your hard copy and, and edit the table of contents (TOC) file if necessary to update the TOC for your ACOP.

Working with the Computer Files

On your hard drive or network drive, set up a *subdirectory* (such as ACOP rev) for the ACOP revision in your ACOP or other directory in which you keep your documents. Copy the files for the policy document and the guide chapters from the CD-ROM into that directory and use them as your working files. Store your CD-ROM in a safe place.

ABOUT THE MODEL ACOP AND THE PUBLIC HOUSING LEASE

HACDB policy must be consistent with the public housing lease and any policy documents provided to tenants, and the lease and policy documents must comply with federal and state law.

The model ACOP contains policies that reflect the terms of your public housing lease. Policies on a particular topic may be included in the public housing lease, or may be a separate document incorporated in the lease by reference, such as a pet policy or transfer policy.

Because of variations in state and local landlord-tenant law, and because HUD affords PHAs wide discretion in some areas, a broad range of policies could be acceptable. Only a few of these compliant policies can be listed in the model ACOP.

If you are assured that your current board-approved public housing lease or separate policy document is up-to-date and is compliant with HUD requirements and with federal, state, and local laws, then it is neither necessary nor advisable to revise the terms of your lease or policy document to match default policies in the model ACOP. Instead, you should edit the model ACOP to match the terms of your existing public housing lease.

REFERENCES CITED IN THE MODEL ACOP

Authority for HACDB policies is derived from many sources. Primary among these sources are regulations and guidance issued by HUD. State law also directs HACDB policy. State law must be followed where such law exists and does not conflict with federal regulations. In the absence of legal requirements or HUD guidance, industry practice may lead to HACDB policy. Finally, the public housing lease will affect HACDB policy and therefore must be consistent with federal and state laws and regulations.

HUD

HUD provides the primary source of HACDB policy through federal regulations, HUD Notices and handbooks. Compliance with federal regulations, current HUD Notices and HUD handbooks is mandatory.

HUD provides nonmandatory guidance to PHAs through HUD published guidebooks. Expired HUD Notices and handbooks also provide guidance for HACDB policy. Following HUD guidance is optional, as long as HACDB policies comply with federal law, federal regulations and mandatory policy. Because HUD has already determined that the guidance it provides is consistent with mandatory policies, HACDB reliance on HUD guidance provides the HACDB with a “safe harbor.”

Content contained on the HUD website can provide further clarification of HUD policies. For example, FAQs on the HUD website can provide direction on the application of federal regulations to a specific pattern.

State Law

Where there is no mandatory federal guidance, PHAs must comply with state law, if it exists. Where state law is more restrictive than federal law, but does not conflict with it, the HACDB should follow the state law.

Industry Practice

Where no law or HUD authority exists on a particular subject, industry practice may support HACDB policy. An industry practice is a way of doing things that is followed by most housing authorities.

RESOURCES CITED IN THE MODEL ACOP

The model ACOP cites several documents. Where a document or resource is cited frequently, it may be abbreviated. Where it is cited only once or twice, the model ACOP may contain the entire name of the document or resource. Following is a key to abbreviations used for various sources that are frequently cited in the ACOP, and a list of references and document locations that are referenced in the model ACOP or that may be helpful to you.

Abbreviations

Throughout the model ACOP, abbreviations are used to designate certain documents in citations. The following is a table of abbreviations of documents cited by the model ACOP.

Abbreviation	Document
CFR	Code of Federal Regulations
HCV GB	Housing Choice Voucher Program Guidebook (7420.10G), April 2001.
HUD-50058 IB	HUD-50058 Instruction Booklet
PH OCC GB	Public Housing Occupancy Guidebook, June 2003
RHIIP FAQs	Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions
VG	Verification Guidance, March 2004 (attachment to PIH Notice 2004-1 and updates)

Resources and Where to Find Them

Following is a list of resources helpful to the HACDB or referenced in the model ACOP, and the online location of each.

Document and Location
Code of Federal Regulations http://www.ecfr.gov
Earned Income Disregard FAQs http://www.hud.gov/offices/pih/phr/about/ao_faq_eid.cfm
Enterprise Income Verification (EIV) System PHA Security Procedures http://www.hud.gov/offices/pih/programs/ph/rhiip/docs/eivsecguidepha.pdf
Executive Order 11063 http://www.hud.gov/offices/fheo/FHLaws/EXO11063.cfm
Federal Register http://www.gpo.gov/fdsys/search/getftoc.action
General Income and Rent Determination FAQs http://www.hud.gov/offices/pih/programs/ph/rhiip/faq_gird.cfm
Housing Choice Voucher Program Guidebook (7420.10G), April 2001 and updates http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm
HUD-50058 Instruction Booklet http://portal.hud.gov/hudportal/documents/huddoc?id=50058i.pdf
Joint Statement of the Department of Housing and Urban Development and the Department of Justice, issued May 17, 2004 http://www.hud.gov/offices/fheo/library/huddojstatement.pdf
Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007 http://www.hud.gov/offices/fheo/promotingfh/FederalRegistepublishedguidance.pdf

<p>Notice PIH 2007-27 (HA), Disallowed Costs and Sanctions Resulting from On-Site Monitoring Reviews http://www.hud.gov/offices/pih/publications/notices/07/pih2007-27.pdf</p>
<p>Notice PIH 2012-10 and updates, Verification of Social Security Numbers (SSNs) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report http://portal.hud.gov/huddoc/pih2012-10.pdf</p>
<p>Notice PIH 2010-19 and updates, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System http://www.hud.gov/offices/pih/publications/notices/10/pih2010-19.pdf</p>
<p>Notice PIH 2010-26 (HA), Nondiscrimination and Accessibility Notice http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf</p>
<p>OMB Circular A-133 http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2010</p>
<p>Public Housing Occupancy Guidebook, June 2003 http://www.hud.gov/offices/pih/programs/ph/rhiip/phguidebook.cfm</p>
<p>Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions http://www.hud.gov/offices/pih/programs/ph/rhiip/faq.cfm</p>
<p>VAWA Reauthorization Act of 2013 http://www.gpo.gov/fdsys/pkg/FR-2013-08-06/pdf/2013-18920.pdf</p>
<p>Verification FAQs http://www.hud.gov/offices/pih/programs/ph/rhiip/faq_verif.cfm</p>
<p>Verification Guidance and updates , March 2004 (attachment to Notice PIH 2004-1) http://www.hud.gov/offices/pih/publications/notices/04/verifguidance.pdf</p>

The HUD Web site is <http://portal.hud.gov/hudportal/HUD>.

Guidebooks, handbooks, and other HUD resources may be found at the HUDClips Web site:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips.

Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The HACDB better known as a PHA receives its operating subsidy for the public housing program from the Department of Housing and Urban Development. The HACDB is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The HACDB enters into an Annual Contributions Contract with HUD to administer the public housing program. The HACDB must ensure compliance with federal laws, regulations and notices and must establish policies and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the HACDB and its programs with emphasis on the public housing program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the HACDB, its jurisdiction, its programs, and its mission and intent.

Part II: The Public Housing Program. This part contains information about public housing operation, roles and responsibilities, and partnerships.

Part III: The Admissions and Continued Occupancy (ACOP). This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE HACDB

1-I.A. OVERVIEW

This part describes the HACDB's creation and authorization, the general structure of the organization, and the relationship between the HACDB Board and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF THE HACDB

Public housing is funded by the federal government and administered by the Housing Authority of the City of Daytona Beach(HACDB) for the jurisdiction of: **City of Daytona Beach/ County of Volusia**

HACDB is governed by a board of officials that are generally called “commissioners.” Although some PHAs may use a different title for their officials, this document will hitherto refer to the “board of commissioners” or the “board” when discussing the board of governing officials.

Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation. The board of commissioners establishes policies under which the HACDB conducts business, and ensures that those policies are followed by HACDB staff. The board is responsible for preserving and expanding the agency’s resources and assuring the agency’s continued viability and success.

Formal actions of the HACDB are taken through written resolutions, adopted by the board and entered into the official records of the HACDB.

The principal staff member of the HACDB is the executive director (ED), who is selected and hired by the board. The ED oversees the day to day operations of the HACDB and is directly responsible for carrying out the policies established by the commissioners. The ED’s duties include hiring, training, and supervising the HACDB’s staff, as well as budgeting and financial planning for the agency. Additionally, the ED is charged with ensuring compliance with federal and state laws, and program mandates. In some PHAs, the ED is known by another title, such as chief executive officer or president.

1-I.C. HACDB MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides the basis for strategy development, identification of critical success factors, resource allocation decisions, as well as ensuring client and stakeholder satisfaction.

HACDB Policy

The Housing Authority of the City of Daytona Beach is dedicated to providing assistance for affordable, attractive, and safe housing to extremely low, very low, low, and moderate-income families and self-sufficient opportunities for its residents.

1-I.D. THE HACDB'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the HACDB is committed to providing excellent service to all public housing applicants, residents, and the public. In order to provide superior service, the HACDB resolves to:

- ☐ Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing in good repair – in compliance with program uniform physical condition standards – for very low- and low-income families.
- ☐ Achieve a healthy mix of incomes in its public housing developments by attracting and retaining higher income families and by working toward de-concentration of poverty goals.
- ☐ Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service's needs.
- ☐ Promote fair housing and the opportunity for very low- and low-income families of all races, ethnicities, national origins, religions, ethnic backgrounds, and with all types of disabilities, to participate in the public housing program and its services.
- Create positive public awareness and expand the level of family and community support in accomplishing the HACDB's mission.
- ☐ Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the HACDB's support systems and commitment to our employees and their development.

The HACDB will make every effort to keep residents informed of program rules and regulations, and to advise participants of how the program rules affect them.

PART II: THE PUBLIC HOUSING PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff an overview of the history and operation of public housing.

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives, known as public housing. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low-income residents. There have been many changes to the program since its inception in 1937.

The Housing Act of 1965 established the availability of federal assistance, administered through local public agencies, to provide rehabilitation grants for home repairs and rehabilitation. This act also created the federal Department of Housing and Urban Development (HUD).

The Housing Act of 1969 created an operating subsidy for the public housing program for the first time. Until that time, public housing was a self-sustaining program.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act or Housing Act of 1998 – was signed into law. Its purpose was to provide more private sector management guidelines to the public housing program and provide residents with greater choices. It also allowed HACDB more remedies to replace or revitalize severely distressed public housing developments. Highlights of the Reform Act include: the establishment of flat rents; the requirement for HACDB to develop five-year and annual plans; income targeting, a requirement that 40% of all new admissions in public housing during any given fiscal year be reserved for extremely low-income families; and resident self-sufficiency incentives.

1-II.B. PUBLIC HOUSING PROGRAM BASICS

HUD writes and publishes regulations in order to implement public housing laws enacted by Congress. HUD contracts with the HACDB to administer programs in accordance with HUD regulations and provides an operating subsidy to the HACDB. The HACDB must create written policies that are consistent with HUD regulations. Among these policies is the HACDB's Admissions and Continued Occupancy Policy (ACOP). The ACOP must be approved by the board of commissioners of the HACDB.

The job of the HACDB pursuant to HUD regulations is to provide decent, safe, and sanitary housing, in good repair, to low-income families at an affordable rent. The HACDB screens applicants for public housing and, if they are determined to be eligible for the program, the HACDB makes an offer of a housing unit. If the applicant accepts the offer, the HACDB and the applicant will enter into a written lease agreement. At this point, the applicant becomes a tenant in the public housing program.

In the context of the public housing program, a tenant is defined as the adult person(s) (other than a live-in aide who (1) executed the lease with the HACDB 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 household of the tenant family residing in the dwelling unit. [24 CFR 966.53]. The Public Housing Occupancy Guidebook refers to tenants as "residents." The terms "tenant" and "resident" are used interchangeably in this policy. Additionally, this policy uses the term "family" or "families" for residents or applicants, depending on context.

Since the HACDB owns the public housing development, the HACDB is the landlord. The HACDB must comply with all of the legal and management responsibilities of a landlord in addition to administering the program in accordance with HUD regulations and HACDB policy.

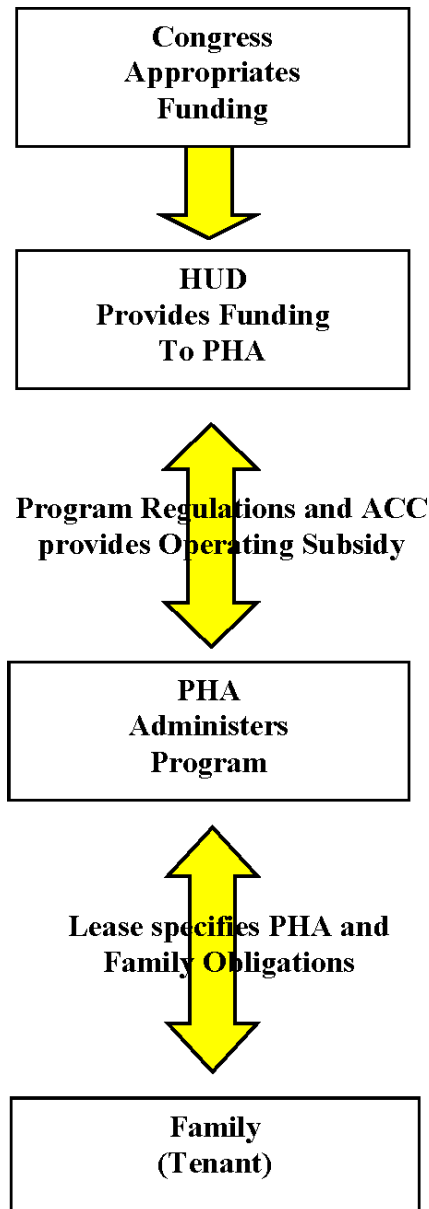
1-II.C. PUBLIC HOUSING PARTNERSHIPS

To administer the public housing program, the HACDB must enter into an Annual Contributions Contract (ACC) with HUD. The HACDB also enters into a contractual relationship with the tenant through the public housing lease. These contracts define and describe the roles and responsibilities of each party.

In addition to the ACC, the HACDB and family must also comply with federal regulations and other HUD publications and directives. For the program to work and be successful, all parties involved – HUD, the HACDB, and the tenant – play an important role.

The chart on the following page illustrates key aspects of these relationships.

The Public Housing Relationships



What does HUD do?

Federal law is the source of HUD responsibilities. HUD has the following major responsibilities:

- ☐ Develop regulations, requirements, handbooks, notices and other guidance to implement housing legislation passed by Congress
- ☐ Allocate operating subsidies to PHAs
- ☐ Allocate capital funding to PHAs
- ☐ Provide technical assistance to PHAs on interpreting and applying program requirements
- ☐ Monitor HACDB compliance with program requirements and HACDB performance in program administration.

What does the HACDB do?

The HACDB's responsibilities originate in federal regulations and the ACC. The HACDB owns and manages public housing developments, administers the program under contract with HUD and has the following major responsibilities:

- ☐ Ensure compliance with all non-discrimination, equal opportunity, and fair housing laws, and ensure that the program is accessible to persons with disabilities
- ☐ Establish local policies and procedures for operating the program
- ☐ Accept applications from interested applicant families and determine whether they are income eligible for the program
- ☐ Maintain waiting list and select families for admission
- ☐ Screen applicant families for suitability as renters
- ☐ Maintain housing units by making any necessary repairs in a timely manner
- ☐ Make unit offers to families (minimize vacancies without overcrowding)
- ☐ Maintain properties to the standard of decent, safe, sanitary, and in good repair (including assuring compliance with uniform physical conditions standards)
- ☐ Make sure the HACDB has adequate financial resources to maintain its housing stock
- ☐ Perform regular reexaminations of family income and composition in accordance with HUD requirements
- ☐ Collect rent due from the assisted family and comply with and enforce provisions of the lease
- ☐ Ensure that families comply with program rules
- ☐ Provide families with prompt and professional service
- Comply with HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the HACDB's ACOP, and other applicable federal, state and local laws.

What does the tenant do?

The tenant's responsibilities are articulated in the public housing lease. The tenant has the following broad responsibilities:

- ☐ Comply with the terms of the lease and HACDB house rules, as applicable
- ☐ Provide the HACDB with complete and accurate information, determined by the HACDB to be necessary for administration of the program
- ☐ Cooperate in attending all appointments scheduled by the HACDB
- ☐ Allow the HACDB to inspect the unit at reasonable times and after reasonable notice
- ☐ Take responsibility for care of the housing unit, including any violations of uniform physical condition standards caused by the family
- ☐ Not engage in drug-related or violent criminal activity
- ☐ Notify the HACDB before moving or termination of the lease
- ☐ Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit or assign the lease
- ☐ Promptly notify the HACDB of any changes in family composition
- ☐ Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs
- ☐ Take care of the housing unit and report maintenance problems to the HACDB promptly

If all parties fulfill their obligations in a professional and timely manner, the program responsibilities will be fulfilled in an effective manner.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- ☐ 24 CFR Part 5: General Program Requirements
- ☐ 24 CFR Part 8: Nondiscrimination
- ☐ 24 CFR Part 35: Lead-Based Paint
- ☐ 24 CFR Part 902: Public Housing Assessment System
- ☐ 24 CFR Part 903: Public Housing Agency Plans
- ☐ 24 CFR Part 945: Designated Housing
- ☐ 24 CFR Part 960: Admission and Occupancy Policies
- 24 CFR Part 965: HACDB-Owned or Leased Projects – General Provisions
- ☐ 24 CFR Part 966: Lease and Grievance Procedures

PART III: THE ADMISSIONS AND CONTINUED OCCUPANCY POLICIES

1-III.A. OVERVIEW AND PURPOSE OF THE POLICY

The ACOP is the HACDB's written statement of policies used to carry out the housing program in accordance with federal law and regulations, and HUD requirements. The ACOP is required by HUD and it must be available for public review [CFR 24 Part 903]. The ACOP also contains policies that support the objectives contained in the HACDB's Agency Plan.

All issues related to public housing not addressed in this ACOP are governed by federal regulations, HUD handbooks and guidebooks, notices and applicable state and local laws. The policies in this ACOP have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding. The HACDB is responsible for complying with all changes in HUD regulations pertaining to public housing. If such changes conflict with this plan, HUD regulations will have precedence.

1-III.B. CONTENTS OF THE POLICY

Unlike the housing choice voucher program, HUD regulations for public housing do not contain a list of what must be included in the ACOP. However, individual regulations contain requirements of inclusion in the HACDB's written policy. At a minimum, the ACOP plan should cover HACDB policies on these subjects:

- ☐ The organization of the waiting list and how families are selected and offered available units, including any HACDB admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the HACDB waiting list (Chapters 4 and 5)
- ☐ Transfer policies and the circumstances under which a transfer would take precedence over an admission (Chapter 12)
- ☐ Standards for determining eligibility, suitability for tenancy, and the size and type of the unit needed (Chapters 3 and 5)
- ☐ Procedures for verifying the information the family has provided (Chapter 7)
- ☐ The method for achieving de-concentration of poverty and income-mixing of public housing developments (Chapter 4)
- ☐ Grievance procedures (Chapter 14)
- ☐ Policies concerning payment by a family to the HACDB of amounts the family owes the HACDB (Chapter 15 and 16)
- ☐ Interim redeterminations of family income and composition (Chapter 9)
- ☐ Policies regarding community service requirements; (Chapter 11)
- ☐ Policies and rules about safety and ownership of pets in public housing (Chapter 10).

New Approach to Policy Development

HUD has developed an approach to monitoring HACDB that emphasizes the importance of consistency in operation and decision-making. The ACOP supports that goal by clearly setting forth the HACDB's operating policies.

A primary focus of HUD's Rental Integrity Monitoring (RIM) program has been consistency in how HACDB conduct their business and in how HUD monitors HACDB activities. Referring to and following the ACOP is essential to maintaining consistency in applying HACDB policy.

HUD makes a distinction between mandatory policies and non-mandatory policies:

- ☐ Mandatory policies: those driven by legislation, regulations, current handbooks, current PIH notices, and legal opinions from the Office of General Counsel
- ☐ Optional, non-binding guidance: includes guidebooks, FAQs, PIH notices that have expired, and recommendations from individual HUD staff.

HUD expects HACDB to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the HACDB has adopted. The ACOP is comprised of mandatory policies and optional HACDB policy. HUD's new direction emphasizes the need for a clearly written and comprehensive ACOP to guide staff in the clear and consistent application of policy.

HUD suggestions, recommendations, written issuances, and guidance are consistent with mandatory federal policy. Therefore, using HUD guidance in the preparation of HACDB policy, even though it is not mandatory, provides HACDB with a "safe harbor." If HACDB adopts its own optional policy, it must make its own determination that such policy is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than that suggested by HUD, but PHAs should carefully think through those decisions and be able to articulate how their policy is consistent with federal laws, regulations and mandatory policy.

1-III.C. UPDATING AND REVISING THE POLICY

The HACDB will revise this ACOP as needed to comply with changes in HUD regulations. The original policy and any changes must be approved by the board of commissioners of the HACDB, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

HACDB Policy

The HACDB will review and update the ACOP as needed to reflect changes in regulations, HACDB operations, or when needed to ensure staff consistency in operation.

Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring HACDB to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and procedures. The responsibility to further nondiscrimination pertains to all areas of the HACDB's public housing operations.

This chapter describes HUD regulations and HACDB policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the HACDB regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the public housing program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the HACDB to ensure meaningful access to the public housing program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register*.

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require HACDB to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The HACDB will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- ☐ Title VI of the Civil Rights Act of 1964
- ☐ Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- ☐ Executive Order 11063
- ☐ Executive Order 13166 on improving access to services for persons with Limited English Proficiency
- ☐ Fair Housing Act (42 U.S.C. §§3601-3631) and 24 CFR Parts 100, 108, and 110
- ☐ Section 504 of the Rehabilitation Act of 1973
- ☐ The Age Discrimination Act of 1975
- ☐ Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- ☐ The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20
- ☐ The Violence against Women Act of 2013 (VAWA)
- ☐ Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

When more than one civil rights law applies to a situation, the laws will be read and applied together.

HACDB Policy

No state or local nondiscrimination laws or ordinances apply.

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as HACDB policies, can prohibit discrimination against additional classes of people.

The HACDB shall not discriminate because of race, color, sex, religion, familial status, age, disability, sexual orientation, or national origin (called “protected classes”).

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The HACDB will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

HACDB Policy

The HACDB does not identify any additional protected classes.

The HACDB will not use any of these factors to:

- ☐ Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the public housing program
- ☐ Provide housing that is different from that provided to others
- ☐ Subject anyone to segregation or disparate treatment
- ☐ Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- ☐ Treat a person differently in determining eligibility or other requirements for admission
- ☐ Steer an applicant or tenant toward or away from a particular area based on any of these factors
- ☐ Deny anyone access to the same level of services
- ☐ Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- ☐ Discriminate in the provision of residential real estate transactions
- ☐ Discriminate against someone because they are related to or associated with a member of a protected class
- ☐ Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Providing Information to Families

The HACDB must take steps to ensure that families are fully aware of all applicable civil rights laws. As part of the public housing orientation process, the HACDB will provide information to public housing applicant families about civil rights requirements.

Discrimination Complaints

If an applicant or tenant family believes that any family member has been discriminated against by the HACDB, the family should advise the HACDB. HUD requires the HACDB to make every reasonable attempt to determine whether the applicant or tenant family's assertions have merit and take any warranted corrective action.

In all cases, the HACDB may advise the family to file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

Upon receipt of a housing discrimination complaint, the HACDB is required to:

- ☐ Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- ☐ Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- ☐ Keep records of all complaints, investigations, notices, and corrective actions
[Notice PIH 2014-20]

HACDB Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the HACDB either orally or in writing.

Within 7 business days of receiving the complaint, the HACDB will provide a written notice to those alleged to have violated the rule. The HACDB will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The HACDB will attempt to remedy discrimination complaints made against the HACDB and will conduct an investigation into all allegations of discrimination.

Within 7 business days following the conclusion of the HACDB's investigation, the HACDB will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The HACDB will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

Affirmative Marketing

As conditions may require, HACDB will post notices of housing availability in particular neighborhoods or developments to encourage fuller participation. HACDB may issue public announcements of availability to

encourage applications for assistance. Among the marketing efforts HACDB 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.

HACDB 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, HACDB shall:

Include in the admissions briefings for all HACDB 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 HACDB and in HACDB'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 HACDB. HACDB shall be particularly conscious of human models used in its publications so as to avoid signaling any sense of discrimination.

HACDB shall use the local relay service from the local telephone relay service provider:
The number is listed in the local directory.

- **Voice to TTY/VCO/HCO/STS**
7-1-1 or 1-800-285-1121
- **Voice to CapTel**
1-877-243-2823

- **Spanish**
7-1-1 or 1-866-656-1842

For Deaf Callers:

- **TTY to Voice**
7-1-1 or 1-800-285-1131
- **Spanish to Voice**
7-1-1 or 1-866-656-1842

For Deaf-Blind Callers:

TeleBraille to Voice
7-1-1 or 1-800-285-1131

For Hard-of-Hearing Callers:

- **Voice Carry-Over**
7-1-1 or 1-866-656-8260

For Speech-disabled Callers:

- **Speech-to-Speech**
7-1-1 or 1-866-656-2966
- **Hearing Carry-Over**
7-1-1 or 1-800-285-1131

Sprint's TTY Operator Service:

- 1-800-855-4000

As many publications as feasible shall be printed both in English and in Spanish or any other languages as may be commonly spoken within Daytona Beach. HACDB will try to employ staff with bi-lingual language capabilities in English and Spanish or any other language as may be commonly spoken within Daytona Beach or maintain a relationship with agencies that can perform the service.

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The HACDB must ensure that persons with disabilities have full access to the HACDB's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the public housing program [24 CFR 8].

The HACDB must provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet lease requirements or other requirements of tenancy [24 CFR 966.7(b)].

HACDB Policy

The HACDB will ask all applicants and resident families if they require any type of accommodations, in writing, on the pre-application, intake application, reexamination documents, and notices of adverse action by the HACDB, by including the following language:

“If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority.”

A specific position and phone number will be provided as the contact person for requests for accommodation for persons with disabilities.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A “reasonable accommodation” is a change, exception, or adjustment to a 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. Since policies and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the HACDB, or result in a “fundamental alteration” in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider’s operations.

Types of Reasonable Accommodations

When it is reasonable (see definition above and Section 2-II.E), the HACDB shall accommodate the needs of a person with disabilities. Examples include but are not limited to:

- ☐ Permitting applications and reexaminations to be completed by mail
- Providing “large-print” forms
- ☐ Conducting home visits
- ☐ Permitting a higher utility allowance for the unit if a person with disabilities requires the use of specialized equipment related to the disability
- ☐ Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability
- ☐ Installing a ramp into a dwelling or building
- ☐ Installing grab bars in a bathroom
- ☐ Installing visual fire alarms for hearing impaired persons
- ☐ Allowing a HACDB-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit.
- ☐ Providing a designated handicapped-accessible parking space
- ☐ Allowing an assistance animal
- ☐ Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with HACDB staff
- ☐ Displaying posters and other housing information in locations throughout the HACDB's office in such a manner as to be easily readable from a wheelchair

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the HACDB treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the HACDB's programs and services.

If the need for the accommodation is not readily apparent or known to the HACDB, the family must explain the relationship between the requested accommodation and the disability.

HACDB Policy

The HACDB will encourage the family to make its request in writing using a reasonable accommodation request form. However, the HACDB will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the HACDB must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the HACDB's programs and services.

If a person's disability is obvious or otherwise known to the HACDB, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the HACDB, the HACDB must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the HACDB will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16 (Program Administration). In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. 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 individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].
- ☐ The HACDB must request only information that is necessary to evaluate the disability-related need for the accommodation. The HACDB may not inquire about the nature or extent of any disability.
- ☐ Medical records will not be accepted or retained in the participant file.
- In the event that the HACDB does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the HACDB will dispose of it. In place of the information, the HACDB will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26]

The HACDB must approve a request for an accommodation if the following three conditions are met.

- ☐ The request was made by or on behalf of a person with a disability.
- ☐ There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the HACDB, or fundamentally alter the nature of the HACDB's operations.

Requests for accommodations must be assessed on a case-by-case basis. The determination of undue financial and administrative burden must be made on a case-by-case basis involving various factors, such as the overall size of the HACDB's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the HACDB may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the HACDB may verify the need for the requested accommodation.

HACDB Policy

After a request for an accommodation is presented, the HACDB will respond, in writing, within 7 business days.

If the HACDB denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the HACDB's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

If the HACDB denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the HACDB's operations), the HACDB will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden.

If the HACDB believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the HACDB will notify the family, in writing, of its determination within 7 business days from the date of the most recent discussion or communication with the family. The notice will inform the family of the right to appeal the HACDB's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the HACDB to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the HACDB's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the HACDB shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

HACDB Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with HACDB staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

2-II.G. PHYSICAL ACCESSIBILITY

The HACDB must comply with a variety of regulations pertaining to physical accessibility, including the following.

- ☐ Notice PIH 2010-26
- ☐ Section 504 of the Rehabilitation Act of 1973
- ☐ The Americans with Disabilities Act of 1990
- ☐ The Architectural Barriers Act of 1968
- ☐ The Fair Housing Act of 1988

The HACDB's policies concerning physical accessibility must be readily available to applicants and resident families. They can be found in three key documents.

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the HACDB's responsibilities with regard to physical accessibility.
- ☐ Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- ☐ The HACDB Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of HACDB facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Notice PIH 2010-26 contains specific information on calculating the percentages of units for meeting UFAS requirements.

Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the public housing program.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A HACDB's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 966.7].

When applicants with disabilities are denied assistance, the notice of denial must inform them of their right to request an informal hearing [24 CFR 960.208(a)].

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with the HACDB's grievance process [24 CFR 966.4(l)(3)(ii)].

When reviewing reasonable accommodation requests, the HACDB must consider whether reasonable accommodation will allow the family to overcome the problem that led to the HACDB's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the HACDB must make the accommodation [24 CFR 966.7].

In addition, the HACDB must provide reasonable accommodation for persons with disabilities to participate in the hearing process [24 CFR 966.56(h)].

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. 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 Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

The HACDB 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 HACDB 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 HACDB and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the HACDB.

2-III.B. ORAL INTERPRETATION

The HACDB will offer competent interpretation services free of charge, upon request, to the LEP person.

HACDB Policy

The HACDB will utilize a language line for telephone interpreter services.

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 HACDB. The interpreter may be a family member or friend.

The HACDB 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 and possible, according to its language assistance plan (LAP), the HACDB will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

2-III.C. WRITTEN TRANSLATION

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

HACDB Policy

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

The HACDB 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 HACDB 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.

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, the HACDB 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 HACDB 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 HACDB's public housing program and services.

HACDB Policy

If it is determined that the HACDB serves very few LEP persons, and the HACDB has very limited resources, the HACDB will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If the HACDB determines it is appropriate to develop a written LEP plan, 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 LEP plan.

PART IV: OTHER FACTORS FOR FAIR HOUSING

2-IV OTHER FACTORS FOR FAIR HOUSING PROVISIONS

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 HACDB, 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 HACDB's programs and services, the HACDB 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, HACDB will offer 1 viable alternative to the tenant.

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, HACDB 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 disabilities residing in another development under HACDB'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 HACDB 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 HACDB may require the applicant to execute a lease that requires the resident to relocate, at the HACDB's expense, to a non-accessible unit within thirty (30) days of notice by the HACDB 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 HACDB 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 HACDB 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.

EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- ☐ Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- ☐ Has a record of such impairment, or
- ☐ Is regarded as having such impairment

The phrase “physical or mental impairment” includes:

- ☐ Any physiological disorder or condition, cosmetic or 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
- 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.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such 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.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the HACDB) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or 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 that impairment.

The definition of a person with disabilities does not include:

- ☐ Current illegal drug users
- ☐ People whose alcohol use interferes with the rights of others
- ☐ Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the public housing program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the public housing program, yet an accommodation is needed to provide equal opportunity.

Chapter 3

ELIGIBILITY

INTRODUCTION

The HACDB is responsible for ensuring that every individual and family admitted to the public housing program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the HACDB to confirm eligibility and determine the level of the family's assistance.

To be eligible for the public housing program:

- ☐ The applicant family must:
 - Qualify as a family as defined by HUD and the HACDB.
 - Have income at or below HUD-specified income limits.
 - Qualify on the basis of citizenship or the eligible immigrant status of family members.
 - Provide social security number information for household members as required.
 - Meets or exceeds the standards for the criminal background check;
 - Meets the criteria that the head of household is of legal age to execute the required contracts;
 - Meets or exceed the tenant selection and suitability criteria as set forth in this policy;
 - Consent to the HACDB's collection and use of family information as provided for in HACDB- provided consent forms.
- ☐ The HACDB must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the HACDB.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and HACDB definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Admission. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the HACDB to deny admission.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the public housing unit. This part provides information that is needed to correctly identify family and household members, and explains HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.105(a)(2), 24 CFR 5.403, FR Notice 02/03/12, and Notice PIH 2014-20]

The terms *family* and *household* have different meanings in the public housing program.

Family

To be eligible for admission, an applicant must qualify as a family. *Family* as defined by HUD, includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to 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), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The HACDB has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.

HACDB Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law, but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of pre-application, and must update this information if the family's composition changes.

Household

Household is a broader term that includes additional people who, with the HACDB's permission, live in a public housing unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY

Family Breakup

Except under the following conditions, the HACDB has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the HACDB must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assaults, and stalking, see section 16-VII.D of this plan.)
- If a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the HACDB is bound by the court's determination of which family members continue to receive assistance.

HACDB Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original pre-application date. Other former family members may submit a new pre-application with a new pre-application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while living in public housing, only one of the new families will retain occupancy of the unit.

If a court determines the disposition of property between members of an pre-applicant, applicant or resident family as part of a divorce or separation decree, the HACDB will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the HACDB will determine which family will retain their placement on the waiting list or continue in occupancy. In making its determination, the HACDB will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and provides documentation in accordance with section 16-VII.D of this ACOP; (4) any possible risks to family members as a result of criminal activity, and (5) the recommendations of social service professionals.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of a resident family who remains in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on “Caretakers for a Child.”

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head or spouse.

HACDB Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or co-head, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

HACDB Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *co-head* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head.

HACDB Policy

Minors who are emancipated under state law may be designated as a co-head.

Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults [HUD-50058 IB, p. 14].

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

HACDB Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the HACDB will make the determination based on available documents such as court orders, an IRS income tax return showing which family has claimed the child for income tax purposes, school records, or other credible documentation.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to determine if attendance is full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or co-head, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100, 5.403, 945.105, and FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because these families qualify for the elderly family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Near Elderly Family

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.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the public housing program, special rules apply to persons with disabilities and to any family whose head, spouse, or co-head is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the HACDB must make all aspects of the public housing program accessible to persons with disabilities and consider requests for reasonable accommodations when a person's disability limits their full access to the unit, the program, or the HACDB's services.

Disabled Family

A *disabled family* is one in which the head, spouse, or co-head is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the HACDB from denying admission or taking action under the lease for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter and in Chapter 13.

3-I.J. GUESTS [24 CFR 5.100]

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 HACDB premises [24 CFR 966.4(f)].

HACDB Policy

A resident family must notify the HACDB when overnight guests will be staying in the unit for more than 7 days. A guest can remain in the unit no longer than 14 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 30 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 court ordered 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 51 percent of the time, are not subject to the time limitations of guests as described above.

Former residents who have been evicted or person that have been trespassed are not permitted as overnight guests.

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

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609(c)(2)].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or resident family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].

HACDB Policy

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be temporarily or permanently absent from the unit for a variety of reasons including educational activities, placement in foster care, employment, and illness.

Definitions of Temporarily and Permanently Absent

HACDB Policy

Generally an individual who is or is expected to be absent from the public housing unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the public housing unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

HACDB 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 HACDB indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

HACDB Policy

If a child has been placed in foster care, the HACDB 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.

Absent Head, Spouse, or Co-head

HACDB Policy

An employed head, spouse, or co-head absent from the unit more than 90 consecutive days due to employment will continue to be considered a family member.

Individuals Confined for Medical Reasons

HACDB Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the HACDB will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. 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.

Return of Permanently Absent Family Members

HACDB Policy

The family must request HACDB approval for the return of any adult family members that the HACDB has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this chapter.

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the person(s), (2) is not obligated for the support of the person(s), and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The HACDB must approve a live-in aide if needed as a reasonable accommodation for a person with disabilities in accordance with 24 CFR 8.

A live-in aide is considered a household member but not a family member. The income of the live-in aide is not counted in determining the annual income of the family [24 CFR 5.609(c)(5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

HACDB Policy

A family's request for a live-in aide may be made either orally or in writing. The HACDB will verify the need for a live-in aide with a reliable, knowledgeable professional as provided by the family, such as a doctor, social worker, or case worker. For continued approval, the family must submit a new, written request—subject to HACDB verification—at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services. (3) the family members of the Live-in aide are not allowed to reside in the unit.

In the event the person needing care moves from the unit, or it is determined that the live-in aide is no longer medically required, the live in aide will be required to vacate the unit within 3 days.

The HACDB has the discretion not to approve a particular person as a live-in aide, and may withdraw such approval, if [24 CFR 966.4(d)(3)(i)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person has a history of drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the HACDB or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request, the HACDB will notify the family of its decision in writing.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to establish income limits that determine the income eligibility of applicants for HUD's assisted housing programs, including the public housing program. The income limits are published annually and are based on HUD estimates of the median incomes for families of different sizes in a particular area or county.

Types of Low-Income Families [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 960.201]

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income eligible, the annual income of an applicant must be within the *low-income* limit.

Using Income Limits for Targeting [24 CFR 960.202(b)]

At least 40 percent of the families admitted from the HACDB waiting list to the public housing program during HACDB's fiscal year must be *extremely low-income* families. This is called the "basic targeting requirement."

If admissions of extremely low-income families to the HACDB's housing choice voucher program during a HACDB fiscal year exceed the 75 percent minimum targeting requirement for that program, such excess shall be credited against the HACDB's public housing basic targeting requirement for the same fiscal year.

The fiscal year credit for housing choice voucher program admissions that exceed the minimum voucher program targeting requirement must not exceed the lower of:

- ☐ Ten percent of public housing waiting list admissions during the HACDB fiscal year
- Ten percent of waiting list admission to the HACDB's housing choice voucher program during the HACDB fiscal year
- ☐ The number of qualifying low-income families who commence occupancy during the fiscal year of public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

For discussion of how income targeting is used in tenant selection, see Chapter 4.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the HACDB's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the HACDB to request additional documentation of their status, such as a passport.

HACDB Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the HACDB receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with HACDB efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Eligible immigrants are persons who are in one of the seven 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

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or co-head (regardless of citizenship status), indicating their ineligible immigration status. The HACDB is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 14 for a discussion of grievance hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the HACDB that the individual or at least one family member is eligible [24 CFR 5.512(a)].

HACDB Policy

The HACDB will not provide assistance to a family before the verification of at least one family member as a citizen, national, or eligible noncitizen.

When HACDB determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request a grievance hearing with the HACDB. The grievance hearing with the HACDB may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the grievance hearing process.

Grievance hearing procedures are contained in Chapter 14.

Time Frame for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the resident family the HACDB must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the HACDB must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

HACDB Policy

The HACDB will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10]

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 HACDB 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 HACDB 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 HACDB 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 HACDB 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 HACDB within 90 calendar days from the date of admission into the program. The HACDB must grant an extension of one additional 90-day period if the HACDB 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.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

HUD requires each adult family member, and the head of household, spouse, or co-head, regardless of age, to sign form HUD-9886, Authorization for the Release of Information Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The HACDB must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the HACDB to obtain information that the HACDB has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b)].

PART III: DENIAL OF ADMISSION

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II must be denied admission.

In addition, HUD requires or permits the HACDB to deny admission based on certain types of current or past behaviors of family members as discussed in this part. The HACDB's authority in this area is limited by the Violence against Women Act of 2013 (VAWA), which expressly prohibits the denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been the victim of domestic violence, dating violence, sexual assault, or stalking [24 CFR 5.2005(b)].

This part covers the following topics:

- ☐ Required denial of admission
- ☐ Other permitted reasons for denial of admission
- ☐ Screening
- ☐ Criteria for deciding to deny admission
- ☐ Prohibition against denial of admission to victims of domestic violence, dating violence, sexual assault, or stalking
- ☐ Notice of eligibility or denial

3-III.B. REQUIRED DENIAL OF ADMISSION [24 CFR 960.204]

HACDB is required to establish standards that prohibit admission of an applicant to the public housing program if they have engaged in certain criminal activity or if the HACDB has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Where the statute requires that the HACDB prohibit admission for a prescribed period of time after some disqualifying behavior or event, the HACDB may choose to continue that prohibition for a longer period of time [24 CFR 960.203(c)(3)(ii)].

HUD requires the HACDB to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 5 years for drug-related criminal activity. HUD permits but does not require the HACDB to admit an otherwise-eligible family if the household member has completed a HACDB-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

HACDB Policy

The HACDB will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 5 years for drug-related criminal activity, if the HACDB is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the HACDB, or the person who committed the crime is no longer living in the household.

- The HACDB determines that any household member is currently engaged in the use of illegal drugs. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b)(1)].

HACDB Policy

Currently engaged in is defined as any use of illegal drugs during the previous six months.

- The HACDB has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

HACDB Policy

In determining reasonable cause, the HACDB will consider evidence preponderance of evidence which may include, but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. The HACDB will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION

HUD permits, but does not require the HACDB to deny admission for the reasons discussed in this section.

Criminal Activity [24 CFR 960.203(c)]

The HACDB is responsible for screening family behavior and suitability for tenancy. In doing so, the HACDB may consider an applicant's history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety, or welfare of other tenants.

HACDB Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied admission.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as 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 [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or welfare of other tenants [24 CFR 960.203(c)(3)].

Criminal activity that may threaten the health or safety of HACDB staff, contractors, subcontractors, or agents.

Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.

Evidence of such criminal activity includes a preponderance of evidence which may include but is not limited to any record of convictions, arrests, or evictions for suspected drug-related or violent criminal activity of household members within the past 5 years. A conviction for such activity will be given more weight than an arrest or an eviction.

In making its decision to deny assistance, the HACDB will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the HACDB may, on a case- by-case basis, decide not to deny assistance.

Previous Behavior [960.203(c) and (d) and PH Occ GB, p. 48]

HUD authorizes the HACDB to deny admission based on relevant information pertaining to the family's previous behavior and suitability for tenancy.

In the event of the receipt of unfavorable information with respect to an applicant, the HACDB must consider the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Section 3-III.F, the HACDB may also need to consider whether the cause of the unfavorable information may be that the applicant is the victim of domestic violence, dating violence, sexual assault, or stalking.

HACDB Policy

The HACDB will deny admission to an applicant family if the HACDB determines that the family:

- Has a pattern of unsuitable past performance in meeting financial obligations, including rent within the past three years

- Has a pattern of disturbance of neighbors, destruction of property, or bad housekeeping habits at prior residences within the past five years which may adversely affect the health, safety, or welfare of other tenants

- Has a pattern of eviction from housing or termination from residential programs within the past five years (considering relevant circumstances)

- Owes rent or other amounts to this or any other HACDB or owner in connection with any assisted housing program

- Misrepresented or does not provide complete information related to eligibility, including but not limited to; income, award of preferences for admission, expenses, family composition or rent

- Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program

- Has engaged in or threatened violent or abusive behavior toward HACDB personnel

Abusive or violent behavior towards HACDB 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 deny admission, the HACDB will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the HACDB may, on a case- by-case basis, decide not to deny admission.

The HACDB will consider the existence of mitigating factors, such as loss of employment or other financial difficulties, before denying admission to an applicant based on the failure to meet prior financial obligations.

One Strike Policy

Purpose

It is the policy of the HACDB 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 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.
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.

3-III.D. SCREENING

Screening for Eligibility

HACDB is authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the public housing program. This authority assists the HACDB in complying with HUD requirements and HACDB policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the HACDB must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

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

HACDB Policy

The HACDB will perform criminal background checks through National Background Service and/or Local Law Enforcement for all adult household members.

HACDB 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)].

HACDB Policy

The HACDB will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, HACDB must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the HACDB proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the HACDB 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)].

Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]

HUD authorizes HACDB to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the HACDB may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or co-head regardless of age, one or more consent forms signed by such household members that requests any drug abuse treatment facility to inform the HACDB whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.

Drug Abuse Treatment Facility means an entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use, and is either an identified unit within a general care facility, or an entity other than a general medical care facility.

Currently engaging in illegal use of a drug means illegal use of a drug that occurred recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member.

Any consent form used for the purpose of obtaining information from a drug abuse treatment facility to determine whether a household member is currently engaging in illegal drug use must expire automatically after the HACDB has made a final decision to either approve or deny the admission of such person.

Any charges incurred by the HACDB for information provided from a drug abuse treatment facility may not be passed on to the applicant or tenant.

If the HACDB chooses to obtain such information from drug abuse treatment facilities, it must adopt and implement one of the two following policies:

Policy A: The HACDB must submit a request for information to a drug abuse treatment facility for all families before they are admitted. The request must be submitted for each proposed household member who is at least 18 years of age, and for each family head, spouse, or cohead regardless of age.

Policy B: The HACDB must submit a request for information only for certain household members, whose criminal record indicates prior arrests or conviction for any criminal activity that may be a basis for denial of admission or whose prior tenancy records indicate that the proposed household member engaged in destruction of property or violent activity against another person, or they interfered with the right of peaceful enjoyment of the premises of other residents.

If the HACDB chooses to obtain such information, it must abide by the HUD requirements for records management and confidentiality as described in 24 CFR 960.205(f).

HACDB Policy

The HACDB will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when the HACDB has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program.

Screening for Suitability as a Tenant [24 CFR 960.203(c)]

The HACDB is responsible for the screening and selection of families to occupy public housing units. The HACDB may consider all relevant information. Screening is important to public housing communities and program integrity, and to ensure that assisted housing is provided to those families that will adhere to lease obligations.

HACDB Policy

The HACDB will consider the family's history with respect to the following factors:

- Payment of rent and utilities

- Caring for a unit and premises

- Respecting the rights of other residents to the peaceful enjoyment of their housing

- Criminal activity that is a threat to the health, safety, or property of others

- Behavior of all household members as related to the grounds for denial as detailed in Sections 3-III. B and C

- Compliance with any other essential conditions of tenancy

Resources Used to Check Applicant Suitability [PH Occ GB, pp. 47-56]

HACDB has a variety of resources available to them for determination of the suitability of applicants. Generally, HACDB should reject applicants who have recent behavior that would warrant lease termination for a public housing resident.

HACDB Policy

In order to determine the suitability of applicants the HACDB will examine applicant history for the past three years. Such background checks will include:

Past Performance in Meeting Financial Obligations, Especially Rent

HACDB and landlord references for the past three years, gathering information about past performance meeting rental obligations such as rent payment record, late payment record, whether the HACDB/landlord ever began or completed lease termination for non-payment, and whether utilities were ever disconnected in the unit. PHAs and landlords will be asked if they would rent to the applicant family again.

Utility company references covering the monthly amount of utilities, late payment, disconnection, return of a utility deposit and whether the applicant can get utilities turned on in his/her name. (Use of this inquiry will be reserved for applicants applying for units where there are tenant-paid utilities.)

If an applicant has no rental payment history the HACDB will check court records of eviction actions and other financial judgments, and credit reports. A lack of credit history will not disqualify someone from becoming a public housing resident, but a poor credit rating may.

Applicants with no rental payment history will also be asked to provide the HACDB with personal references. The references will be requested to complete a verification of the applicant's ability to pay rent if no other documentation of ability to meet financial obligations is available. The applicant will also be required to complete a checklist documenting their ability to meet financial obligations.

If previous landlords or the utility company do not respond to requests from the HACDB, the applicant may provide other documentation that demonstrates their ability to meet financial obligations (e.g. rent receipts, cancelled checks, etc.)

Disturbances of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect Health, Safety, or Welfare of Other Tenants, or Cause Damage to the Unit or the Development

HACDB and landlord references for the past three years, gathering information on whether the applicant kept a unit clean, safe and sanitary; whether they violated health or safety codes; whether any damage was done by the applicant to a current or previous unit or the development, and, if so, how much the repair of the damage cost; whether the applicant's housekeeping caused insect or rodent infestation; and whether the neighbors complained about the applicant or whether the police were ever called because of disturbances.

Police and court records within the past five years will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest or conviction.

A personal reference will be requested to complete a verification of the applicant's ability to care for the unit and avoid disturbing neighbors if no other documentation is available. In these cases, the applicant will also be required to complete a checklist documenting their ability to care for the unit and to avoid disturbing neighbors.

Home visits may be used to determine the applicant's ability to care for the unit.

3-III.E. CRITERIA FOR DECIDING TO DENY ADMISSION

Evidence

HACDB Policy

The HACDB will use the preponderance of the evidence as the standard for making all admission 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 960.203(c)(3) and (d)]

HUD authorizes the HACDB to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 3-III.B).

In the event the HACDB receives unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). In a manner consistent with its policies, HACDBs may give consideration to factors which might indicate a reasonable probability of favorable future conduct.

HACDB Policy

The HACDB will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of admission may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.F) a victim of domestic violence, dating violence, sexual assault, or stalking

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The HACDB will require the applicant 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.

Removal of a Family Member's Name from the Application

Should the HACDB's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration; the HACDB 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 HACDB must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the HACDB may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 960.203(c)(3)(i)].

HACDB Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the public housing unit.

After admission to the program, the family must present evidence of the former family member's current address upon HACDB request.

Reasonable Accommodation [PH Occ GB, pp. 58-60]

If the family includes a person with disabilities, the HACDB's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HACDB Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, the HACDB will determine whether the behavior is related to the disability. If so, upon the family's request, the HACDB will determine whether alternative measures are appropriate as a reasonable accommodation. The HACDB will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying 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.

Definitions of key terms used in VAWA are provided in section 16-VII of this ACOP, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for HACDB to provide applicants who are denied assistance with a notice of rights and the form HUD-5382 at the time the applicant is denied.

HACDB Policy

The HACDB acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the HACDB's policies. Therefore, if the HACDB makes a determination to deny admission to an applicant family, the HACDB will include in its notice of denial information about the protection against denial provided by VAWA in accordance with section 16-VII.C of this ACOP as well as including a copy of the form HUD-5382. The HACDB will request that an applicant wishing to claim this protection notify the HACDB within 10 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

HACDB Policy

If an applicant claims the protection against denial of admission that VAWA provides to victims of domestic violence, dating violence, sexual assault, or stalking, the HACDB will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-VII.D of this ACOP.

Perpetrator Documentation

HACDB Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the public housing unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. 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.

3-III.G. NOTICE OF ELIGIBILITY OR DENIAL

The HACDB will notify an applicant family of its final determination of eligibility in accordance with the policies in Section 4-III.E.

If a HACDB uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the HACDB can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

HACDB Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the HACDB will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the HACDB to dispute the information within that 10-day period, the HACDB will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process.

Notice requirements related to denying admission to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, or stalking are contained in Section 3-III.F.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions.

- ☐ Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months

In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- ☐ Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

(A) IN GENERAL – The term *developmental disability* means a severe, chronic disability of an individual that-

 - (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (ii) is manifested before the individual attains age 22;
 - (iii) is likely to continue indefinitely;
 - (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) self-care, (II) receptive and expressive language, (III) learning, (IV) mobility, (V) self-direction, (VI) capacity for independent living, (VII) economic self-sufficiency; and
 - (v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) INFANTS AND YOUNG CHILDREN – An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.
- ☐ Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

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. 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:

- (1) Physical or mental impairment includes:
 - (a) 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; genitor-urinary; hemic and lymphatic; skin; and endocrine
 - (b) 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.
- (2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (3) 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.
- (4) Is regarded as having an impairment means:
 - (a) 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
 - (b) 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
 - (c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to reside in public housing, the family must submit an application that provides the HACDB with the information needed to determine the family's eligibility. HUD requires the HACDB to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the HACDB must select families from the waiting list in accordance with HUD requirements and HACDB policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.

The HACDB is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the HACDB to receive preferential treatment.

HUD regulations require that the HACDB comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the HACDB will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and HACDB policies for accepting applications, managing the waiting list and selecting families from the waiting list. The HACDB's policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the HACDB's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the HACDB will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the HACDB's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process the HACDB will use to keep the waiting list current.

Part III: Tenant Selection. This part describes the policies that guide the HACDB in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the HACDB has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide the HACDB's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the HACDB's obligation to ensure the accessibility of the application process.

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the HACDB to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the HACDB. However, the HACDB must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the HACDB's application [Notice PIH 2009-36].

HACDB Policy

Depending upon the length of time between the date of pre-application and the availability of housing, the HACDB may use a two-step application process.

A two-step process will be used when selecting from the waiting list for at least 60 days from the date of application or more. Under the two-step application process, the HACDB initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list.

The family will be required to provide all of the information necessary to establish family's preference, eligibility and the amount of rent the family will pay when selected from the waiting list.

Families may apply by completing an online pre-application at the agency's website at www.HACDBfl.org. Pre-Applications must be filled out completely in order to be accepted by the online system for processing, paper pre-applications, are no longer accepted. Persons may pre- apply using any device with internet access, or they may complete the pre-application at any local Daytona Beach Library, HACDB Neighborhood Network Centers, and/or persons with disabilities may request assistance in completing the online pre-application at the office located at 211 N. Ridgewood, Daytona Beach, Florida, 32114. Invalid addresses will not be processed and will be withdrawn from the waiting list.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

The HACDB must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the standard HACDB application process.

Disabled Populations [24 CFR 8; PH Occ GB, p. 68]

The HACDB must provide reasonable accommodation as needed for persons with disabilities to make the application process fully accessible. The facility where applications are accepted and the application process must be fully accessible or the HACDB must provide an alternate approach that provides equal access to the program. Chapter 2 provides a full discussion of the HACDB's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

HACDB is required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the HACDB's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

The HACDB must review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list unless the HACDB determines the family to be ineligible. Where the family is determined to be ineligible, the HACDB must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41].

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

Ineligible for Placement on the Waiting List

HACDB Policy

All pre-applications received on-line will be placed on the waiting list without a preliminary review to determine eligibility. Eligibility will be determined once the applicant reaches the top of the waiting list. If at that time the HACDB determines from the information provided that a family is ineligible; the HACDB will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).

Eligible for Placement on the Waiting List

HACDB Policy

Upon completion of the on-line pre-application, applicants that provide an email address receive written confirmation of receipt of their pre-application.

Applicants will be placed on the waiting list according to HACDB preference(s) and the date and time their complete pre-application is received by the HACDB. HACDB 's records will indicate the date the applicant is placed on the waiting list and the date and time of selection from the waiting list. The application must be kept as long as the individual remains on the waiting list and in resident's file if he/she becomes a resident for the duration of the tenancy and or for three years after the resident leaves the unit. If the applicant is taken off the waiting list, all other records, including the application, initial rejection notice, applicant reply, copy of owner's final response and all documentation supporting the reason for removal from the list must be retained for a period of three (3) years.

The HACDB will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to HACDB standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition. or medical reason. All transfers will be granted on a case- by case- basis when, at the sole discretion of Daytona Beach Housing Authority, the circumstances affecting the family clearly indicates the need for a transfer.

Transfers will be granted only if the family is in compliance with their current lease agreement and all the rules and regulations contained on the Occupancy Section part of their lease agreement for twenty-four (24) consecutive months prior to the transfer, which includes but not limited to timeliness of rental payments. A family must have a zero (0.00) rental account balance prior to being transferred.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the HACDB will verify any preference(s) claimed and determine eligibility and suitability for admission to the program.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The HACDB must have policies regarding the type of waiting list it will utilize as well as how the waiting list will be organized and managed. This includes policies on notifying the public on the opening and closing of the waiting list to new applicants, updating family information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how the HACDB may structure its waiting list and how families must be treated if they apply for public housing at a HACDB that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST

The HACDB's public housing waiting list must be organized in such a manner to allow the HACDB to accurately identify and select families in the proper order, according to the admissions policies described in this ACOP.

HACDB Policy

The waiting list will contain the following information for each applicant listed:

- Name and social security number of head of household

- Unit size required (number of family members)

- Amount and source of annual income

- Accessibility requirement, if any **Identification of the need for an accessible unit, including the need for accessible features and unit for visual or hearing impairment.**

- Date and time of application or application number

- Household type (family, elderly, and disabled)

- Admission preference, if any

- Race and ethnicity of the head of household

The specific site(s) selected (only if HACDB offers site-based waiting lists)

The HACDB may adopt one community-wide waiting list or site-based waiting lists. The HACDB must obtain approval from HUD through submission of its Annual Plan before it may offer site-based waiting lists. Site-based waiting lists allow families to select the development where they wish to reside and must be consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].

HACDB Policy

The HACDB will maintain one single community-wide waiting list for its developments. within the list, the HACDB will designate subparts to easily identify who should be offered the next available unit (i.e. mixed populations, general occupancy, unit size, and accessible units).

The mixed finance developments will maintain separate site-based waiting lists at each property.

HUD requires that public housing applicants must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher or moderate rehabilitation program that the HACDB operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)].

HUD permits, but does not require, that HACDB maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].

HACDB Policy

The HACDB will not merge the public housing waiting list with the waiting list for any other program the HACDB operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

The HACDB is permitted to close the waiting list, in whole or in part, if it has an adequate pool of families to fully lease units in all of its developments. The HACDB may close the waiting list completely, or restrict intake by preference, type of project, or by size and type of dwelling unit. [PH Occ GB, p. 31].

HACDB Policy

The HACDB may close the waiting list when the estimated waiting period for housing applicants on the list reaches 24 months for the most current applicants. Where the HACDB has particular preferences or other criteria that require a specific category of family, the HACDB may elect to continue to accept applications from these applicants while closing the waiting list to others.

Based on the number of one bedroom units in the family inventory, the one bedroom waiting list is closed for applications for all family developments. Families may apply for any other unit based on occupancy standards.

Reopening the Waiting List

If the waiting list has been closed, it may be reopened at any time. The HACDB should publish a notice announcing the opening of the waiting list in local newspapers of general circulation, minority media, and other suitable media outlets. Such notice must comply with HUD fair housing requirements. The HACDB should specify who may apply, and where and when applications will be received.

HACDB Policy

The HACDB will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how applications are to be received.

The HACDB will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

Penny Saver

HACDB

Website

Daytona Beach News Journal

4-II.D. FAMILY OUTREACH [24 CFR 903.2(d); 24 CFR 903.7(a) and (b)]

The HACDB should conduct outreach as necessary to ensure that the HACDB has a sufficient number of applicants on the waiting list to fill anticipated vacancies and to assure that the HACDB is affirmatively furthering fair housing and complying with the Fair Housing Act.

Because HUD requires the HACDB to admit a specified percentage of extremely low-income families, the HACDB may need to conduct special outreach to ensure that an adequate number of such families apply for public housing.

HACDB outreach efforts must comply with fair housing requirements. This includes:

- ☐ Analyzing the housing market area and the populations currently being served to identify underserved populations
- ☐ Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- ☐ Avoiding outreach efforts that prefer or exclude people who are members of a protected class

HACDB outreach efforts must be designed to inform qualified families about the availability of units under the program. These efforts may include, as needed, any of the following activities:

- ☐ Submitting press releases to local newspapers, including minority newspapers
- ☐ Developing informational materials and flyers to distribute to other agencies
- ☐ Providing application forms to other public and private agencies that serve the low-income population
- ☐ Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

HACDB Policy

The HACDB will monitor the characteristics of the population being served and the characteristics of the population as a whole in the HACDB's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

HACDB Policy

While the family is on the waiting list, the family must inform the HACDB, within 7 business days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing or update in Rent Café.

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.

4-II.F. UPDATING THE WAITING LIST

HUD requires the HACDB to establish policies that describe the circumstances under which applicants will be removed from the waiting list [24 CFR 960.202(a)(2)(iv)].

Purging the Waiting List

The decision to remove an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to the HACDB's request for information or updates because of the family member's disability, the HACDB must, upon the family's request, reinstate the applicant family to their former position on the waiting list as a reasonable accommodation [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.

HACDB Policy

The waiting list will be updated as needed to ensure that all applicant information is current and timely.

To update the waiting list, the HACDB will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the HACDB has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the HACDB not later than 15 business days from the date of the HACDB letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent. If the family fails to respond within this time frame, the family will be removed from the waiting list without further notice.

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent the HACDB from making an eligibility determination; therefore, no informal hearing is required.

If a family is removed from the waiting list for failure to respond, the HACDB may reinstate the family if the lack of response was due to HACDB error, or to circumstances beyond the family's control.

Removal from the Waiting List

HACDB Policy

The HACDB will remove an applicant from the waiting list upon request by the applicant family. In such cases no informal hearing is required.

The HACDB upon housing applicants within the portfolio will provide the resident with the option of remaining on other HACDB waitlist however, transfer policy applies to resident family. (see Chapter 12-III.C)

If the HACDB determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.

If a family is removed from the waiting list because the HACDB has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial pre-application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the HACDB's decision (see Chapter 14) [24 CFR 960.208(a)].

PART III: TENANT SELECTION

4-III.A. OVERVIEW

The HACDB must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The HACDB must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The HACDB must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the HACDB and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The HACDB must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the HACDB's selection policies [24 CFR 960.206(e)(2)]. The HACDB's policies must be posted any place where the HACDB receives applications. The HACDB must provide a copy of its tenant selection policies upon request to any applicant or tenant. The HACDB may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].

HACDB Policy

When an applicant or resident family requests a copy of the HACDB's tenant selection policies, the HACDB will provide copies to them free of charge.

4-III.B. SELECTION METHOD

HACDB must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the HACDB will use.

Local Preferences [24 CFR 960.206]

HACDB is permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the HACDB to establish other local preferences, at its discretion.

Any local preferences established must be consistent with the HACDB plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

Residency Preference – 50 Points

Applicants who reside and/or work in Daytona Beach, FL. Family must live or have one family member who must have a job within the city limits of the City of Daytona Beach, Florida, or one adult member must be enrolled in a Daytona Beach institution of higher learning.

Involuntary Displacement/Repositioning – 99 Points

HACDB Residents of Section 8, Project-based, Public Housing, VASH, or other HACDB Housing Program who are in good standing; as of the date the property was HUD approved for demolition/disposition, repositioning and due to no fault of their own are displaced. HACDB may waive the good standing provisions on a case-by-case basis for repositioning. Involuntary Displacement due to repositioning shall have the highest level of preference.

1. HACDB residents due to repositioning, modernization, rehabilitation, demolition/disposition, or loss of funding, are displaced from a HACDB housing program.
2. Victims of federally declared natural disasters who are displaced and HACDB receives verification from a 3rd party city, state, or federal agency of displacement.

Homeless Preference – 10 Points

A local preference will be established in the Affordable (Public) Housing Program to annually assist up to 50 homeless or chronically homeless individuals or families. The preference will give priority to:

1. homeless individuals and families,
2. chronically homeless,
3. individuals graduating from or aging out of the foster care program administered by the Florida Department of Protective and Regulatory Services; and
4. Currently or formerly homeless applicants who are ready to transition from

supportive housing program(s).

To qualify for the homeless preference applicants must be referred by a service agency that has a partnered with HACDB as a homeless service provider through a Memorandum of Agreement (MOU). The service provider will agree to provide HACDB with signed certification that the applicant meets the current HUD definition of homelessness, and is qualified to apply for housing under these criteria. In addition, the service provider will verify the number of types of supportive and/or case management referral services to be provided and the duration of services. Individuals referred that are chronically homeless, with co-occurring psychiatric, substance abuse, and chronic medical conditions may be referred after documented completion of receiving 12-24 months of rental assistance and intensive case management

Applicants graduating or aging out of the foster care, or transitional housing must be referred, and certified as homeless under the terms and conditions of the agency Memorandum of Agreement. Currently HACDB has agreements in place with the following agencies:

SMA BEHAVIORAL HEALTH SERVICES, INC CITY OF DAYTONA BEACH
DEVEREAUX FOUNDATION

HALIFAX URBAN MINISTRIES (pending)

DOMESTIC ABUSE COUNCIL

COALITION ON HOMELESSNESS

FAMILY RENEW.

Previous residents, of the Affordable Housing Program, and/or the Housing Choice Voucher Program, may not be certified eligible for a preference, within 36 months of the date of any qualifying termination from any housing program. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. In all cases a final determination of eligibility and qualification for preference will be made when the family is selected from the waiting list.

The HACDB has a limited number of 1-bedroom units in its inventory; therefore, the waiting list for 1-bedroom units is closed. Applicants who are not elderly or disabled may apply for any unit they may qualify for based on occupancy standards regardless of the age of the children.

Preferences will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, sexual orientation or age of any member of an applicant family.

Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40 percent of the families admitted to public housing during the HACDB's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher [*Federal Register* notice 6/25/14]. To ensure this requirement is met, the HACDB may skip non-ELI families on the waiting list in order to select an ELI family.

If HACDB also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the HACDB's HCV program during a HACDB fiscal year that exceed the 75 percent minimum target requirement for the voucher program, shall be credited against the HACDB's basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the

lower of: (1) ten percent of public housing waiting list admissions during the HACDB fiscal year; (2) ten percent of waiting list admissions to the HACDB's housing choice voucher program during the HACDB fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of HACDB public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

HACDB Policy

The HACDB will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.

Mixed Population Developments [24 CFR 960.407]

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) or the HACDB at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, co-head, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403]. The HACDB must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The HACDB may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the HACDB must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The HACDB may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

De-concentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

The HACDB's admission policy must be designed to provide for de-concentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the HACDB's de-concentration policies must be included in its annual plan [24 CFR 903.7(b)].

The HACDB's de-concentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the de-concentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to de-concentration and income mixing requirements: developments operated by a PHA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a PHA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the HACDB must comply with the following steps:

Step 1. The HACDB must determine the average income of all families residing in all the HACDB's covered developments. The HACDB may use the median income, instead of average income, provided that the HACDB includes a written explanation in its annual plan justifying the use of median income.

HACDB Policy

The HACDB will determine the average income of all families in all covered developments on an annual basis.

Step 2. The HACDB must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the HACDB has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

HACDB Policy

The HACDB will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Step 3. The HACDB must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low-income family (federal poverty level or 30 percent of median income, whichever number is higher).

Step 4. The HACDB with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the HACDB must include in its admission policy its specific policy to provide for de-concentration of poverty and income mixing.

Depending on local circumstances the HACDB's de-concentration policy may include, but is not limited to the following:

- ☐ Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- ☐ Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- ☐ Establishing a preference for admission of working families in developments below the EIR
- ☐ Skipping a family on the waiting list to reach another family in an effort to further the goals of de-concentration
- ☐ Providing other strategies permitted by statute and determined by the HACDB in consultation with the residents and the community through the annual plan process to be responsive to local needs and HACDB strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the HACDB's de-concentration policy. The HACDB must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the HACDB's de-concentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the HACDB will be considered to be in compliance with the de-concentration requirement and no further action is required.

HACDB Policy

For developments outside the EIR the HACDB will take the following actions to provide for de-concentration of poverty and income mixing:

All developments within the HACDB Affordable Housing inventory have 100 units or less.

Order of Selection [24 CFR 960.206(e)]

The HACDB system of preferences may select families either according to the date and time of application or by a random selection process.

HACDB Policy

Families will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the HACDB.

When selecting applicants from the waiting list, the HACDB will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. The HACDB will offer the unit to the highest ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.

Factors such as de-concentration or income mixing and income targeting will also be considered in accordance with HUD requirements and HACDB policy.

4-III.C. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the HACDB must notify the family [24 CFR 960.208].

HACDB Policy

The HACDB will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

- Documents that must be provided at the interview to document eligibility for a preference, if applicable

- Other documents and information that should be brought to the interview

If a notification letter is returned to the HACDB with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the HACDB from making an eligibility determination; therefore, no informal hearing will be offered.

4-III.D. THE APPLICATION INTERVIEW

HUD recommends that the HACDB obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the HACDB determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the HACDB [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

HACDB Policy

Families selected from the waiting list are required to participate in an eligibility interview and orientation.

The head of household and all adult members must attend the interview together.

Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the HACDB.

The interview will be conducted only if the head of household provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

Pending disclosure and documentation of social security numbers, the HACDB will allow the family to retain its place on the waiting list for **30 days**. If not all household members have disclosed their SSNs at the next time a unit becomes available, the HACDB will offer a unit to the next eligible applicant family on the waiting list.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the HACDB will proceed with the interview. If the HACDB determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their pre-application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the HACDB will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 7 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the HACDB will provide translation services in accordance with the HACDB's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the HACDB in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the HACDB will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without HACDB approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a written request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the HACDB from making an eligibility determination; therefore, the HACDB will not offer an informal hearing.

Systems of Verification

The applicant file shall contain documentation of all verifications.

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:

HACDB 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.

HACDB 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

- HACDB 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 HACDB 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 HACDB, 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 HACDB 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, HACDB 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 HACDB 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. Pay stubs should be current and consecutive.

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

4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

The HACDB must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including HACDB suitability standards, the HACDB must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

HACDB Policy

The HACDB will notify a family in writing of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.

The HACDB must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

HACDB Policy

If the HACDB determines that the family is ineligible, the HACDB will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).

If the HACDB uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the HACDB can move to deny the application. See Section 3-III.G for the HACDB's policy regarding such circumstances.

Chapter 5

OCCUPANCY STANDARDS AND UNIT OFFERS

INTRODUCTION

The HACDB must establish policies governing occupancy of dwelling units and offering dwelling units to qualified families.

This chapter contains policies for assigning unit size and making unit offers. The HACDB's waiting list and selection policies are contained in Chapter 4. Together, Chapters 4 and 5 of the ACOP comprise the HACDB's Tenant Selection and Assignment Plan (TSAP).

Policies in this chapter are organized in two parts.

Part I: Occupancy Standards. This part contains the HACDB's standards for determining the appropriate unit size for families of different sizes, compositions, and types.

Part II: Unit Offers. This part contains the HACDB's policies for making unit offers, and describes actions to be taken when unit offers are refused.

PART I: OCCUPANCY STANDARDS

5-I.A. OVERVIEW

Occupancy standards are established by the HACDB 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 underutilization or from excessive wear and tear due to overcrowding. Part I of this chapter explains the occupancy standards. These standards describe the methodology and factors the HACDB will use to determine the size unit for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This part also identifies circumstances under which an exception to the occupancy standards may be approved.

5-I.B. DETERMINING UNIT SIZE

In selecting a family to occupy a particular unit, the HACDB may match characteristics of the family with the type of unit available, for example, number of bedrooms [24 CFR 960.206(c)].

HUD does not specify the number of persons who may live in public housing units of various sizes. HACDB is permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children [PH Occ GB, p. 62].

Although the HACDB does determine the size of unit the family qualifies for under the occupancy standards, the HACDB does not determine who shares a bedroom/sleeping room.

The HACDB's occupancy standards for determining unit size must be applied in a manner consistent with fair housing requirements.

HACDB Policy

The HACDB will use the same occupancy standards for each of its developments. The HACDB's occupancy standards are as follows:

The HACDB will assign one bedroom for each two persons within the household, except in the following circumstances:

The HACDB does not assign bedrooms on the basis of sex, or gender identification

Live-in aides will be allocated a separate bedroom.

No additional bedrooms will be provided for the live-in aide's family.

Single person families will be allocated a zero or one bedroom based on location and availability.

Foster children will be included in determining unit size.

The HACDB will reference the following standards in determining the appropriate unit bedroom size for a family:

BEDROOM SIZE	MINIMUM NUMBER OF PERSONS	MAXIMUM NUMBER OF PERSONS
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10
6	6	12

Due to the on-line application system all single applicants are entered into the system as a 1 bedroom. At the time of the application the website, and at the eligibility interview applicants will be advised that they will be offered either a 0- or 1-bedroom unit. The offer will be based on unit vacancy date. Maley Apartments does not have 1 bedroom unit- all 150 units are efficiency units, designated elderly/disabled population.

The HACDB has a very limited number of 1-bedroom units in its family inventory; therefore, the waiting list for 1-bedroom units is closed. Applicants may apply for any unit they may qualify for based on occupancy standards regardless of the age of the children.

5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS

Types of Exceptions

HACDB Policy

The HACDB will consider granting exceptions to the occupancy standards at the family's request if the HACDB determines the exception is justified by the relationship, age, sex, health or disability of family members, or other personal circumstances.

For example, an exception may be granted if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities. An exception may also be granted for a smaller bedroom size in cases where the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides (according to the chart in Section 5-I.B) and the family does not want to transfer to a larger size unit.

When evaluating exception requests the HACDB will consider the size and configuration of the unit. In no case will the HACDB grant an exception that is in violation of local housing or occupancy codes, regulations or laws.

Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded according to local code, and the family agrees not to request a transfer for a period of two years from the date of admission, unless they have a subsequent change in family size or composition.

To prevent vacancies, the HACDB may provide an applicant family with a larger unit than the occupancy standards permit. However, in these cases the family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is an appropriate size unit available for the family to transfer to.

Processing of Exceptions

HACDB Policy

All requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the HACDB will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the HACDB will consider the exception request any time the

resident indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

The HACDB will notify the family of its decision within 10 business days of receiving the family's request.

Live-in Aides

One reason HACDB 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 HACDB 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 HACDB must approve the person identified as the live-in aide. The HACDB 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 HACDB or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act. Additionally, the HACDB must establish standards to determine the number of bedrooms needed for families of different sizes and compositions. Consequently, MHAs may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the HACDB'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 HACDB 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 HACDB shall document the justification for all granted exceptions.

Medical Equipment. Although HACDB 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 HACDB during the annual inspection of the unit. If the extra bedroom is not being used for the intended purpose, the HACDB must reduce the bedroom standard. However, the HACDB may take further action, if it believes any lease or family obligations were violated.

5-1. 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 HACDB 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 HACDB 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 HACDB may choose to terminate the lease.

If the resident is to transfer to a new development, the HACDB 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 HACDB 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 HACDB will either modify the resident's unit or transfers the residents to another unit with the requested features.

If a resident makes a written request for special unit features because of a documented disability or handicap, the HACDB 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 conducted 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.

PART II: UNIT OFFERS

24 CFR 1.4(b)(2)(ii); 24 CFR 960.208

5-II.A. OVERVIEW

The HACDB must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination laws.

In filling an actual or expected vacancy, the HACDB must offer the dwelling unit to an applicant in the appropriate offer sequence. The HACDB will offer the unit until it is accepted. This section describes the HACDB's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list. This section also describes the HACDB's policies for offering units with accessibility features.

HACDB Policy

The HACDB will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.

5-II.B. NUMBER OF OFFERS

HACDB Policy

The HACDB has adopted a one unit offer plan for offering units to applicants. Under this plan, the HACDB will determine how many locations within its jurisdiction have available units of suitable size and type in the appropriate type of project. The number of unit offers will be based on the distribution of vacancies. If a suitable unit is available in:

One (1) location: The applicant will be offered a suitable unit in any location that the family qualifies based on occupancy standards, and vacancy date. If the offer is rejected with good cause, the applicant will be offered the next suitable unit that becomes available, whether it is at the same location as the first offer or at another location. The second unit offer will be the final offer, unless there is good cause for refusing the offer.

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.

5-II.C. TIME LIMIT FOR UNIT OFFER ACCEPTANCE OR REFUSAL

HACDB Policy

Applicants must accept or refuse a unit offer within 3 business days of the date of the unit offer.

Offers made by telephone will be confirmed by letter.

5-II.D. REFUSALS OF UNIT OFFERS

Good Cause for Unit Refusal

An elderly or disabled family may decline an offer for designated housing. Such a refusal must not adversely affect the family's position on or placement on the public housing waiting list [24 CFR 945.303(d)].

HACDB Policy

Applicants may refuse to accept a unit offer for “good cause.” *Good cause* includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer, or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant’s race, color, national origin, etc. [PH Occ GB, p. 104]. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

The family demonstrates to the HACDB’s satisfaction that accepting the unit offer will require an adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities.

The family demonstrates to the HACDB’s satisfaction that accepting the offer will place a family member’s life, health, or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, risk assessments related to witness protection from a law enforcement agency, or documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with section 16-VII.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have good cause to refuse.

The HACDB will require documentation of good cause for unit refusals.

Unit Refusal without Good Cause

HACDB Policy

When an applicant rejects the final unit offer without good cause, the HACDB will remove the applicant's name from the waiting list and send notice to the family of such removal. The notice will inform the family of their right to request an informal hearing and the process for doing so (see Chapter 14).

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the HACDB opens the waiting list.

5-II.E. ACCESSIBLE UNITS [24 CFR 8.27]

Accessible Units

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, HACDB 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 HACDB'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 HACDB will require the applicant to execute the HACDB public housing lease that requires to the resident to relocate to a vacant non-accessible unit within thirty (30) days of notice by the HACDB that there is an eligible applicant or existing resident with disabilities who requires the accessible features of the unit.

HACDB Policy

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the HACDB will offer the unit to a non-disabled applicant.

When offering an accessible unit to a non-disabled applicant, the HACDB will require the applicant to agree to move to an available non-accessible unit within 30 days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. This requirement will be a provision of the lease agreement.

5-II.F. DESIGNATED HOUSING 8/2016

When applicable, the HACDB's policies for offering units designated for elderly families only or for disabled families only are described in the HACDB's Designated Housing Plan.

Units Designated for Elderly or Disabled Families [24 CFR 945]. The Daytona Beach Housing Authority does have designated elderly and disabled housing at Windsor (Elderly Only) and Maley Housing (Elderly/Disabled) **Developments.**

These preferences are to allow Elderly Only or Elderly and Disabled Families preference to occupy these unit.

Maley Apartments—designated **elderly/disabled**, applicants must be 62 years of age or older or disabled. (150 efficiency units).

Windsor Apartments--designated as **Elderly only**, applicants must be 62 years of age or older.

HACDB will retain designation of the property even in a repositioning of the developments.

Chapter 6

INCOME AND RENT DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]

INTRODUCTION

A family's annual income is used to determine their income eligibility for the public housing program and is also used to calculate the amount of the family's rent payment. The HACDB will use the policies and methods described in this chapter to ensure that only income-eligible families receive assistance and that no family pays more or less rent than is required under the regulations. This chapter describes HUD regulations and HACDB policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and HACDB policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established HUD regulations require the HACDB to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and HACDB policies for calculating adjusted income are found in Part II.

Part III: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

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

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
 - (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
 - (3) Which are not specifically excluded in paragraph [5.609(c)].
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- ☐ Annual Income Inclusions (Exhibit 6-1)
- ☐ Annual Income Exclusions (Exhibit 6-2)
- ☐ Treatment of Family Assets (Exhibit 6-3)
- ☐ Earned Income Disallowance (Exhibit 6-4)
- ☐ The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. 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 [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(a)(1)].
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 is excluded [24 CFR 5.609(c)(1)]. 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 \$480/year is excluded [24 CFR 5.609(c)(11)]. 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 [HCV GB, p. 5-18].

HACDB Policy

Generally, an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

HACDB 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 HACDB indicating that the student has established a separate household or the family declares that the student has established a separate household.

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].

HACDB Policy

If a child has been placed in foster care, such a change must be reported to HACDB within seven (7) business days of its occurrence and shall be verified 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, or, if the child is removed for 90 days or more the child will be counted as a family member.

Absent Head, Spouse, or Co-head

HACDB Policy

An employed head, spouse, or co-head absent from the unit more than 90 days due to employment will continue to be considered a family member.

Individuals Confined for Medical Reasons

HACDB Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the HACDB will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. 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.

Joint Custody of Children

HACDB Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 51 percent or more of the time. Based on court order, TANF Benefits and/or school records.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the HACDB will make the determination based on available documents such as court orders, an IRS income tax return showing which family has claimed the child for income tax purposes, school records, or other credible documentation.

Guardians for a Child

HACDB Policy

The approval of a guardian is at the HACDB's discretion and subject to the HACDB's screening criteria. If neither a parent nor a designated guardian remains in a household or it is determined that the parents are deceased or medically/physically unable to care for the children, the HACDB will take the following actions.

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.

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 caretaker 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 HACDB will extend the guardian's status as an eligible visitor.

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, providing the children remain in the household.

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.

6-I.C. ANTICIPATING ANNUAL INCOME

The HACDB is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

The HACDB generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the HACDB to use other than current circumstances to anticipate income when:

- ☐ An imminent change in circumstances is expected [HCV GB, p. 5-17]
- ☐ It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- ☐ The HACDB believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

HACDB is required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third-party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows HACDB to use tenant-provided documents to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the HACDB does not determine it is necessary to obtain additional third-party data.

HACDB Policy

When EIV is obtained and the family does not dispute the EIV employer data, the HACDB will use current tenant-provided documents to project annual income. When the tenant- provided documents are pay stubs, the HACDB will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

The HACDB will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available,

If the family disputes the accuracy of the EIV employer data, and/or

If the HACDB determines additional information is needed.

In such cases, the HACDB will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the HACDB annualized projected income.

When the HACDB cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the HACDB will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the HACDB to show why the historic pattern does not represent the family's anticipated income.

"0" income form should be done if there is less than \$100.00 income per resident per month per household

Known Changes in Income

If the HACDB verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the PHA would calculate annual income as follows: $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the HACDB will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the HACDB's policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided third-party documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that HACDB is not to use EIV quarterly wages to project annual income. HACDB may use EIV for projecting fixed incomes from SS, SSI, SSD, etc. that appear on EIV.

HACDB will use the streamlining of income and streamlining of verification of income as allowed by HUD, HOTMA and FAST, including the streamlining under the 90% rule.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation [24 CFR 5.609(b)(1)]

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income.

HACDB Policy

For persons who regularly receive bonuses or commissions, the HACDB will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the HACDB will use the prior year amounts. In either case the family may provide, and the HACDB 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 HACDB will count only the amount estimated by the employer. The file will be documented appropriately.

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)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]

This type of income (including gifts) is not included in annual income.

HACDB Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

Children's Earnings [24 CFR 5.609(c)(1)]

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]

Income from some federal programs is specifically excluded from consideration as income, including:

- ☐ Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- ☐ Awards under the federal work-study program (20 U.S.C. 1087 uu)
- ☐ 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 [24 CFR 5.600(c)(8)(iv)]

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 HACDB, 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 HACDB's governing board. No resident may receive more than one such stipend during the same period of time.

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)].

HACDB Policy

The HACDB 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 of 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 HACDB 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 HACDB 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 HACDB'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.

HACDB 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.

Earned Income Disallowance. The earned income disallowance is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255]

The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- ☐ Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- ☐ Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- ☐ New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

HACDB Policy

The HACDB defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant (as a baseline) throughout the period that he or she is participating in the EID.

Description of change: The new regulatory provisions limit to 24 straight months the time period during which a family member is eligible to receive the benefit of the earned income disregard (EID), which streamline the administration of the EID by eliminating the requirement for HACDB to track family member changes in employment over a 4-year period. There are no changes to EID eligibility criteria, the benefit amount of the EID, the single lifetime eligibility requirement, or the ability of the applicable family member to stop and restart employment during the eligibility period.

Under the previous regulations, families were eligible to receive the EID benefit for no more than 24 months, which could be spread across a 48-month time period to account for potential changes in the employment status of the family member whose original employment caused the family to be eligible for EID. HACDB was required to track the employment of such family members and stop and start the EID benefit accordingly. The final rule provides:

- ☐ Once a family member is determined to be eligible for the EID, the 24-calendar month period starts;
- ☐ If the family member discontinues the employment that initially qualified the family for the EID, the 24-calendar month period continues;
- ☐ During the 24-calendar month period, EID benefits are recalculated based on changes to family member income and employment (no change from current practice);
- ☐ During the first 12-calendar month period, HACDB must exclude all increased income resulting from the qualifying employment of the family member. After the first 12-calendar month period, the HACDB must exclude from annual income of the family at least 50 percent of any increase in income of such family member as a result of employment over the family member's income before the qualifying event (i.e., the family member's baseline income);
- ☐ The EID benefit is limited to a lifetime 24-month period for the qualifying family member;
- ☐ At the end of the 24 months, the EID ends regardless of how many months were "used."

Example: Illustration of differences between previous and new EID implementing regulations

EID under

January 2017 (month one)	Carl begins working and is eligible for EID. 100% of Carl's increase in	Carl begins working and is eligible for EID. 100% of Carl's increase in earned income is excluded.
2017 (month seven)	Carl is laid off. EID "clock" stops.	Carl is laid off. EID "clock" continues to run.
January 2018 (month 13)		Carl's second 12-month period begins.
February 2018 (month 14)	Carl begins working again. 100% of the increase in earned income due to Carl's.	Carl begins working again. 50% of the increase in earned income due to Carl's employment is excluded. Carl's second 12-month period begins.
July 2018 (month 19)		50% of the increase in earned income due to Carl's employment is excluded. This is the final month during which Carl receives his EID benefit.
December 2018 (month 24)		
June 2019 (month 30)		Carl has benefited from the EID for 24 months total. This is the final month during which Carl receives his EID benefit.

Families that currently benefit from the EID, or who become eligible prior to the effective date of changes to the ACOP/Admin. Plan/PHA Plan, are eligible to receive the EID benefit for 24 months over a 48-month period, as was in effect prior to the effective date of this provision. HACDB is advised to notify all participants and applicants who are eligible for the EID of their eligibility.

Background: The earned income disregard is designed to promote self-sufficiency for certain families in public housing and families with disabilities in the HCV program who meet the definition of a "qualified family." This provision does not change the eligibility criteria for EID or how the EID benefit is calculated.

Individual Savings Accounts [24 CFR 960.255(d)]

The HACDB does not use Individual Saving Accounts in lieu of the EID Calculation.

6-I.F. 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].

HACDB Policy

To determine business expenses that may be deducted from gross income, the HACDB 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 HACDB to deduct from gross income expenses for business expansion.

HACDB 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 HACDB to deduct from gross income the amortization of capital indebtedness.

HACDB 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 HACDB 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 HACDB 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.

HACDB 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 HACDB 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

HACDB 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.

6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the public housing program. However, HUD requires that the HACDB include in annual income the anticipated “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the HACDB must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and HACDB policies related to each type of asset.

General Policies

HACDB will use the streamlining of assets and streamlining verification of assets as allowed by HUD.

Income from Assets

The HACDB 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, HUD authorizes the HACDB 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 HACDB 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 HACDB can take into consideration past rental income along with the prospects of obtaining a new tenant.

HACDB Policy

Description of change: Under this provision, HACDB must obtain third-party verification of all family assets upon admitting a family to the HCV or public housing program and then again at least every 3 years thereafter. During the intervening annual reexaminations, HACDB has the discretion under this provision to accept a family’s declaration that it has total net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, then the HACDB does not need to request supporting documentation (e.g., bank statements) to verify the assets or the amount of income expected to be received from those assets. The family’s declaration of total assets must show each asset and the amount of income expected from that asset. The total amount of income expected from all assets must be less than or equal to \$5,000. The total amount of the expected income from assets will be the family’s “final asset income,” and must be entered in field 6j of Form HUD-50058.

HACDB may obtain a family’s declaration of assets under \$5,000 at the family’s next interim or annual reexamination following adoption of the provision in the HACDB’s ACOP or Admin. Plan. HACDB is required to have all family members 18 years of age and older sign the family’s declaration of total assets. For ease of implementation, a PHA may wish to require families to submit a declaration of assets along with the consent forms that are required pursuant to 24 CFR 5.230. A

family that knowingly submits false information is subject to a civil penalty, plus damages, under the False Claims Act (31 U.S.C. 3729).

Whenever a family member is added, HACDB must obtain third-party verification of that family member's assets. At the next annual reexamination of income following the addition of that family member, HACDB must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$5,000 asset threshold. If the addition of that family member's assets does not put the family above the \$5,000 asset threshold, then the HACDB is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the family member; however, third-party verification of all family assets is required at least every 3 years.

If HACDB adopted the self-certification of assets provision in Notice PIH 2013-03 and wishes now to adopt the provision described in this Notice, then the HACDB must obtain third-party verification of all assets of any family at the family's next income redetermination if that family has provided self- certification of assets for the two previous income redeterminations.

Background: The requirement to verify assets is time-consuming for PHAs and families. In addition, assets of \$5,000 or less have little to no effect on family rental payments. This provision is intended to alleviate the burden on PHAs and families of verifying such assets; it also brings the HCV, PBV, and public housing programs in line with Internal Revenue Service guidance for the federal Low Income Housing Tax Credit program. For the LIHTC program, housing credit agencies and owners are permitted to accept a certification from families that their assets do not exceed \$5,000.

The following paragraphs regarding Asset Determination are applicable at Move in and in regards to assets of family members added to any Lease Agreement only:

Valuing Assets

The calculation of asset income sometimes requires the HACDB to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of 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.

HACDB Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, 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) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]

When net family assets are \$5,000 or less, the HACDB will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the HACDB will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the HACDB.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the HACDB to establish a passbook rate within 0.75 percent of a national average.
- The HACDB must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

HACDB Policy

The HACDB will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The HACDB will review the passbook rate annually, in December of each year. The rate will not be adjusted unless the current HACDB rate is no longer within 0.75 percent of the

national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on February 1 following the December review.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the HACDB 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 investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

Jointly Owned Assets

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."

HACDB Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the HACDB 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 HACDB will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the HACDB will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the HACDB 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 HACDB may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

HACDB Policy

The HACDB 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 re-certifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in non-revocable 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.

HACDB 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

HACDB 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 HACDB may verify the value of the assets disposed of if other information available to the HACDB 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.

HACDB Policy

In determining the value of a checking account, the HACDB will use the average monthly balance for the last six months.

In determining the value of a savings account, the HACDB will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the HACDB 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.

HACDB Policy

In determining the market value of an investment account, the HACDB 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 HACDB will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

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 [HCV GB, p. 5-25 and PH, p. 121].

HACDB Policy

In determining the equity, the HACDB will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The HACDB will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the HACDB will use the basic loan balance information to deduct from the market value in the equity calculation.

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 [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- ☐ 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 [HCV GB, p. 5-25]

The HACDB must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

HACDB Policy

For the purposes of calculating expenses to convert to cash for real property, the HACDB will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a 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.

HACDB 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 unless the HACDB determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

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).

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Non-revocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the HACDB must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

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].

HACDB Policy

In determining the value of personal property held as an investment, the HACDB will use the family's estimate of the value. The HACDB may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. 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)].

HACDB Policy

Necessary personal property consists of only those items not held as an investment. It may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

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 [HCV GB 5-25]. 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.

6-I.H. 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 Disability, or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].

HACDB Policy

When a delayed-start payment is received and reported during the period in which the HACDB is processing an annual reexamination, the HACDB 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 HACDB.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

Treatment of Overpayment Deductions from Social Security Benefits

The HACDB must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the HACDB must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

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)]. Kinship care payments are considered equivalent to foster care payments and are also excluded from annual income [Notice PIH 2012-1].

HACDB Policy

The HACDB 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 and SSI payments (see section 6-I.H.) [24 CFR 5.609(c)(14)].
- ☐ Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [24 CFR 5.609(c)(14)].

6-I.I. 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)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) 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 HACDB must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. 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 HACDB must include in annual income “imputed” welfare income. The HACDB must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

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)].

For special procedures related to grievance hearings based upon the HACDB’s denial of a family’s request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

Offsets

The amount of the imputed welfare 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)].

6-I.K. 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 HACDB must count alimony or child support amounts awarded as part of a divorce or separation agreement.

HACDB Policy

The HACDB will count court-awarded amounts for alimony and child support unless the HACDB 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 HACDB 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)].

HACDB 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 HACDB. For contributions that may vary from month to month (e.g., utility payments), the HACDB will include an average amount based upon past history.

6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) and updated by FR Notice 5/20/14 that have not been discussed earlier in this chapter include the following:

- ☐ Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- ☐ The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)].

HACDB Policy

Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment **is not** considered student financial assistance and is included **in** annual income.

- ☐ Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- ☐ 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) [(24 CFR 5.609(c)(8)(ii)]
- ☐ 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 [24 CFR 5.609(c)(10)]
- ☐ Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- ☐ Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- ☐ 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 specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. 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) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
 - (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
 - (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
 - (e) Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
 - (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))

- (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) 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)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) 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 Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (r) 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)
- (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (t) 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)

- (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249)
- (v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (w) 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)
- (x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (PHA) must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) Unreimbursed medical expenses of any elderly family or disabled family;
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the 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.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7, Verifications.

Anticipating Expenses

HACDB Policy

Generally, the HACDB 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 HACDB 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 HACDB 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 HACDB may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

HACDB Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used as a reference to determine the costs that qualify as medical expenses.

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 medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service 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

HACDB 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 HACDB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. DISABILITY ASSISTANCE EXPENSES 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 three percent of annual income, and (4) do not exceed the earned income received by the family member 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 [24 CFR 5.603(b)].

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)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

HACDB 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 HACDB 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 HACDB 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 [PH Occ GB, p. 124].

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 PHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

HACDB Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus is 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 trained 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.

HACDB 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 HACDB 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 [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 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.

HACDB Policy

The HACDB determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the HACDB will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the HACDB 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

HACDB 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 HACDB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.F. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household are included when determining the family’s child care expenses.

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

HACDB 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 HACDB 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

HACDB 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 HACDB.

Furthering Education

HACDB 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

HACDB 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 HACDB 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].

HACDB 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 HACDB 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 HACDB 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

HACDB 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 HACDB 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.

HACDB 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 HACDB will use the schedule of child care costs from the local welfare agency. Families may present, and the HACDB will consider, justification for costs that exceed typical costs in the area.

6-II.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the HACDB offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.

HACDB Policy

The HACDB has opted not to use permissive deductions.

PART III: CALCULATING RENT

6-III.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the HACDB.

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- ☐ The welfare rent (in as-paid states only)
- ☐ A minimum rent between \$0 and \$50 that is established by the HACDB

The HACDB has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

Welfare Rent [24 CFR 5.628]

HACDB Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

HACDB Policy

The minimum rent for this locality is \$ 50.00.

Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]

PHAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the HACDB, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The HACDB's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to HACDB designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

HACDB Policy

The HACDB chooses not to adopt optional changes to income-based rents.

Ceiling Rents [24 CFR 960.253 (c)(2) and (d)]

Ceiling rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent (ceiling rent/TTP minus utility allowance). Increases in income do not affect the family since the rent is capped. The use of ceiling rents fosters upward mobility and income mixing.

Because of the mandatory use of flat rents, the primary function of ceiling rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent.

Ceiling rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities) [PH Occ GB, p. 135].

HACDB Policy

The HACDB chooses not to use ceiling rents.

Utility Reimbursement [24 CFR 960.253(c)(3)]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the HACDB to pay the reimbursement to the family or directly to the utility provider.

HACDB Policy

The HACDB will make utility reimbursements to the family.

The HACDB may revise its policy on payment to the utility company or if less than \$45, payments may be made on a quarterly basis.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

HACDB Policy

The financial hardship rules described below do apply in this jurisdiction because the HACDB has established a minimum rent of \$50.00.

Overview

If the HACDB establishes a minimum rent greater than zero, the HACDB 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 HACDB determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

HACDB 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.

- (2) The family would be evicted because it is unable to pay the minimum rent.

HACDB Policy

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

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.

- (4) A death has occurred in the family.

HACDB Policy

In order to qualify under this 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).

- (5) The family has experienced other circumstances determined by the

HACDB. HACDB Policy

The HACDB has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

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

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

HACDB Policy

The HACDB 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 HACDB 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 HACDB has established a minimum rent of \$35.	
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
\$35 Minimum rent	\$35 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

HACDB 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 HACDB will make the determination of hardship within 30 calendar days.

No Financial Hardship

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

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

HACDB Policy

The HACDB will require the family to repay the suspended amount within 30 calendar days of the HACDB's notice that a hardship exemption has not been granted.

Temporary Hardship

If the HACDB determines that a qualifying financial hardship is temporary, the HACDB 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 HACDB the amounts suspended. HUD requires the HACDB to offer a reasonable repayment agreement, on terms and conditions established by the HACDB. The HACDB 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 HACDB's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

HACDB Policy

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

Long-Term Hardship

If the HACDB determines that the financial hardship is long-term, the HACDB 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.

HACDB 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.

6-III.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

Overview

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the HACDB must use the utility allowance applicable to the type of dwelling unit leased by the family.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation [24 CFR 8]

On request from a family, PHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [PH Occ GB, p. 172].

Residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies related to reasonable accommodations.

Utility Allowance Revisions [24 CFR 965.507]

The HACDB must review its schedule of utility allowances each year. Between annual reviews, the HACDB must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].

The tenant rent calculations must reflect any changes in the HACDB's utility allowance schedule [24 CFR 960.253(c)(3)].

HACDB Policy

Unless the HACDB is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

HACDB will implement process to submit Utility Reimbursements to all Affordable Housing and HCV Residents through electronic ACH deposits to either resident bank accounts or debit cards.

6-III.D. PRORATED RENT 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 HACDB-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 HACDB-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 HACDB must use the TTP as the mixed family TTP. The HACDB 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

6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]

Flat Rents [24 CFR 960.253(b)]

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula.

Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and review of flat rents are contained in Chapter 16.

Family Choice in Rents [24 CFR 960.253(a) and (e)]

Once each year, the HACDB must offer families the choice between a flat rent and an income-based rent. The family may not be offered this choice more than once a year. The HACDB must document that flat rents were offered to families under the methods used to determine flat rents for the HACDB.

HACDB Policy

The annual HACDB offer to a family of the choice between flat and income-based rent will be conducted upon admission and upon each subsequent annual reexamination.

The HACDB will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.

The HACDB must provide sufficient information for families to make an informed choice. This information must include the HACDB's policy on switching from flat rent to income-based rent due to financial hardship and the dollar amount of the rent under each option. However, if the family chose the flat rent for the previous year the HACDB is required to provide an income-based rent amount only in the year that a reexamination of income is conducted or if the family specifically requests it and submits updated income information.

Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]

A family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the HACDB determines that a financial hardship exists, the HACDB must immediately allow the family to switch from flat rent to the income-based rent.

HACDB Policy

Upon determination by the HACDB that a financial hardship exists, the HACDB will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.

Reasons for financial hardship include:

- ☐ The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance
- ☐ The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items
- ☐ Such other situations determined by the HACDB to be

appropriate HACDB Policy

The HACDB considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent [PH Occ GB, p. 137].

Phasing In Flat Rents [Notice PIH 2014-12]

When new flat rents requirements were implemented in 2014, HUD limited the increase for existing residents paying flat rent at that time to no more than 35 percent of the current tenant rent per year. In some cases, this meant that some residents had or will have their flat rents phased-in at the time of their annual recertification. To do this, PHAs conduct a flat rent impact analysis to determine whether a phase-in is or was necessary. For families whose flat rent is being phased-in, the HACDB must multiply the family's current rent amount by 1.35 and compare the result to the flat rent under the HACDB's policies. Families who have subsequently been admitted to the program or have subsequently selected flat rent will not

Example: A family was paying a flat rent of \$500 per month. At their annual recertification, the PHA has increased the flat rent for their unit size to comply with the new requirements to \$700. The PHA conducted a flat rent impact analysis as follows:

$$\$500 \times 1.35 = \$675$$

Since the PHA's increased flat rent of \$700 resulted in a rent increase of more than 35 percent, the PHA offered the family the choice to pay either \$675 per month or an income-based rent. The flat rent increase was phased in. At their next annual recertification in November 2015, the PHA will again multiply the family's current flat rent by 1.35 and compare the results to the PHA's current flat rent.

experience a phase-in.

HACDB Policy

For families whose flat rent is being phased-in, the HACDB will conduct a flat rent impact analysis to determine the percentage increase in the family's rent amount at each annual recertification. If the increase is greater than 35 percent, the HACDB will phase in the rent increase at the maximum amount annually over a three-year period so that it does not exceed 35 percent in any year until the flat rent is fully phased in. If the increase is

35 percent or less, there will be no phase-in. [Notice PIH 2014-12].

Flat Rents and Earned Income Disallowance [A&O FAQs]

Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurred.

A family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their 48 month period would have the 12 cumulative months of full (100 percent) and phase-in (50 percent) exclusion continue while paying flat rent as long as the employment that is the subject of the exclusion continues, and the 48-month lifetime limit would continue uninterrupted. A family paying flat rent could therefore see a family member's 48-month lifetime limit expire while the family is paying flat rent.

EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) 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;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31¹; and

(B) Are not otherwise excluded under paragraph (c) of this section.

¹ Text of 45 CFR 260.31 follows (next page).

(i) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Non-recurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) 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);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) 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);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) 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. 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 PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member 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. 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;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) 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;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) 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;

(16) 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; or

(17) Amounts specifically excluded by any other Federal statute 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 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) 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 value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall 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 important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

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EXHIBIT 6-4: EARNED INCOME DISALLOWANCE

24 CFR 960.255 Self-sufficiency incentive—Disallowance of increase in annual income.

(a) *Definitions.* The following definitions apply for purposes of this section.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in public housing:

- (i) Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;
 - (ii) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or
 - (iii) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least \$500.
- (b) *Disallowance of increase in annual income.*

(1) *Initial twelve month exclusion.* During the cumulative twelve 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 PHA must exclude from annual income (as defined in 5.609 of this title) of a qualified family any increase in income of the family member as a result of employment over prior income of that family member.

(2) *Second twelve month exclusion and phase-in.* During the second cumulative twelve month period after 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 PHA must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) *Maximum four year disallowance.* The disallowance of increased income of an individual family member as provided in paragraph (b)(1) or (b)(2) of this section is limited to a lifetime 48 month period. It only applies for a maximum of twelve months for disallowance under paragraph (b)(1) and a maximum of twelve months for disallowance under paragraph (b)(2), during the 48 month period starting from the initial exclusion under paragraph (b)(1) of this section.

(c) *Inapplicability to admission.* The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program (including the determination of income eligibility and income targeting).

(d) *Individual Savings Accounts*. As an alternative to the disallowance of increases in income as a result of employment described in paragraph (b) of this section, a PHA may choose to provide for individual savings accounts for public housing residents who pay an income-based rent, in accordance with a written policy, which must include the following provisions:

(1) The PHA must advise the family that the savings account option is available;

(2) At the option of the family, the PHA must deposit in the savings account the total amount that would have been included in tenant rent payable to the PHA as a result of increased income that is disallowed in accordance with paragraph (b) of this section;

(3) Amounts deposited in a savings account may be withdrawn only for the purpose of:

(i) Purchasing a home;

(ii) Paying education costs of family members;

(iii) Moving out of public or assisted housing; or

(iv) Paying any other expense authorized by the PHA for the purpose of promoting the economic self-sufficiency of residents of public housing;

(4) The PHA must maintain the account in an interest bearing investment and must credit the family with the net interest income, and the PHA may not charge a fee for maintaining the account;

(5) At least annually the PHA must provide the family with a report on the status of the account; and

(6) If the family moves out of public housing, the PHA shall pay the tenant any balance in the account, minus any amounts owed to the PHA

EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) Applicability. This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) Definitions. The following definitions apply for purposes of this section:

Covered families. Families 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.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) Imputed welfare income.

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of PHA decision.

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination

of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) PHA relation with welfare agency.

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7

VERIFICATION

[24 CFR 960.259, 24 CFR 5.230, Notice PIH 2010-19]

INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The HACDB 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 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary HACDB policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

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 established by the HACDB.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION

[24 CFR 960.259, 24 CFR 5.230]

The family must supply any information that the HACDB or HUD determines is necessary to the administration of the program and must consent to HACDB verification of that information [24 CFR 960.259(a)(1)].

Consent Forms

It is required that all adult applicants and tenants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 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 HACDB may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). 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 HACDB will deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the HACDB's grievance procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy [Notice PIH 2010-19 and Updates]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general, HUD requires the HACDB to use the most reliable form of verification that is available and to document the reasons when the HACDB uses a lesser form of verification.

HACDB Policy

In order of priority, the forms of verification that the HACDB will use are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third Party Verification (may be provided by applicant or resident)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

HACDB Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 days of the date they are provided to the HACDB. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages are considered original documents.

The HACDB 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 HACDB and must be signed in the presence of a HACDB representative.

Streamlining Verification of Assets

The HACDB has elected to use the streamlining verification of assets. For a family with net assets equal to or less than \$5,000, the HACDB may accept, for purposes of recertification of income, a family's declaration that it has net assets equal to or less than \$5,000, 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 HACDB must obtain third-party verification of all family assets every 3 years.

Streamlining Verification of Income

HACDB has elected to use the streamlining verification of income. For any family member with a fixed source of income, the HACDB 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 HACDB must use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount. The HACDB 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 HACDB 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 HACDB 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 HACDB will apply the streamlining process and only reverify the fixed income every 3 years. All other incomes will be verified annually.

File Documentation

The HACDB 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 HACDB 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.

HACDB Policy

The HACDB will document, in the family file, the

following: Reported family annual income

Value of assets

Expenses related to deductions from annual income

Other factors influencing the adjusted income or income-based rent determination

When the HACDB is unable to obtain third-party verification, the HACDB will document in the family file the reason that third-party verification was not available [24 CFR 960.259(c)(1); Notice PIH 2010-19].

The Verification Hierarchy

HACDB Policy

The HACDB will begin with the highest level of verification techniques. The HACDB is required to access the EIV system and obtain an Income Report for each household. The HACDB 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 HACDB 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 (not available for income verifications of applicants)	Highest (Mandatory)
5	Upfront Income Verification (UIV) using non-HUD system	Highest (Optional)
4	Written third Party Verification	High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information and is unable to provide acceptable documentation to support dispute)
3	Written Third Party Verification Form	Medium-Low (Mandatory if written third party verification documents are not available or rejected by the HACDB; and when the applicant or tenant is unable to provide acceptable documentation) Low (Mandatory if written third party verification is not available)
2	Oral Third Party Verification	Low (Mandatory if written third party verification is not available)
1	Tenant Declaration	Low (Use as a last resort when unable to obtain any type of third party verification)

This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not always available for verifying income of applicants. The HACDB 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.

EIV Record Retention

HACDB Policy

The HACDB's record retention policy will determine the length of time the HACDB 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 HACDB 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 HACDB 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.

HACDB Policy

EIV information and any other information obtained by the HACDB 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.

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the HACDB's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the HACDB.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the HACDB has independently verified the UIV information and the family has been granted the opportunity to contest any adverse findings through the HACDB's informal review/hearing processes. (For more on UIV and income projection, see section 6-I.C.)

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system.

EIV Income Reports

The data shown on income reports is updated quarterly. Data may be between three and six months old at the time reports are generated.

HACDB Policy

The HACDB will obtain income reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6.I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6.I.C. and in this chapter.

Income reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income reports will be retained in resident files with the applicable annual or interim reexamination documents.

When the HACDB determines through income reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

EIV Identity Verification

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to Public and Indian Housing Information Center (PIC) data for a match on social security number, name, and date of birth.

PHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2012-10].

When identity verification for a resident fails, a message will be displayed within the EIV system and no income information will be displayed.

HACDB Policy

The HACDB will identify residents whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis. The HACDB will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the tenant. When the HACDB determines that discrepancies exist as a result of HACDB errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Upfront Income Verification Using Non-HUD Systems

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

HACDB Policy

The HACDB will inform all applicants and residents of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the HACDB by the family. If written third-party verification is not available, the HACDB must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

Written Third-Party Verification [Notice PIH 2010-19]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The HACDB is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The HACDB may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

HACDB Policy

Third-party documents provided by the family must be dated within 60 days of the HACDB request date.

If the HACDB determines that third-party documents provided by the family are not acceptable, the HACDB will explain the reason to the family and request additional documentation.

As verification of earned income, the HACDB will require the family to provide eight weeks of the most current, consecutive pay stubs.

Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, the HACDB must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

HACDB Policy

The HACDB will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the HACDB.

Oral Third-Party Verification [Notice PIH 2010-19 and updates]

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

HACDB Policy

In collecting third-party oral verification, HACDB 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 HACDB will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

When Third-Party Verification is Not Required [Notice PIH 2010-19 and updates]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

HACDB Policy

If the family cannot provide original documents, the HACDB 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 [VG, p. 18].

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.

Imputed Assets

The HACDB may accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

HACDB Policy

The HACDB will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

7-I.E. SELF-CERTIFICATION

Self-certification, or “tenant declaration,” is used as a last resort when the HACDB is unable to obtain third-party verification.

When the HACDB relies on a tenant declaration for verification of income, assets, or expenses, the family’s file must be documented to explain why third-party verification was not available.

HACDB Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the HACDB.

The HACDB 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 HACDB and must be signed by the family member whose information or status is being verified. All self- certifications must be signed in the presence of a HACDB representative.

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

HACDB Policy

The HACDB 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 Vehicle identification card U.S. military discharge (DD 214) Current U.S. passport Current employer identification card	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the HACDB'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 HACDB and be signed in the presence of a HACDB representative.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the HACDB has reason to doubt the identity of a person representing him or herself to be a tenant or a member of a tenant family.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2012-10]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing residents who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

The HACDB must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)

- An original SSA-issued document, which contains the name and SSN of the individual

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

The HACDB may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, is illegible, or if the document appears to be forged.

HACDB Policy

The HACDB will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the HACDB within 90 days.

When a resident requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the resident must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The HACDB may not add the new household member until such documentation is provided.

When a resident requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the resident must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the HACDB determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control. During the period the HACDB is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

HACDB Policy

The HACDB will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

HACDB Policy

The HACDB will verify each disclosed SSN by:

Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the HACDB may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

HACDB Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the HACDB will remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. 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.

HACDB Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the HACDB 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.

7-II.D. FAMILY RELATIONSHIPS

Applicants and tenants 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.

HACDB 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

HACDB Policy

Certification by the head of household is normally sufficient verification.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

HACDB Policy

Certification by the head of household is normally sufficient verification.

Absence of Adult Member

HACDB 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

HACDB Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

HACDB Policy

The HACDB 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 reports full-time student status for an adult other than the head, spouse, or co-head.

The family reports child care expenses to enable a family member to further his or her education.

The family includes a student enrolled in an *institution of higher education*.

The family claims an income exclusion because the student is receiving earned income and only the first \$480 is included as income.

7-II.F. DOCUMENTATION OF DISABILITY

The HACDB must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The HACDB is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The HACDB may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the HACDB receives a verification document that provides such information, the HACDB will not place this information in the tenant file. Under no circumstances will the HACDB request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' Web site at www.os.dhhs.gov.

The HACDB may make the following inquiries, provided it makes them 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
- Inquiry about whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiry about whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of receipt of disability benefits from the Social Security Administration (SSA) is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

HACDB Policy

For family members claiming disability who receive disability payments from the SSA, the HACDB will attempt to obtain information about disability benefits through HUD's Enterprise Income Verification (EIV) system. If documentation is not available through HUD's EIV system, the HACDB will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, the HACDB will ask the family to obtain a benefit verification letter either by calling SSA at 1-800-772-1213 or by requesting one from www.ssa.gov. Once the family receives the benefit verification letter, it will be required to provide the letter to the HACDB.

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 5.403, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

HACDB Policy

For family members claiming disability who do not receive SSI or other disability payments 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.

7-II.G. 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. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and HACDB 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 [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 HACDB may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

HACDB Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the HACDB receives information indicating that an individual's declaration may not be accurate.

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 noncitizens 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. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

HACDB Verification [HCV GB, pp 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this ACOP. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the HACDB must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS).

The HACDB will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The HACDB must verify any preferences claimed by an applicant that determined his or her placement on the waiting list.

HACDB Policy

The HACDB offers a preference for working families, described in Section 4-III.B.

The HACDB may verify that the family qualifies for the working family preference based on the family's submission of the working member's most recent paycheck stub indicating that the working member works at least 30 hours per week. The paycheck stub must have been issued to the working member within the last thirty days.

The HACDB may also seek third party verification from the employer of the head, spouse, co-head or sole member of a family requesting a preference as a working family.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this ACOP 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 HACDB policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

HACDB Policy

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.

Wages

HACDB Policy

For wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

HACDB 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 HACDB 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 HACDB 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 HACDB 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 HACDB will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

HACDB Policy

To verify the SS/SSI benefits of applicants, the HACDB will request a current (dated within the last 60 days) SSA benefit verification letter from each family member who receives social security benefits. If a family member is unable to provide the document, the HACDB will help the applicant request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the original benefit verification letter, it will be required to provide the letter to the HACDB.

To verify the SS/SSI benefits of residents, the HACDB will obtain information about social security/SSI benefits through HUD's EIV system, and confirm with the resident(s) that the current listed benefit amount is correct. If the resident disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the HACDB will request a current SSA benefit verification letter from each family member that receives social security benefits. If a family member is unable to provide the document, the HACDB will help the resident request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772- 1213. Once the family has received the benefit verification letter, it will be required to provide the letter to the HACDB.

7-III.D. ALIMONY OR CHILD SUPPORT

HACDB Policy

The methods the HACDB will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the following order of priority:

Copies of the receipts and/or payment stubs for the 60 days prior to HACDB request

Third-party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Family's self-certification of amount received

If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. 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.

7-III.E. ASSETS AND INCOME FROM ASSETS

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 HACDB needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

HACDB Policy

The HACDB will verify the value of assets disposed of only if:

The HACDB 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 resident reported a \$10,000 certificate of deposit at the last annual reexamination and the PHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The PHA has a reasonable estimate of the value of the asset; therefore, reverification 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 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the PHA will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

HACDB 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 HACDB 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.

7-III.G. RETIREMENT ACCOUNTS

HACDB Policy

The HACDB will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the HACDB 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 HACDB 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 HACDB 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.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the HACDB is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion; PHAs have the option of requiring additional verification.

For partially excluded income, the HACDB **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

HACDB Policy

The HACDB will accept the family's self-certification as verification of fully excluded income. The HACDB may request additional documentation if necessary to document the income source.

The HACDB will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.I. ZERO ANNUAL INCOME STATUS

HACDB Policy

The HACDB will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, etc. are not being received by families claiming to have zero annual income.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the HACDB 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 (6-II.B.) for a full discussion of this deduction. The HACDB 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 full time student

Elderly/Disabled Family Deduction

See the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The HACDB will verify that the head, spouse, or co-head is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

HACDB Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The HACDB will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The HACDB will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

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 HACDB 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 HACDB 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 (7-IV.A) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the HACDB's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

HACDB Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past YearsHACDB Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the HACDB 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

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

HACDB Policy

The HACDB will accept written third-party documents provided by the family.

If family-provided documents are not available, the HACDB will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

HACDB Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as 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.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the HACDB must verify that:

- ☐ The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- ☐ The expense permits a family member, or members, to work (as described in 6-II.E.).
- ☐ The expense is not reimbursed from another source (as described in 6-II.E.).

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 HACDB will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The HACDB must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

HACDB Policy

The HACDB will request 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.). This documentation may be provided by the family.

If third-party 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.

HACDB Policy

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.

7-IV.D. 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. In addition, the HACDB must verify that:

- ☐ The child is eligible for care (12 or younger).
- ☐ The costs claimed are not reimbursed.
- ☐ The costs enable a family member to work, actively seek work, or further their education.
- ☐ The costs are for an allowable type of child care.
- ☐ The costs are reasonable.

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 HACDB will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

HACDB Policy

The family and the care provider 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 HACDB 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.

HACDB Policy

Information to be gathered

The HACDB 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 HACDB will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the HACDB will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to the HACDB any reports provided to the other agency.

In the event third-party verification is not available, the HACDB will provide the family with a form on which the family member must record job search efforts. The HACDB will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The HACDB will request third-party documentation to 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. The documentation may be provided by the family.

Gainful Employment

The HACDB will seek third-party verification 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. The documentation may be provided by the family.

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.

HACDB Policy

The HACDB will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The HACDB 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 HACDB will verify that the child care provider is not an assisted family member. 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.

HACDB Policy

The actual costs the family incurs will be compared with the HACDB's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the HACDB will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Additional Provisions for Verification if Child Care Provided by Non-Agency Provider

In cases where verification is provided through non-agency providers through a self-affidavits, and if the child care deduction exceeds \$600, the HACDB will require the participant/tenant to provide verification of the 1099-Misc provided to the individual providing the care, and a copy of the provider's tax return indicating the income was properly documented for taxing purposes

Exhibit 7-1: Summary of Documentation Requirements for Noncitizens [HCV GB, pp. 5-9 and 5-10]	
<ul style="list-style-type: none"> • All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the HACDB. • Except for persons 62 or older, all noncitizens must sign a verification consent form • Additional documents are required based upon the person's status. 	
Elderly Noncitizens <ul style="list-style-type: none"> • A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits. 	
All other Noncitizens <ul style="list-style-type: none"> • Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below. 	
<ul style="list-style-type: none"> • Form I-551 Alien Registration Receipt Card (for permanent resident aliens) • Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> • “Admitted as a Refugee Pursuant to Section 207” • “Section 208” or “Asylum” • “Section 243(h)” or “Deportation stayed by Attorney General” • “Paroled Pursuant to Section 221 (d)(5) of the USCIS” 	<ul style="list-style-type: none"> • Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> • A final court decision granting asylum (but only if no appeal is taken); • A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90); • A court decision granting withholding of deportation; or • A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).
<ul style="list-style-type: none"> • Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”. 	<ul style="list-style-type: none"> • Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.
<ul style="list-style-type: none"> • A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or • Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the <i>Federal Register</i> 	

Chapter 8

LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

INTRODUCTION

Public housing leases are the contractual basis of the legal relationship between the HACDB and the tenant. All units must be occupied pursuant to a dwelling lease agreement that complies with HUD regulations.

HUD regulations require the HACDB to inspect each dwelling unit prior to move-in, at move-out, and annually during the period of occupancy. In addition, the HACDB may conduct additional inspections in accordance with HACDB policy.

This chapter is divided into two parts as follows:

Part I: Leasing. This part describes pre-leasing activities and the HACDB's policies pertaining to lease execution, lease modification, and payments under the lease.

Part II: Inspections. This part describes the HACDB's policies for inspecting dwelling units.

PART I: LEASING

8-I.A. OVERVIEW

An eligible family may occupy a public housing dwelling unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of 12 months. The lease must be renewed automatically for another 12-month term, except that the HACDB may not renew the lease if the family has violated the community service requirement [24 CFR 966.4(a)(2)].

Part I of this chapter contains regulatory information on leasing, where applicable, as well as the HACDB's leasing policies.

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, spouse, and all other adult members of the household and by the authorized representative of HACDB, prior to actual admission. ⁱⁱ.
4. If a resident transfers from one HACDB 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 HACDB.

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 HACDB.

Showing Units Prior to Leasing

1. When offering units, HACDB 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, HACDB 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, HACDB 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 HACDB for a “good cause” determination.
3. No lease will have an effective date before the unit is ready for occupancy ⁱⁱⁱ.

8-I.B. LEASE ORIENTATION

HACDB Policy

After unit acceptance but prior to occupancy, a HACDB representative will conduct a lease orientation with the family. The head of household and all adult members 18 years of age and older are required to attend.

Orientation Agenda

HACDB Policy

When families attend the lease orientation, they will be provided with:

- A copy of the lease

- A copy of the HACDB's grievance

- procedure A copy of the house rules

- A copy of the HACDB's schedule of maintenance charges

- A copy of the community Service Policy

- A copy of the Bedbug Policy

- Other Lease Addendums

- A copy of "Is Fraud Worth It?" (Form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

- A copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19

- Information about the protections afforded by the Violence against Women Act of 2013 (VAWA) to victims of domestic violence, dating violence, sexual assault, and stalking (see section 16-VII.C)

Topics to be discussed and explained to all families include:

- Applicable deposits and all other charges

- Review and explanation of lease provisions

- Unit maintenance requests and work orders

- The HACDB's interim reporting requirements

- Review and explanation of occupancy forms

- Community service requirements

- Family choice of rent

- Lead-based Paint provisions

- Banned List

- Pet Policy

- HUD Form 92006

VAWA protections

8-I.C. EXECUTION OF LEASE

The lease must be executed by the tenant and the HACDB, except for automatic renewals of a lease [24 CFR 966.4(a)(3)].

A lease is executed at the time of admission for all new residents. A new lease is also executed at the time of transfer from one HACDB unit to another.

The lease must state the composition of the household as approved by the HACDB (family members and any HACDB-approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

HACDB Policy

The head of household, spouse or co-head, and all other adult members of the household will be required to sign the public housing lease prior to admission. An appointment will be scheduled for the parties to execute the lease. The head of household will be provided a copy of the executed lease and the HACDB will retain a copy in the resident's file.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to HACDB assistance. The live-in aide is only approved to live in the unit while serving as the care attendant for the family member who requires the care.

8-I.D. MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and the HACDB [24 CFR 966.4(a)(3)].

Modifications to the Lease Form

The HACDB may modify its lease from time to time. However, the HACDB must give residents at least thirty (30) days advance notice of the proposed changes and an opportunity to comment on the changes. The HACDB must also consider any comments before formally adopting a new lease [24 CFR 966.3].

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(l)(2)(iii)(E)].

HACDB Policy

The family will have 30 days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30 day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

HACDB Policy

When the HACDB proposes to modify or revise schedules of special charges or rules and regulations, the HACDB will post a copy of the notice in the central office, the agency website, and will include notice in the resident rent statement 30 days before the change is to take place, and in each development office. Documentation of any specific rent change affecting an individual resident will be included in each resident file.

Other Modifications

HACDB Policy

The lease will be amended to reflect all changes in family composition.

If, for any reason, any member of the household ceases to reside in the unit, the lease will be amended by drawing a line through the person's name. The head of household and HACDB will be required to initial and date the change.

If a new household member is approved by the HACDB to reside in the unit, the person's name and birth date will be added to the lease. The head of household and HACDB will be required to initial and date the change. If the new member of the household is an adult, s/he will also be required to sign and date the lease.

Policies governing when and how changes in family composition must be reported are contained in Chapter 9, Reexaminations.

8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]

At the option of the HACDB, the lease may require security deposits. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the HACDB. The HACDB may allow for gradual accumulation of the security deposit by the family, or the family may be required to pay the security deposit in full prior to occupancy. Subject to applicable laws, interest earned on security deposits may be refunded to the tenant after vacating the unit, or used for tenant services or activities.

HACDB Policy

Residents must pay a \$200.00 security deposit to the HACDB. The full amount of the security deposit, or signed payment agreement must be completed prior to admission. Due to financial circumstances, the HACDB can allow for the payment of the security deposit through a payment agreement with a \$50.00 minimum payment, and the balance paid in three payments.

The HACDB will hold the security deposit for the period the family occupies the unit. The HACDB will not use the security deposit for rent or other charges while the resident is living in the unit.

Within 30 days of move-out, the HACDB will refund to the resident the amount of the security deposit ~~(including interest earned on the security deposit)~~, less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.

The HACDB will provide the resident with a written list of any charges against the security deposit within 30 days of the move-out inspection. If the resident disagrees with the amount charged, the HACDB will provide a meeting to discuss the charges.

If the resident transfers to another unit, the HACDB will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges due for the "old" unit.

8-I.F. PAYMENTS UNDER THE LEASE

Rent Payments [24 CFR 966.4(b)(1)]

Families must pay the amount of the monthly tenant rent determined by the HACDB in accordance with HUD regulations and other requirements. The amount of the tenant rent is subject to change in accordance with HUD requirements.

The lease must specify the initial amount of the tenant rent at the beginning of the initial lease term, and the HACDB must give written notice stating any change in the amount of tenant rent and when the change is effective.

HACDB Policy

The tenant rent is due and payable at the HACDB-designated location on the first of every month. If the first falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.

If a family's tenant rent changes, the HACDB will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

Late Fees and Nonpayment

At the option of the HACDB, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].

The lease must provide that late payment fees are not due and collectible until two weeks after the HACDB gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the HACDB grievance procedures. The HACDB must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

HACDB Policy

If the family fails to pay their rent by the fifth day of the month, and the HACDB has not agreed to accept payment at a later date, a 14 day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises.

In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of \$35.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the HACDB may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of \$25.00 will be charged to the family. The fee will be due and payable 14 days after billing.

Excess Utility Charges

If the HACDB charges the tenant for consumption of excess utilities, the lease must state the basis for the determination of such charges. The imposition of charges for consumption of excess utilities is permissible only if the charges are determined by an individual check meter servicing the leased unit or result from the use of major tenant-supplied appliances [24 CFR 966.4(b)(2)].

Schedules of special charges for utilities that are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for excess utility consumption are not due and collectible until two weeks after the HACDB gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right to a hearing under the HACDB grievance procedures. The HACDB must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

HACDB Policy

When applicable, families will be charged for excess utility usage according to the HACDB's current posted schedule. Notices of excess utility charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the HACDB may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of excess utility charges is a violation of the lease and is grounds for eviction.

Maintenance and Damage Charges

If the HACDB charges the tenant for maintenance and repair beyond normal wear and tear, the lease must state the basis for the determination of such charges [24 CFR 966.4(b)(2)].

Schedules of special charges for services and repairs which are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for maintenance and repair beyond normal wear and tear are not due and collectible until two weeks after the HACDB gives written notice of the charges.

The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the HACDB grievance procedures. The HACDB must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

HACDB Policy

When applicable, families will be charged for maintenance and/or damages according to the HACDB's current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the HACDB may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

PART II: INSPECTIONS

8-II.A. OVERVIEW

HUD regulations require the HACDB to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the HACDB may require additional inspections, in accordance with HACDB Policy. This part contains the HACDB's policies governing inspections, notification of unit entry, and inspection results.

8-II.B. TYPES OF INSPECTIONS

Move-In Inspections [24 CFR 966.4(i)]

The lease must require the HACDB and the family to inspect the dwelling unit prior to occupancy in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the HACDB and the tenant, must be provided to the tenant and retained in the resident file.

HACDB Policy

The Head of Household may attend the initial inspection and sign the inspection form.

Move-Out Inspections [24 CFR 966.4(i)]

The HACDB must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if he or she wishes, unless the tenant vacates without notice to the HACDB. The HACDB must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

HACDB Policy

When applicable, the HACDB will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 10 business days of conducting the move-out inspection.

Annual Inspections [24 CFR 5.705]

Section 6(f)(3) of the United States Housing Act of 1937 requires that PHAs inspect each public housing project annually to ensure that the project's units are maintained in decent, safe, and sanitary condition. The HACDB shall continue using the Uniform Physical Condition Standards (UPCS) in 24 CFR 5, Subpart G, Physical Condition Standards and Inspection Requirements, to conduct annual project inspections. These standards address the inspection of the site area, building systems and components, and dwelling units.

HACDB Policy

The HACDB will inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS).

Quality Control Inspections

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame

HACDB Policy

Supervisory quality control inspections will be conducted in accordance with the HACDB's maintenance plan.

Special Inspections

HACDB Policy

HACDB staff may conduct a special inspection for any of the following

reasons: Housekeeping

Unit condition

Suspected lease violation

Preventive maintenance

Routine maintenance

There is reasonable cause to believe an emergency exists

Other Inspections

HACDB Policy

Building exteriors, grounds, common areas and systems will be inspected according to the HACDB's maintenance plan.

8-II.C. NOTICE AND SCHEDULING OF INSPECTIONS

Notice of Entry

Non-emergency Entries [24 CFR 966.4(j)(1)]

The HACDB may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the HACDB entry delivered to the dwelling unit at least two days before such entry is considered reasonable advance notification.

HACDB Policy

The HACDB will notify the resident in writing at least 48 hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least 1 weeks written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the HACDB to enter the unit.

Emergency Entries [24 CFR 966.4(j)(2)]

The HACDB may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the HACDB must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

Scheduling of Inspections

HACDB Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the HACDB at least 24 hours prior to the scheduled inspection. The HACDB will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The HACDB may request verification of such cause.

Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

HACDB Policy

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if he or she wishes.

If no one is at home, the inspector will attempt to find the Manager or Maintenance person to open the unit and accompany him while entering the unit, and conducting the inspection.

8-II.D. INSPECTION RESULTS

The HACDB is obligated to maintain dwelling units and the project in decent, safe and sanitary condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

Emergency Repairs [24 CFR 966.4(h)]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the HACDB of the damage, and the HACDB must make repairs within a reasonable time frame.

If the damage was caused by a household member or guest, the HACDB must charge the family for the reasonable cost of repairs. The HACDB may also take lease enforcement action against the family.

If the HACDB cannot make repairs quickly, the HACDB must offer the family standard alternative accommodations. If the HACDB can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

HACDB Policy

When conditions in the unit are hazardous to life, health, or safety, the HACDB will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

- Any condition that jeopardizes the security of the unit

- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

- Natural or LP gas or fuel oil leaks

- Any electrical problem or condition that could result in shock or fire

- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit

- Utilities not in service, including no running hot water

- Conditions that present the imminent possibility of injury

- Obstacles that prevent safe entrance or exit from the unit

- Absence of a functioning toilet in the unit

- Inoperable smoke detectors

Non-emergency Repairs

HACDB Policy

The HACDB will correct non-life threatening health and safety defects within 15 business days of the inspection date. If the HACDB is unable to make repairs within that period due to circumstances beyond the HACDB's control (e.g. required parts or services are not available, weather conditions, etc.) the HACDB will notify the family of an estimated date of completion.

The family must allow the HACDB access to the unit to make repairs.

Resident-Caused Damages

HACDB Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.G., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

Housekeeping

HACDB Policy

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the HACDB will provide proper notice of a lease violation.

A re-inspection will be conducted within 30 days to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a re-inspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector. Only one warning will be given. A second incidence will result in lease termination.

INTRODUCTION

HACDB is implementing streamlining provisions including o 45 to determine streamlining policies regarding Family declaration of assets under \$5,000., EID Time period provisions, Utility Reimbu sources of income.

Chapter 9

REEXAMINATIONS

[24 CFR 960.257, 960.259, 966.4]

The HACDB is required to reexamine each family's income and composition periodically, and to adjust the family's rent accordingly. PHAs must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the HACDB must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the HACDB to offer all families the choice of paying income-based rent or flat rent at least annually. The HACDB's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.

Part II: Reexaminations for Families Paying Flat Rents. This part contains the HACDB's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. This part also contains the HACDB's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and HACDB policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the HACDB must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME-BASED RENTS [24 CFR 960.257]

9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the HACDB must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. For families who choose flat rents, the HACDB must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the HACDB must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.

The HACDB is required to obtain all of the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of the HACDB. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the HACDB's policies for conducting annual reexaminations.

ELIGIBILITY FOR CONTINUED OCCUPANCY

Residents who meet the following criteria will be eligible for continued occupancy:

- Qualify as a family as defined in this policy.
- Are in full compliance with the resident obligations and responsibilities as described in the dwelling lease.
- 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.
- Who meet HUD standards on citizenship or immigration status or are paying a pro-rated rent ^{iv}.
- Who are in compliance with the HACDB's community service requirements.
- Who remains eligible for non-criminal status or sex offender ineligibility.
- 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 adjusted 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. HACDB 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, HACDB 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 HACDB 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 HACDB has completed updates to its ACOP and, if necessary, the HACDB Plan, and the HACDB discovers through an annual reexamination or an interim reexamination that a family's income exceeds the applicable over-income limit, the HACDB 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 HACDB, the family's income continues to exceed the over-income limit, the HACDB 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 HACDB's policies. If the initial over-income determination was made during an interim reexamination, the HACDB

must conduct a second interim income reexamination on that date one year later. However, if the HACDB 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.

HACDB must ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other disabilities. The HACDB 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 will provide additional information and guidelines for HACDB to set alternative rents for over-income families that the HACDB has allowed to remain in public housing, and any other guidance regarding this provision in a forthcoming notice. Families not permitted to stay by the HACDB must have their tenancy terminated no later than six months after the second over-income finding by the HACDB.

HACDB Policy

HACDB will terminate the tenancy after the 2 year period for over-income families; however, the HACDB 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.

9-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The HACDB must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12 month period [24 CFR 960.257(a)(1)].

HACDB Policy

The HACDB adopts the streamlined annual reexamination for fixed sources of income Regulation: 24 CFR §§960.257, 982.516

Programs to which this provision applies: Housing Choice Voucher (including project-based voucher), public housing.

Description of change: This provision offers HACDB the discretion to adopt a streamlined income determination for any family member with a fixed source of income. Note that the family member may also have non-fixed sources of income, which remain subject to third-party verification. Upon request of the family, the HACDB must perform third-party verification of all income sources. Note that this provision pertains only to the verification of sources of income; PHAs must continue to conduct third-party verification of deductions.

For purposes of this Policy, the term “fixed-income” includes

- ☐ Social Security payments, to include Supplemental Security Income (SSI) and Supplemental income from: Security Disability Insurance (SSDI);
- ☐ Federal, state, local, and private pension plans; and
- ☐ Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

The determination will be made by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided, third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

This provision is available for program participants only and may be implemented at the family's next annual reexamination following adoption of the provision in the HACDB's ACOP or Admin. Plan. The provision is not available for program applicants; in the initial year in which a streamlined income determination is made, the COLA must be applied to a source of income that has been verified previously.

In the initial year of employing a streamlined income determination, HACDB must determine whether a source of income is fixed. HACDB may do this by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as a result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. HACDB may also make such a determination by requiring a family to identify as to which source(s) of income are fixed. HACDB must document in the tenant file how it made the determination that a source of income is fixed.

For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment would be made to the previously determined income amount (i.e., in year two, the COLA is applied to the year one income amount, as previously adjusted by a COLA).

For any family member whose income is determined pursuant to a streamlined income determination, *third-party verification of all income amounts for all family members must be performed at least every three years*. This means that, for the third income determination involving a family member whose income had been adjusted twice using a streamlined income determination, the HACDB would need to obtain third-party verification of *all* income amounts. This also means that if a family member with a fixed-income source is added to the family during year two, for example, then the HACDB must obtain third-party verification of all income amounts for that family member at the next reexamination if the HACDB wishes to have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.

Recertification Process

The HACDB will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the HACDB will perform an interim reexamination,

and the anniversary date will not be changed.

The HACDB may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The HACDB is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the HACDB. However, PHAs should give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006 at this time. The HACDB should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of the annual reexamination [Notice PIH 2009-36].

HACDB Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, co-head and any person over the age of 18. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the HACDB to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the HACDB in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the HACDB will send a second notification within 7 days in writing, with a new interview appointment time.

If a family fails to attend two scheduled interviews without HACDB approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other assistant may assist the family in the interview process.

The HACDB may conduct the recertifications without on-site interview and by mail in certain cases.

9-I.C. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit [24 CFR 966.4(c)(2)].

HACDB Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a HACDB-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 5 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension, an additional 3 days.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status
- Reviewing continued eligibility of Over-income families

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The HACDB may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

HACDB Policy

Each household member age 18 and over will be required to execute a consent form for a criminal background check as part of the annual reexamination process.

Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

HACDB Policy

At the annual reexamination, the HACDB will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The HACDB will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the HACDB proposes to terminate assistance based on lifetime sex offender registration information, the HACDB must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 13.)

Compliance with Community Service

For families who include nonexempt individuals, the HACDB must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the HACDB's policies governing compliance with the community service requirement.

9-I.D. EFFECTIVE DATES

As part of the annual reexamination process, the HACDB must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

HACDB Policy

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the HACDB chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACDB, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the tenant rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If the HACDB chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACDB.

If the family causes a delay in processing the annual reexamination, *decreases* in the tenant rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the HACDB by the date specified, and this delay prevents the HACDB from completing the reexamination as scheduled.

PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS

[24 CFR 960.257(2)]

9-II.A. OVERVIEW

HUD requires that the HACDB offer all families the choice of paying income-based rent or flat rent at least annually. The HACDB's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the HACDB must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. The HACDB is only required to provide the amount of income-based rent the family might pay in those years that the HACDB conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)].

As it does for families that pay income-based rent, the HACDB must also review compliance with the community service requirement for families with nonexempt individuals.

This part contains the HACDB's policies for conducting reexaminations of families who choose to pay flat rents.

9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

Frequency of Reexamination

HACDB Policy

For families paying flat rents, the HACDB will conduct a full reexamination of family income and composition once every 3 years.

Reexamination Policies

HACDB Policy

In conducting full reexaminations for families paying flat rents, the HACDB will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.D above.

9-II.C. REEXAMINATION OF FAMILY COMPOSITION (“ANNUAL UPDATE”)

As noted above, full reexaminations are conducted every 3 years for families paying flat rents. In the years between full reexaminations, regulations require the HACDB to conduct a reexamination of family composition (“annual update”) [24 CFR 960.257(a)(2)].

The annual update process is similar to the annual reexamination process, except that the HACDB does not collect information about the family’s income and expenses, and the family’s rent is not recalculated following an annual update.

Scheduling

The HACDB must establish a policy to ensure that the reexamination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a)(2)].

HACDB Policy

For families paying flat rents, annual updates will be conducted in each of the 2 years following the full reexamination, to verify family composition.

In scheduling the annual update, the HACDB will follow the policy used for scheduling the annual reexamination of families paying income-based rent as set forth in Section 9-I.B. above.

Conducting Annual Updates

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

HACDB Policy

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the HACDB. The family will have 7 days to submit the required information to the HACDB. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. If the family’s submission is incomplete, or the family does not submit the information in the required time frame, the HACDB will send a second written notice to the family. The family will have 7 days from the date of the second notice to provide the missing information or documentation to the HACDB.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The HACDB may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

HACDB Policy

Each household member age 18 and over will be required to execute a consent form for criminal background check as part of the annual update process.

Compliance with Community Service

For families who include nonexempt individuals, the HACDB must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the HACDB's policies governing compliance with the community service requirement.

PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

9-III.A. OVERVIEW

Family circumstances may change during the period between annual reexaminations. HUD and HACDB policies define the types of information about changes in family circumstances that must be reported, and under what circumstances the HACDB must process interim reexaminations to reflect those changes. HUD regulations also permit the HACDB to conduct interim reexaminations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The HACDB must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and HACDB policies that describe the changes families are *required* to report, the changes families *may choose* to report, and how the HACDB will process both HACDB- and family-initiated interim reexaminations.

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The HACDB must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the HACDB has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

HACDB Policy

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates).

The HACDB will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require HACDB approval. However, the family is required to promptly notify the HACDB of the addition [24 CFR 966.4(a)(1)(v)].

HACDB Policy

The family must inform the HACDB of the birth, adoption, or court-awarded custody of a child within 10 business days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request HACDB approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The HACDB may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which HACDB consent will be given or denied. Under such policies, the factors considered by the HACDB may include [24 CFR 966.4(d)(3)(i)]:

- ☐ Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The HACDB's obligation to make reasonable accommodation for persons with disabilities. HACDB Policy

Families must request HACDB approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the HACDB prior to the individual moving into the unit.

If adding a person to a household (other than a child by birth, adoption, or court-awarded custody) will require a transfer to a larger size unit (under the transfer policy in Chapter 12), the HACDB will approve the addition only if the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, that should be considered by the HACDB. Exceptions will be made on a case-by-case basis.

The HACDB will not approve the addition of a new family or household member unless the individual meets the HACDB's eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If the HACDB determines that an individual does not meet the HACDB's eligibility criteria or documentation requirements, the HACDB will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The HACDB will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

HACDB Policy

If a family member ceases to reside in the unit, the family must inform the HACDB within 10 business days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the HACDB within 10 business days.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the HACDB has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the HACDB may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

HACDB Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

HACDB-initiated Interim Reexaminations

HACDB-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the HACDB. They are not scheduled because of changes reported by the family.

HACDB Policy

The HACDB will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the HACDB will conduct an interim reexamination at the start, to adjust the exclusion with any changes in income, and at the conclusion of the second 12 month exclusion period (50 percent phase-in period).

If the family has reported zero income, the HACDB will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the HACDB will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the HACDB will conduct an interim reexamination.

The HACDB may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The HACDB must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

Required Reporting

HUD regulations give the HACDB the discretion to determine the circumstances under which families will be required to report changes affecting income.

HACDB Policy

Families are required to report all increases in earned income, including new employment, within 10 business days of the date the change takes effect.

The HACDB will only conduct interim reexaminations for families that qualify for the earned income disallowance (EID), and when the EID family's rent will change as a result of the increase.

In other cases, the HACDB will increase the rent, if the monthly increase in income is \$200, or more or \$2,400 on an annual basis. In other cases the information will be noted in the tenant file, but will not conduct an interim reexamination.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The HACDB must process the request if the family reports a change that will result in a reduced family income [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

HACDB Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the HACDB will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the tenant rent, the HACDB will conduct an interim reexamination. See Section 9-III.D. for effective dates.

Families may report changes in income or expenses at any time.

9-III.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

HACDB Policy

The family may notify the HACDB of changes either orally or in writing. If the family provides oral notice, the HACDB may also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the HACDB determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the HACDB will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the HACDB. This time frame may be extended for good cause with HACDB approval. The HACDB will accept required documentation by mail, by fax, or in person.

Effective Dates

The HACDB must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

HACDB Policy

If the tenant rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the tenant rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

PART IV: RECALCULATING TENANT RENT

9-IV.A. OVERVIEW

For those families paying income-based rent, the HACDB must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The tenant rent calculations must reflect any changes in the HACDB's utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.

HACDB Policy

Unless the HACDB is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

9-IV.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the HACDB to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the HACDB re-determines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the HACDB's schedule of Utility Allowances for families in the HACDB's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the HACDB must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the HACDB determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the HACDB's grievance procedure [24 CFR 966.4(c)(4)].

HACDB Policy

The notice to the family will include the monthly rent and effective date, as well as the amount of any Retro Rent due and payable.

9-IV.D. DISCREPANCIES

During an annual or interim reexamination, the HACDB may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the HACDB may discover errors made by the HACDB. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

Chapter 10

PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

INTRODUCTION

This chapter explains the HACDB's policies on the keeping of pets and describes any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the HACDB to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the HACDB.

The chapter is organized as follows:

Part I: Service Animals and Assistance Animals. This part explains the difference between service animals, assistance animals, and pets, and contains policies related to the designation of a service animal or assistance animal as well as their care and handling.

Part II: Pet policies for all developments. This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.

Part III: Pet deposits and fees for elderly/disabled developments. This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.

Part IV: Pet deposits and fees for general occupancy developments. This part contains policies for pet deposits and fees that are applicable to general occupancy developments.

PART I: SERVICE ANIMALS AND ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303; 24 CFR 960.705;
Notice FHEO 2020-01]

10-1.A. OVERVIEW

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 HACDB'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.

HACDB's Pet Policy shall neither apply to animals that are used to assist persons with disabilities and their assistance animals, who visit HACDB'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.

HACDB must grant this exclusion if the following is provided:

- The resident or prospective resident verifies that they are persons with disabilities by completing HACDB'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. HACDB 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. HACDB 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 HACDB's reasonable accommodation process.

HACDB 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, HACDB will approve the animal.

Residents requiring more than one pet as either a "support animal" or "service animal" must request the animal by completing HACDB's reasonable accommodation process.

10-1.B. APPROVAL OF SERVICE ANIMALS AND ASSISTANCE ANIMALS

Notice FHEO 2020-01 states that the HACDB should first evaluate the request as a service animal under the ADA. The HACDB may only ask whether the dog is a service animal required due to a disability, and what tasks the animal has been trained to perform.

The HACDB cannot require proof of training or certification for a service animal, even if the disability and/or tasks performed are not readily apparent. If the disability and/or tasks performed are not readily apparent, no further inquiries may be made.

PHAs may only deny a request for a service animal in limited circumstances:

- ☐ The animal is out of control and the handler does not take effective action to control it
- ☐ The animal is not housebroken, or
- ☐ The animal poses a direct threat to health or safety that cannot be eliminated or reduced by a reasonable modification of other policies

A service animal must be permitted in all areas of the facility where members of the public are allowed.

If the animal does not qualify as a service animal under the ADA, the HACDB must next determine whether the animal would qualify as an assistance animal under the reasonable accommodation provisions of the Fair Housing Act. Such assistance animals may include animals other than dogs.

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

HACDB may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

HACDB's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- ☐ There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- ☐ There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

PHAs have the authority to regulate service animals and assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

HACDB Policy

For an animal to be excluded from the pet policy and be considered a service or assistance animal, it must be trained to do work or perform tasks for an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. The task(s) performed must be directly related to the person's disability. The family must request and the HACDB approves a reasonable accommodation in accordance with the policies contained in Chapter 2.

For an animal to be excluded from the pet policy and be considered an assistance animal, the animal must work, provide assistance, or perform tasks for the benefit of a person with a disability, or provides emotional support that alleviates one or more identified symptoms or effects of a person's disability in the household, and the family must request and the HACDB approve a reasonable accommodation in accordance with the policies contained in Chapter 2.

10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a HACDB may have to regulate service animals and assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

HACDB Policy

Residents must care for service animals and assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that service animals and assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of a service animal or assistance animal violates these policies, the HACDB will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the HACDB determines that no such accommodation can be made, the HACDB may withdraw the approval of a particular service or assistance animal.

All Service and Assistance animals must be registered with the HACDB, and necessary documents regarding shots, picture, must be provided.

PART II: PET POLICIES FOR ALL DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

10-II.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

10-II.B. MANAGEMENT APPROVAL OF PETS

Registration of Pets

PHAs may require registration of the pet with the HACDB [24 CFR 960.707(b)(5)].

HACDB Policy

Pets must be registered with the HACDB before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law, and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed annually and will be coordinated with the annual reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

Refusal to Register Pets

HACDB Policy

The HACDB will refuse to register a pet if:

The pet is not *a common household pet* as defined in Section 10-II.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The HACDB reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the HACDB refuses to register a pet, a written notification will be sent to the pet owner within 10 business days of the HACDB's decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the HACDB's grievance procedures.

Pet Agreement

HACDB Policy

Residents who have been approved to have a pet must enter into a pet agreement with the HACDB, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the HACDB's pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the HACDB's pet policy and applicable house rules may result in the withdrawal of HACDB approval of the pet or termination of tenancy.

10-II.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

PHAs may establish reasonable requirements related to pet ownership including, but not limited to:

- ☐ Limitations on the number of animals in a unit, based on unit size
- ☐ Prohibitions on types of animals that the HACDB classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- ☐ Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- ☐ Requiring pet owners to have their pets spayed or neutered

PHAs may not require pet owners to have any pet's vocal cords removed.

Definition of "Common Household Pet"

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize PHAs to define the term [24 CFR 5.306(2)].

HACDB Policy

Common household pet means a domesticated animal, such as a dog, cat, bird, fish, or turtle that is traditionally kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

- Reptiles
- Rodents
- Insects
- Arachnids
- Wild animals or feral animals
- Pot-bellied pigs
- Animals used for commercial breeding
- Birds of prey are not permitted

Pet Restrictions

HACDB Policy

The following animals are not permitted:

Any animal whose adult weight will exceed 25 pounds

Dogs of the pit bull, Rottweiler, Chow, or Boxer breeds

Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites or lacerations

Any animal not permitted under state or local law or code

Number of Pets

HACDB Policy

Residents may own a maximum of 2 pets, only 1 of which may be a dog or cat.

In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to 20 gallons. Such a tank or aquarium will be counted as 1 pet.

Other Requirements

HACDB Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age. Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

10-ILD. PET RULES

Pet owners must maintain pets responsibly, in accordance with HACDB policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

Pet Area Restrictions

HACDB Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carrier. They must be under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit, except on a leash as stated above.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]

PHAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

PHAs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The HACDB may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. The HACDB may adjust the pet and no-pet areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

PHAs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

HACDB Policy

With the exception of common areas as described in the previous policy, the HACDB has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas. In addition, the HACDB has not designated any buildings, floors of buildings, or sections of buildings for residency of pet-owning tenants.

Cleanliness

HACDB Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the HACDB.

If HACDB staff is required to clean up pet waste, the resident will be billed per agency's scheduled charges.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

Alterations to Unit

HACDB Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

Noise

HACDB Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Pet Care

HACDB Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage HACDB property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

Responsible Parties

HACDB Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the HACDB and sign a statement that they agree to abide by all of the pet rules.

Pets Temporarily on the Premises

HACDB Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the HACDB.

Pet Rule Violations

HACDB Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 10 business days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting

That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

Notice for Pet Removal

HACDB Policy

If the pet owner and the HACDB are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the HACDB, the HACDB may serve notice to remove the pet.

The notice will contain:

A brief statement of the factual basis for the HACDB's determination of the pet rule that has been violated

The requirement that the resident /pet owner must remove the pet within 30 calendar days of the notice

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

Pet Removal

HACDB Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the HACDB after reasonable efforts cannot contact the responsible party, the HACDB may contact the appropriate state or local agency and request the removal of the pet.

Termination of Tenancy

HACDB Policy

The HACDB may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

Emergencies

HACDB Policy

The HACDB will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the HACDB to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

PART III: PET DEPOSITS AND FEES IN ELDERLY/DISABLED DEVELOPMENTS

10-III.A. OVERVIEW

This part describes the HACDB's policies for pet deposits and fees in elderly, disabled and mixed population developments. Policies governing deposits and fees in general occupancy developments are described in Part IV.

10-III.B. PET DEPOSITS

Payment of Deposit

The HACDB may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The maximum amount of pet deposit that may be charged by a HACDB on a per dwelling unit basis, is the higher of the total tenant payment (TTP) or such reasonable fixed amount as the HACDB may require. The HACDB may permit gradual accumulation of the pet deposit by the pet owner [24 CFR 5.318(d)(3)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

HACDB Policy

Pet owners are required to pay a pet deposit of \$200.00 in addition to a \$200.00 pet fee. The deposit must be paid in full before the pet is brought on the premises.

Refund of Deposit [24 CFR 5.318(d)(1)]

The HACDB may use the pet deposit only to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) the costs of repairs and replacements to, and fumigation of, the tenant's dwelling unit. The HACDB must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the unit.

HACDB Policy

The HACDB will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The HACDB will provide the resident with a written list of any charges against the pet deposit within 30 days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the HACDB will provide a meeting to discuss the charges.

10-III.C. OTHER CHARGES

Pet-Related Damages During Occupancy

HACDB Policy

All reasonable expenses incurred by the HACDB 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

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the HACDB's ability to impose charges for house pet rule violations. However, charges for violation of HACDB pet rules may be treated like charges for other violations of the lease and HACDB tenancy rules.

HACDB Policy

A separate pet waste removal charge per agency's scheduled charges will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Notices of pet waste removal charges will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the HACDB may not take action for nonpayment of the charge until the conclusion of the grievance process.

Charges for pet waste removal are not part of rent payable by the resident.

PART IV: PET DEPOSITS AND FEES IN GENERAL OCCUPANCY DEVELOPMENTS

10-IV.A. OVERVIEW

This part describes the HACDB's policies for pet deposits and fees for those who reside in general occupancy developments.

10-IV.B. PET DEPOSITS

HACDB may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].

HACDB that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The HACDB must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].

Payment of Deposit

HACDB Policy

Pet owners are required to pay a pet deposit of \$200.00 in addition to a \$200.00 pet fee. The deposit must be paid in full before the pet is brought on the premises.

The pet deposit is not part of rent payable by the resident.

Refund of Deposit

HACDB Policy

The HACDB will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The HACDB will provide the resident with a written list of any charges against the pet deposit within 10 business days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the HACDB will provide a meeting to discuss the charges.

10-IV.C. NON-REFUNDABLE NOMINAL PET FEE

PHAs may require payment of a non-refundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

HACDB Policy

The HACDB does not require pet owners to pay a non-refundable nominal pet fee to cover the reasonable operating cost of having a pet. However, the HACDB will charge residents for damages to the following:

- Landscaping costs

- Pest control costs

- Insurance costs

- Clean-up costs

The deposit must be paid in full before the pet is brought on the premises. These charges are not part of rent payable by the resident, and will be billed based on the HACDB schedule of charges, and become due 14 days within billing.

10-IV.D. OTHER CHARGES

Pet-Related Damages During Occupancy

HACDB Policy

All reasonable expenses incurred by the HACDB 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

- Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the HACDB's ability to impose charges for house pet rule violations. However, charges for violation of HACDB pet rules may be treated like charges for other violations of the lease and HACDB tenancy rules.

HACDB Policy

A separate pet waste removal charge per agency's scheduled charges will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Such charges will be due and payable 14 calendar days after billing.

Charges for pet waste removal are not part of rent payable by the resident.

Chapter 11

COMMUNITY SERVICE

INTRODUCTION

This chapter explains HUD regulations requiring PHAs to implement a community service program for all nonexempt adults living in public housing.

This chapter describes HUD regulations and HACDB policies related to these topics in two parts:

Part I: Community Service Requirements. This part describes who is subject to the community service requirement, who is exempt, and HUD's definition of economic self-sufficiency.

Part II: HACDB Implementation of Community Service. This part provides HACDB policy regarding HACDB implementation and program design.

PART I: COMMUNITY SERVICE REQUIREMENT

11-I.A. OVERVIEW

HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). PHAs and residents must comply with the community service requirement, effective with HACDB fiscal years that commenced on or after October 1, 2000. Per 903.7(l)(1)(iii), the PHA Plan must contain a statement of how the HACDB will comply with the community service requirement, including any cooperative agreement that the HACDB has entered into or plans to enter into.

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 [24 CFR 960.601(b)].

In administering community service requirements, the HACDB must comply with all nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].

HUD issued the PIH 2015-15 notice to assist HACDB'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 MHAs housing ineligible households.

11-I.B. REQUIREMENTS

Each adult resident of the HACDB, who is not exempt, must [24 CFR 960.603(a)]:

- ☐ Contribute 8 hours per month of community service; or
- ☐ Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or
- ☐ Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs).

HACDB Policy

An individual may not skip a month and then double up the following month, unless special circumstances warrant it. The HACDB will make the determination of whether to permit a deviation from the schedule.

Individuals who have special circumstances which they believe will prevent them from completing the required community service hours for a given month, must notify the HACDB in writing within 5 business days of the circumstances becoming known. The HACDB will review the request and notify the individual, in writing, of its determination within 10 business days. The HACDB may require those individuals to provide documentation to support their claim.

Definitions

Exempt Individual [24 CFR 960.601(b), Notice PIH 2009-48]

An *exempt individual* is an adult who:

- ☐ Is age 62 years or older
- ☐ Is blind or disabled (as defined under section 216[i][I] or 1614 of the Social Security Act), and who certifies that because of this disability s/he is unable to comply with the service provisions
- ☐ Is a primary caretaker of such an individual
- ☐ Is engaged in work activities

HACDB Policy

The HACDB will consider 20 hours per week as the minimum number of hours needed to qualify for a work activity exemption.

- ☐ Is able to meet requirements of being exempted under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the HACDB is located, including a state-administered welfare-to-work program
 - This exemption applies to anyone whose characteristics or family situation meet the welfare agency exemption criteria and can be verified.
 - Participating in SNAP.

- ☐ Is 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, or under any other welfare program of the state in which the HACDB 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 program. 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.

Community Service [24 CFR 960.601(b), Notice PIH 2009-48]

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.

Eligible community service activities include, but are not limited to, work at:

- ☐ Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving HACDB residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- ☐ Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- ☐ 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
- HACDB housing to improve grounds or provide gardens (so long as such work does not alter the HACDB's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- ☐ Care for the children of other residents so parent may volunteer

PHAs may form their own 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.

HACDB Policy

Community services at profit-motivated entities, volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work will not be considered eligible community service activities.

Economic Self-Sufficiency Program [24 CFR 5.603(b), Notice PIH 2009-48]

For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

Eligible self-sufficiency activities include, but are not limited to:

- ☐ Job readiness or job training
- ☐ 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
- ☐ Employment counseling, work placement, or basic skills training
- ☐ Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes
- ☐ Apprenticeships (formal or informal)
- ☐ English proficiency or English as a second language classes
- ☐ Budgeting and credit counseling
- ☐ Any activity required by the Department of Public Assistance under Temporary Assistance for Needy Families (TANF)
- ☐ Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Work Activities [42 U.S.C. 607(d)]

As it relates to an exemption from the community service requirement, *work activities* means:

- ☐ Unsubsidized employment
- ☐ Subsidized private sector employment
- ☐ Subsidized public sector employment
- ☐ Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- ☐ On-the-job training
- ☐ Job search and job readiness assistance
- ☐ Community service programs
- ☐ Vocational educational training (not to exceed 12 months with respect to any individual)
- ☐ Job skills training directly related to employment
- ☐ 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
- ☐ Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- ☐ Provision of child care services to an individual who is participating in a community service program

Notification Requirements [24 CFR 960.605(c)(2), Notice PIH 2009-48]

The HACDB must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for HACDB verification of exempt status. The HACDB must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt. In addition, the family must sign a certification, Attachment A of Notice PIH 2009-48, that they have received and read the policy and understand that if they are not exempt, failure to comply with the requirement will result in nonrenewal of their lease.

HACDB Policy

The HACDB will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request.

On an annual basis, at the time of lease renewal, the HACDB will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes nonexempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]

The HACDB must review and verify family compliance with service requirements annually at least thirty days before the end of the twelve month lease term. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.

HACDB Policy

Where the lease term does not coincide with the effective date of the annual reexamination, the HACDB will change the effective date of the annual reexamination to coincide with the lease term. In making this change, the HACDB will ensure that the annual reexamination is conducted within 12 months of the last annual reexamination.

Annual Determination

Determination of Exemption Status

An exempt individual is excused from the community service requirement [24 CFR 960.603(a)].

HACDB Policy

At least 60 days prior to lease renewal, the HACDB will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis unless the family reports a change or the HACDB has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.

Upon completion of the verification process, the HACDB will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.

Determination of Compliance

The HACDB must review resident family compliance with service requirements annually at least 30 days before the end of the twelve month lease term [24 CFR 960.605(c)(3)]. As part of this review, the HACDB must verify that any family member that is not exempt from the community service requirement has met his or her service obligation.

HACDB Policy

Approximately 60 days prior to the end of the lease term, the HACDB will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 10 business days to submit the HACDB required documentation form(s).

If the family fails to submit the required documentation within the required timeframe, or HACDB approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.

Change in Status between Annual Determinations

HACDB Policy

Exempt to Nonexempt Status

If an exempt individual becomes nonexempt during the twelve month lease term, it is the family's responsibility to report this change to the HACDB within 10 business days.

Within 10 business days of a family reporting such a change, or the HACDB determining such a change is necessary, the HACDB will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30 day notice.

Nonexempt to Exempt Status

If a nonexempt person becomes exempt during the twelve month lease term, it is the family's responsibility to report this change to the HACDB within 10 business days. Any claim of exemption will be verified by the HACDB in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.

Within 10 business days of a family reporting such a change, or the HACDB determining such a change is necessary, the HACDB will provide the family written notice that the family member is no longer subject to the community service requirement, if the HACDB is able to verify the exemption.

The exemption will be effective immediately.

11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4)]

The HACDB must retain reasonable documentation of service requirement performance or exemption in participant files.

Documentation and Verification of Exemption Status

HACDB Policy

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The HACDB will provide a completed copy to the family and will keep a copy in the tenant file.

The HACDB will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.

The HACDB makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the HACDB's determination, s/he can dispute the decision through the HACDB's grievance procedures (see Chapter 14).

Documentation and Verification of Compliance

At each regularly scheduled reexamination, each nonexempt family member presents a signed standardized certification form developed by the HACDB of community service and self-sufficiency activities performed over the last 12 months [Notice PIH 2009-48].

If qualifying community service activities are administered by an organization other than the HACDB, a family member who is required to fulfill a service requirement must provide certification to the HACDB, signed by the organization, that the family member has performed the qualifying activities [24 CFR 960.607].

HACDB Policy

If anyone in the family is subject to the community service requirement, the HACDB will provide the family with community service documentation forms at admission, at lease renewal, when a family member becomes subject to the community service requirement during the lease term, or upon request by the family.

Each individual who is subject to the requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed. This form is to be turned in by the 5th of each month.

Families will be required to submit the documentation to the HACDB, upon request by the HACDB.

If the HACDB has reasonable cause to believe that the certification provided by the family is false or fraudulent, the HACDB has the right to require third-party verification.

11-I.E. NONCOMPLIANCE

Initial Noncompliance

The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term, but not for termination of tenancy during the course of the twelve month lease term [24 CFR 960.603(b)].

If the tenant or another family member has violated the community service requirement, the HACDB may not renew the lease upon expiration of the twelve-month term of the lease, unless the tenant and any other noncompliant family member enter into a written agreement with the HACDB. Under this agreement the tenant or noncompliant family member must agree to cure the noncompliance by completing the additional hours of community service or economic self-sufficiency needed to make up the total number of hours required, over the twelve-month term of the new lease. In addition, all other members of the family who are subject to the service requirement must be currently complying with the service requirement or must no longer be residing in the unit [24 CFR 960.607(c), Notice PIH 2009-48].

Notice of Initial Noncompliance [24 CFR 960.607(b)]

If the HACDB determines that there is a family member who is required to fulfill a service requirement, but who has failed to comply with this obligation (noncompliant resident), the HACDB must notify the tenant of this determination.

The notice to the tenant must briefly describe the noncompliance. The notice must state that the HACDB will not renew the lease at the end of the twelve-month lease term unless the tenant, and any other noncompliant resident, enter into a written agreement with the HACDB to cure the noncompliance, or the family provides written assurance satisfactory to the HACDB that the tenant or other noncompliant resident no longer resides in the unit.

The notice must also state that the tenant may request a grievance hearing on the HACDB's determination, in accordance with the HACDB's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the HACDB's nonrenewal of the lease because of the HACDB's determination.

HACDB Policy

The notice of initial noncompliance will be sent at least 45 days prior to the end of the lease term.

The family will have 10 business days from the date of the notice of noncompliance to enter into a written agreement to cure the noncompliance over the 12 month term of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the HACDB will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the HACDB will terminate tenancy in accordance with the policies in Section 13- IV.D.

Continued Noncompliance [24 CFR 960.607(b)]

If, after the 12 month cure period, the family member is still not compliant, the HACDB must terminate tenancy of the entire family, according to the HACDB's lease, unless the family provides documentation that the noncompliant resident no longer resides in the unit.

HACDB Policy

Notices of continued noncompliance will be sent at least 30 days prior to the end of the lease term and will also serve as the family's termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.

The family will have 10 business days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the HACDB will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

Enforcement Documentation [Notice PIH 2009-48]

PHAs are required to initiate due process (see 24 CFR 966.53(c)) against households failing to comply with lease requirements including the community service and self-sufficiency requirement.

When initiating due process, the HACDB must take the following procedural safeguards:

- ☐ 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 HACDB, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have
- ☐ A decision on merits

PART II: IMPLEMENTATION OF COMMUNITY SERVICE

11-II.A. OVERVIEW

HACDB must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the HACDB's best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.

HACDB Implementation of Community Service

The HACDB may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by HACDB employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].

HACDB Policy

The HACDB will notify its insurance company if residents will be performing community service at the HACDB. In addition, the HACDB will ensure that the conditions under which the work is to be performed are not hazardous.

If a disabled resident certifies that s/he is able to perform community service, the HACDB will ensure that requests for reasonable accommodation are handled in accordance with the policies in Chapter 2.

HACDB Program Design

The HACDB may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].

HACDB Policy

The HACDB will attempt to provide the broadest choice possible to residents as they choose community service activities.

The HACDB's goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The HACDB will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.

The HACDB will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the HACDB will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.

Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the PHA Plan.

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When the HACDB has a ROSS program, a ROSS Service Coordinator, or an FSS program, the HACDB will coordinate individual training and service plans (ITSPs) with the community service requirement. Regular meetings with HACDB coordinators will satisfy community service activities and HACDB coordinators will verify community service hours within individual monthly logs.

EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY

A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all nonexempt (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 or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.

B. Definitions

Community Service – community service activities include, but are not limited to, work at:

- ☐ Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving HACDB residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- ☐ Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- ☐ 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
- HACDB housing to improve grounds or provide gardens (so long as such work does not alter the HACDB's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- ☐ Care for the children of other residents so parent may volunteer

Note: Political activity is excluded.

Self-Sufficiency Activities – self-sufficiency activities include, but are not limited to:

- ☐ Job readiness or job training
- ☐ 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
- ☐ Employment counseling, work placement, or basic skills training
- ☐ Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes
- ☐ Apprenticeships (formal or informal)
- ☐ English proficiency or English as a second language classes
- ☐ Budgeting and credit counseling
- ☐ Any activity required by the Department of Public Assistance under Temporary Assistance for Needy Families (TANF)
- ☐ Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Exempt Adult – an adult member of the family who meets any of the following criteria:

- ☐ Is 62 years of age or older
- ☐ Is blind or a person with disabilities (as defined under section 216[i][I] or 1614 of the Social Security Act), and who certifies that because of this disability he or she is unable to comply with the service provisions, or is the primary caretaker of such an individual
- ☐ Is engaged in *work activities*
- ☐ Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the HACDB is located, including a state-administered welfare-to-work program; or
- ☐ Is 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, or under any other welfare program of the state in which the HACDB 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 program.

Work Activities – as it relates to an exemption from the community service requirement, *work activities* means:

- ☐ Unsubsidized employment
- ☐ Subsidized private sector employment
- ☐ Subsidized public sector employment
- ☐ Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- ☐ On-the-job training
- ☐ Job search and job readiness assistance
- ☐ Community service programs
- ☐ Vocational educational training (not to exceed 12 months with respect to any individual)
- ☐ Job skills training directly related to employment
- ☐ 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
- ☐ Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- ☐ Provision of child care services to an individual who is participating in a community service program

C. Requirements of the Program

1. The eight (8) hours per month may be either volunteer work 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 not skip a month and then double up the following month, unless special circumstances warrant special consideration. The housing authority will make the determination of whether to allow or disallow a deviation from the schedule based on a family's written request.
3. Family obligation:
 - At lease execution, all adult members (18 or older) of a public housing resident family must:
 - Sign a certification (Attachment A) 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 a nonrenewal of their lease; and
 - Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.
 - Upon written notice from the HACDB, nonexempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying to the number of hours contributed.
 - If a family member is found to be noncompliant at the end of the 12-month lease term, he or she, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, or the lease will be terminated.
4. Change in exempt status:
 - If, during the twelve (12) month lease period, a nonexempt person becomes exempt, it is his or her responsibility to report this to the HACDB and provide documentation of exempt status.
 - If, during the twelve (12) month lease period, an exempt person becomes nonexempt, it is his or her responsibility to report this to the HACDB. Upon receipt of this information the HACDB will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.

D. Authority Obligation

1. To the greatest extent possible and practicable, the HACDB will:
 - Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.
 - Provide in-house opportunities for volunteer work or self-sufficiency activities.
2. The HACDB will provide the family with a copy of this policy, and all applicable exemption verification forms and community service documentation forms, at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.
3. Although exempt family members will be required to submit documentation to support their exemption, the HACDB will verify the exemption status in accordance with its verification policies. The HACDB will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the HACDB's grievance procedure if they disagree with the HACDB's determination.
4. Noncompliance of family member:
 - At least thirty (30) days prior to the end of the 12-month lease term, the HACDB will begin reviewing the exempt or nonexempt status and compliance of family members;
 - The HACDB will secure a certification of compliance from nonexempt family members (Attachment B).
 - If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the HACDB finds the family member to be noncompliant, the HACDB will not renew the lease unless:
 - The head of household and any other noncompliant resident enter into a written agreement with the HACDB, to make up the deficient hours over the next twelve (12) month period; or
 - The family provides written documentation satisfactory to the HACDB that the noncompliant family member no longer resides in the unit.
 - If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the HACDB that the noncompliant family member no longer resides in the unit;
 - The family may use the HACDB's grievance procedure to dispute the lease termination.

All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.

Resident

Date

Resident

Date

Resident

Date

Resident

Date

EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(1) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE

Social Security Act:

216(i)(1): Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term “disability” means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term “blindness” means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.

Section 1416 (excerpt):

SEC. 1614. [42 U.S.C. 1382c] (a)(1) For purposes of this title, the term “aged, blind, or disabled individual” means an individual who—

(A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and

(B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or

(ii) is a child who is a citizen of the United States and, who is living with a parent of the child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.

(2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

(3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

EXHIBIT 11-3: PHA DETERMINATION OF EXEMPTION FOR COMMUNITY SERVICE

Family: _____

Adult family member: _____

This adult family member meets the requirements for being exempted from the HACDB's community service requirement for the following reason:

- ☐ 62 years of age or older (*Documentation of age in file*)
- ☐ Is a person with disabilities and self-certifies below that he or she is unable to comply with the community service requirement (*Documentation of HUD definition of disability in file*)

Tenant certification: I am a person with disabilities and am unable to comply with the community service requirement.

Signature of Family Member

Date

- ☐ Is the primary caretaker of such an individual in the above category. (*Documentation in file*)
- ☐ Is engaged in work activities (*Verification in file*)
- ☐ Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the HACDB is located, including a state-administered welfare-to-work program (*Documentation in file*)
- ☐ Is 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, or under any other welfare program of the state in which the HACDB 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 program (*Documentation in file*)

Signature of Family Member

Date

Signature of HACDB Official

Date

Chapter 12

TRANSFER POLICY

INTRODUCTION

This chapter explains the HACDB's transfer policy, based on HUD regulations, HUD guidance, and HACDB policy decisions.

This chapter describes HUD regulations and HACDB policies related to transfers in four parts:

Part I: Emergency Transfers. This part describes emergency transfers, emergency transfer procedures, and payment of transfer costs.

Part II: HACDB Required Transfers. This part describes types of transfers that may be required by the HACDB, notice requirements, and payment of transfer costs.

Part III: Transfers Requested by Residents. This part describes types of transfers that may be requested by residents, eligibility requirements, security deposits, payment of transfer costs, and handling of transfer requests.

Part IV: Transfer Processing. This part describes creating a waiting list, prioritizing transfer requests, the unit offer policy, examples of good cause, deconcentration, transferring to another development and reexamination.

The HACDB may require the tenant to move from the unit under some circumstances. There are also emergency circumstances under which alternate accommodations for the tenant must be provided, that may or may not require a transfer.

The tenant may also request a transfer, such as a request for a new unit as a reasonable accommodation.

The HACDB must have specific policies in place to deal with acceptable transfer requests.

PART I: EMERGENCY TRANSFERS

12-I.A. OVERVIEW

HUD categorizes certain situations that require emergency transfers [PH Occ GB, p. 147]. The emergency transfer differs from a typical transfer in that it requires immediate action by the HACDB.

In the case of a genuine emergency, it may be unlikely that the HACDB will have the time or resources to immediately transfer a tenant. Due to the immediate need to vacate the unit, placing the tenant on a transfer waiting list would not be appropriate. Under such circumstances, if an appropriate unit is not immediately available, the HACDB should find alternate accommodations for the tenant until the emergency passes, or a permanent solution, i.e., return to the unit or transfer to another unit, is possible.

12-I.B. EMERGENCY TRANSFERS

If the dwelling unit is damaged to the extent that conditions are created which are hazardous to life, health, or safety of the occupants, the HACDB must offer standard alternative accommodations, if available, where necessary repairs cannot be made within a reasonable time [24 CFR 966.4(h)].

HACDB Policy

The following is considered an emergency circumstance warranting an immediate transfer of the tenant or family:

Emergency Transfer under VAWA

Maintenance conditions in the resident's unit, building or at the site that pose an immediate, verifiable threat to the life, health or safety of the resident or family members that cannot be repaired or abated within 24 hours. Examples of such unit or building conditions would include: a gas leak; no water; toxic contamination; and serious water leaks.

12-I.C. EMERGENCY TRANSFER PROCEDURES

HACDB Policy

If the transfer is necessary because of maintenance conditions, and an appropriate unit is not immediately available, the HACDB will provide temporary accommodations to the tenant by arranging for temporary unit or similar location. If the conditions that required the transfer cannot be repaired, or the condition cannot be repaired in a reasonable amount of time, the HACDB will transfer the resident to the first available and appropriate unit after the temporary relocation.

Emergency transfers are mandatory for the tenant.

12-I.D. COSTS OF TRANSFER

HACDB Policy

The HACDB will bear the reasonable costs of temporarily accommodating the tenant and of permanent transfers, if any, due to emergency conditions.

The reasonable cost of transfers includes the cost of packing, moving, and unloading.

The HACDB will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the HACDB will collect information from companies in the community that provide these services.

The HACDB will reimburse the family for eligible out-of-pocket moving expenses up to the HACDB's established moving allowance.

The HACDB will not bear the cost of a VAWA transfer.

PART II: HACDB REQUIRED TRANSFERS

12-II.A. OVERVIEW

HUD regulations regarding transfers are minimal, leaving it up to the HACDB to develop reasonable transfer policies.

The HACDB may require that a resident transfer to another unit under some circumstances. For example, the HACDB may require a resident to transfer to make an accessible unit available to a disabled family. The HACDB may also transfer a resident in order to maintain occupancy standards based on family composition. Finally, a HACDB may transfer residents in order to demolish or renovate the unit.

A transfer that is required by the HACDB is an adverse action, and is subject to the notice requirements for adverse actions [24 CFR 966.4(e)(8)(i)].

12-II.B. TYPES OF HACDB REQUIRED TRANSFERS

HACDB Policy

The types of transfers that may be required by the HACDB, include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for repositioning, demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.

Transfers required by the HACDB are mandatory for the tenant.

Transfers to Make an Accessible Unit Available

When a family is initially given an accessible unit, but does not require the accessible features, the HACDB may require the family to agree to move to a non-accessible unit when it becomes available [24 CFR 8.27(b)].

HACDB Policy

When a non-accessible unit becomes available, the HACDB will transfer a family living in an accessible unit that does not require the accessible features, to an available unit that is not accessible. The HACDB may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit.

Occupancy Standards Transfers

The HACDB may require a resident to move when a reexamination indicates that there has been a change in family composition, and the family is either overcrowded or over-housed according to HACDB policy [24 CFR 960.257(a)(4)]. On some occasions, the HACDB may initially place a resident in an inappropriately sized unit at lease-up, where the family is over-housed, to prevent vacancies. The public housing lease must include the tenant's agreement to transfer to an appropriately sized unit based on family composition [24 CFR 966.4(c)(3)].

HACDB Policy

The HACDB will transfer a family when the family size has changed and the family is now too large (overcrowded) or too small (over-housed) for the unit occupied.

For purposes of the transfer policy, overcrowded and over-housed are defined as follows:

Overcrowded: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.

Over-housed: the family no longer qualifies for the bedroom size in which they are living based on the HACDB's occupancy standards as described in Section 5-I.B.

The HACDB may also transfer a family who was initially placed in a unit in which the family was over-housed to a unit of an appropriate size based on the HACDB's occupancy standards, when the HACDB determines there is a need for the transfer.

The HACDB may elect not to transfer an over-housed family in order to prevent vacancies.

A family that is required to move because of family size will be advised by the HACDB that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards (for either a larger or smaller size unit) in accordance with the policies in Section 5-I.C. will only be required to transfer if it is necessary to comply with the approved exception.

Demolition, Disposition, Repositioning, Revitalizations, or Rehabilitation Transfers

These transfers permit the HACDB to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].

HACDB Policy

The HACDB will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The HACDB's relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public or assisted housing units, affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary or permanent relocation if allowed under Relocation Act provisions, and may be allowed to return to their site, depending on contractual and legal obligations, once revitalization repositioning, or rehabilitation is complete.

12-II.C. ADVERSE ACTION [24 CFR 966.4(e)(8)(i)]

HACDB 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 PHA may not take action on the transfer until the conclusion of the grievance process.

12-II.D. COST OF TRANSFER

PHA Policy

The PHA will bear the reasonable costs of transfers that the PHA requires, except that residents will be required to bear the cost of occupancy standards transfers.

The reasonable costs of transfers include the cost of packing, moving, and unloading.

The PHA will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the PHA will collect information from companies in the community that provide these services.

The PHA will reimburse the family for eligible out-of-pocket moving expenses up to the PHA's established moving allowance.

PART III: TRANSFERS REQUESTED BY TENANTS

12-III.A. OVERVIEW

HUD provides the HACDB with discretion to consider transfer requests from tenants. The only requests that the HACDB is required to consider are requests for reasonable accommodation. All other transfer requests are at the discretion of the HACDB. To avoid administrative costs and burdens, this policy limits the types of requests that will be considered by the HACDB.

Some transfers that are requested by tenants should be treated as higher priorities than others due to the more urgent need for the transfer.

12-III.B. TYPES OF RESIDENT REQUESTED TRANSFERS

HACDB Policy

The types of requests for transfers that the HACDB will consider are limited to requests for transfers to alleviate a serious or life threatening medical condition, transfers due to VAWA and/or a threat of physical harm or criminal activity, reasonable accommodation, transfers to a different unit size as long as the family qualifies for the unit according to the HACDB's occupancy standards, and transfers to a location closer to employment. No other transfer requests will be considered by the HACDB.

The HACDB will consider the following as high priority transfer requests:

When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature

When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at the HACDB's discretion, include an assessment by law enforcement indicating that a family member is the actual or potential victim of a criminal attack, retaliation for testimony, a hate crime, or domestic violence, dating violence, sexual assault, or stalking.

When a family requests a transfer as a reasonable accommodation, Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features

The HACDB will consider the following as regular priority transfer requests:

When a family requests a larger bedroom size unit even though the family does not meet the HACDB's definition of overcrowded, as long as the family meets the HACDB's occupancy standards for the requested size unit

When the head of household or spouse is employed 25 miles or more from the public housing unit, has no reliable transportation and public transportation is not adequate

Transfers requested by the tenant are considered optional for the tenant.

12-III.C. ELIGIBILITY FOR TRANSFER

Transferring residents do not have to meet the admission eligibility requirements pertaining to income or preference. However, the HACDB may establish other standards for considering a transfer request [PH Occ GB, p. 150].

HACDB Policy

Except where reasonable accommodation is being requested, the HACDB will only consider transfer requests from residents that meet the following requirements:

Reside in the HACDB Affordable Housing Program for at least two years

Have not engaged in criminal activity that threatens the health and safety of residents and staff

Owe no back rent or other charges, or have a pattern of late payment

Have no housekeeping lease violations or history of damaging property

Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities)

A resident with housekeeping standards violations will not be transferred until the resident passes a follow-up housekeeping inspection.

Exceptions to the good record requirement may be made when it is to the HACDB's advantage to make the transfer. Exceptions may also be made when the HACDB determines that a transfer is necessary to protect the health or safety of a resident who is a victim of domestic violence, dating violence, sexual assault, or stalking and who provides documentation of abuse in accordance with section 16-VII.D of this ACOP.

If a family requested to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines, the family will not be eligible to transfer to a larger size unit for a period of two years from the date of admission, unless they have a change in family size or composition, or it is needed as a reasonable accommodation.

12-III.D. HACDB INCENTIVE TRANSFER PROGRAM

HACDB Policy

____ HACDB incentive program will be made available to residents without regard to their race, color, national origin, religion, sex, disability or familial status, who have good rental history and want to move to units other than those they currently occupy. The tenant will occupy recently modernized and scattered site, units through incentive transfers. Depending on HACDB's vacant unit status, Northwood II, Village of Halifax, Lakeside Village, and Pine Haven will be filled with incentive transfers, new applicants, or a combination of both. HACDB reserves the right to fill Northwood II, Village of Halifax, Lakeside Village, and Pine Haven in a manner that has the least impact on vacant units. Resident requests for incentive transfers should be made to the Property Manager or the Manager may also recommend a resident for an incentive transfer.

In order for a resident to be considered for an incentive transfer, the following conditions must be met:

1. Reside in the HACDB Affordable Housing Program for at least two years
2. No repayment agreement or unpaid balance at any time in the past year
3. No history of disturbances that resulted in lease violations or violence toward staff, or neighbors as indicated by notices of lease violation in the applicant's file.
4. The resident shall have a record of good housekeeping.
5. The resident shall have the willingness and capacity to perform yard maintenance, such as mowing and watering the grass, raking leaves, trimming trees and bushes, shoveling drive and sidewalks.
6. The resident should show a willingness and capacity for self-improvement and upward mobility. This can be demonstrated by a record of enrollment in job training, promotion programs, educational self-improvement courses, or active or educational organizations or programs.
7. The resident shall have sufficient resources to pay all costs of moving and to make the required deposits with utility companies.

No exceptions will be granted to the good record requirement for incentive transfers.

12-III.E. SECURITY DEPOSITS

HACDB Policy

When a family transfers from one unit to another, the HACDB will transfer their security deposit to the new unit. The tenant will be billed for any maintenance or others charges due for the “old” unit.

12-III.F. COST OF TRANSFER

The HACDB must pay moving expenses to transfer a resident with a disability to an accessible unit as an accommodation for the resident’s disability [Notice PIH 2010-26].

HACDB Policy

The resident will bear all of the costs of transfer s/he requests.

12-III.G. HANDLING OF REQUESTS

HACDB Policy

Residents requesting a transfer to another unit or development will be required to submit a written request for transfer.

In case of a reasonable accommodation transfer, the HACDB will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the HACDB will consider the transfer request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

The HACDB will respond by approving the transfer and putting the family on the transfer list, by denying the transfer, or by requiring more information or documentation from the family, such as documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with section 16-VII.D of this ACOP.

If the family does not meet the “good record” requirements under Section 12-III.C., the manager will address the problem and, until resolved, the request for transfer will be denied.

The HACDB will respond within ten (10) business days of the submission of the family’s request. If the HACDB denies the request for transfer, the family will be informed of its grievance rights.

PART IV: TRANSFER PROCESSING

12-IV.A. OVERVIEW

Generally, families who request a transfer should be placed on a transfer list and processed in a consistent and appropriate order. The transfer process must be clearly auditable to ensure that residents do not experience inequitable treatment.

12-IV.B. TRANSFER LIST

HACDB Policy

The HACDB will maintain a centralized transfer list to ensure that transfers are processed in the correct order and that procedures are uniform across all properties.

Emergency transfers will not automatically go on the transfer list. Instead emergency transfers will be handled immediately, on a case by case basis. If the emergency cannot be resolved by a temporary accommodation, and the resident requires a permanent transfer, the family will be placed at the top of the transfer list.

Transfers will be processed in the following order:

1. Emergency transfers (hazardous maintenance conditions)
2. High-priority transfers (verified medical condition, threat of harm or criminal activity, VAWA and reasonable accommodation-date and time received)
3. Transfers to make accessible units available
4. Demolition, renovation, etc.
5. Occupancy standards
6. Other HACDB-required transfers
7. Other tenant-requested transfers

Within each category, transfers will be processed in order of the date a family was placed on the transfer list, starting with the earliest date.

With the approval of the executive director, the HACDB may, on a case-by-case basis, transfer a family without regard to its placement on the transfer list in order to address the immediate need of a family in crisis.

Demolition and renovation transfers will gain the highest priority as necessary to allow the HACDB to meet the demolition or renovation schedule.

Transfers will take precedence over waiting list admissions.

12-IV.C. TRANSFER OFFER POLICY

HACDB Policy

Residents will receive one offer of a transfer.

When the transfer is required by the HACDB, the refusal of that offer without good cause will result in lease termination.

When the transfer has been requested by the resident, the refusal of that offer without good cause will result in the removal of the family from the transfer list. In such cases, the family must wait six months to reapply for another transfer.

12-IV.D. GOOD CAUSE FOR UNIT REFUSAL

HACDB Policy

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

The family demonstrates to the HACDB's satisfaction that accepting the unit offer will require an adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities.

The family demonstrates to the HACDB's satisfaction that accepting the offer will place a family member's life, health, or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, risk assessments related to witness protection from a law enforcement agency, or documentation of domestic violence, dating violence, or stalking in accordance with section 16-VII.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

The HACDB will require documentation of good cause for unit refusals.

12-IV.E. DECONCENTRATION

HACDB Policy

If subject to de-concentration requirements, the HACDB will consider its de-concentration goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the HACDB's de-concentration goals. A de-concentration offer will be considered a "bonus" offer; that is, if a resident refuses a de-concentration offer, the resident will receive one additional transfer offer.

12-IV.F. REEXAMINATION POLICIES FOR TRANSFERS

HACDB Policy

The reexamination date will not be changed based on a transfer.

Chapter 13

LEASE TERMINATIONS

INTRODUCTION

Either party to the dwelling lease agreement may terminate the lease in accordance with the terms of the lease. 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. The HACDB has the authority to 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 also specify when termination of the lease is mandatory by the HACDB.

When determining HACDB policy on terminations of the lease, the HACDB must consider state and local landlord-tenant laws in the area where the HACDB is located. Such laws vary from one location to another, and these variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern voluntary termination of the lease by the family and the mandatory and voluntary termination of the lease by the HACDB. It is presented in four parts:

Part I: Termination by Tenant. This part discusses the HACDB requirements for voluntary termination of the lease by the family.

Part II: Termination by HACDB - Mandatory. This part describes circumstances when termination of the lease by the HACDB is mandatory. This part also explains nonrenewal of the lease for noncompliance with community service requirements.

Part III: Termination by HACDB – Other Authorized Reasons. This part describes the HACDB's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes PHAs to terminate. For some of these options HUD requires the HACDB to establish policies and lease provisions for termination, but termination is not mandatory. For other options the HACDB has full discretion whether to consider the options as just cause to terminate as long as the HACDB policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the HACDB may consider in lieu of termination, and the criteria the HACDB 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 HACDB 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.

PART I: TERMINATION BY TENANT

13-I.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 property site office or the HACDB central office or sent by pre-paid first-class mail, properly addressed.

HACDB Policy

If a family desires to move and terminate their tenancy with the HACDB, they must give at least 30 calendar days advance written notice to the HACDB of their intent to vacate. When a family must give less than a 30 days' notice due to circumstances beyond their control the HACDB, at its discretion, may waive the 30 day requirement.

The notice of lease termination must be signed by the head of household, spouse, or co-head.

PART II: TERMINATION BY HACDB – MANDATORY

13-II.A. OVERVIEW

HUD requires mandatory termination of the lease for certain actions or inactions of the family. There are other actions or inactions of the family that constitute *grounds* for lease termination, but the lease termination is not mandatory. The HACDB must establish policies for termination of the lease in these cases where termination is optional for the HACDB.

For those tenant actions or failures to act where HUD requires termination, the HACDB has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the HACDB to terminate the lease.

The Violence against Women Reauthorization Act of 2013 explicitly prohibits HACDB 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.

13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The HACDB 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.

13-II.C. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The HACDB 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 HACDB, 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.

13-II.D. FAILURE TO DISCLOSE AND DOCUMENT SOCIAL SECURITY NUMBERS [24 CFR 5.218(c), 24 CFR 960.259(a)(3), Notice PIH 2012-10]

The HACDB 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 HACDB 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 HACDB 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 HACDB determined the family to be noncompliant.

HACDB Policy

The HACDB 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.

13-II.E. FAILURE TO ACCEPT THE HACDB'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]

The HACDB must terminate the lease if the family fails to accept the HACDB's offer of a lease revision to an existing lease, provided the HACDB has done the following:

- ☐ The revision is on a form adopted by the HACDB in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- ☐ The HACDB 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 HACDB has specified in the offer a reasonable time limit within that period for acceptance by the family.

See Chapter 8 for information pertaining to HACDB policies for offering lease revisions.

13-II.F. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]

The HACDB must immediately terminate the lease if the HACDB 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*.

13-II.G. LIFETIME REGISTERED SEX OFFENDERS [Notice PIH 2012-28]

Should a HACDB discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the HACDB must immediately terminate assistance for the household member.

In this situation, the HACDB 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 HACDB must terminate assistance for the household.

13-II.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 HACDB 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.

13-II.I. DEATH OF A SOLE FAMILY MEMBER [Notice PIH 2012-10]

The HACDB must immediately terminate program assistance for deceased single member households.

PART III: TERMINATION BY HACDB – OTHER AUTHORIZED REASONS

13-III.A. OVERVIEW

Besides requiring PHAs to terminate the lease under the circumstances described in Part II, HUD requires the HACDB 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 PHAs to terminate for such violations in all cases. The HACDB 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 HACDB may, as an alternative to termination, require the exclusion of the culpable household member. The HACDB must adopt policies concerning the use of these options.

In addition, HUD authorizes PHAs 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 for other good cause. The HACDB must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the HACDB lease. In the development of the terms of the lease, the HACDB 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 PHAs wide discretion in some areas, a broad range of policies could be acceptable.

The HACDB, with some restrictions, also has the option to terminate the tenancies of families who are over income.

The HACDB may consider alternatives to termination and must establish policies describing the criteria the HACDB will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the HACDB must take when terminating a family's lease.

13-III.B. 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 HACDB to terminate for such violations in all cases, therefore HACDB policies are needed.

***Definitions* [24 CFR 5.100]**

The following definitions will be used for this and other parts of this chapter:

Affiliated individual is defined in section 16-VII.B.

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 section 16-VII.B.

Domestic violence is defined in section 16-VII.B.

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 HACDB-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].

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.

Sexual assault is defined in section 16-VII.B.

Stalking is defined in section 16-VII.B.

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.

HACDB Policy

The HACDB 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 HACDB 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 HACDB 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 HACDB 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 HACDB may evict a family when the HACDB 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.

HACDB Policy

The HACDB will terminate the lease when the HACDB determines that a household member is illegally using a drug or the HACDB 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 HACDB 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 HACDB 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 HACDB 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 HACDB management staff residing on the premises) or by persons residing in the immediate vicinity of the premises is grounds for termination of tenancy.

HACDB Policy

The HACDB 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 HACDB 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 HACDB 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 HACDB 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 HACDB may, on a case-by- case basis, choose not to terminate the lease.

Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]

PHAs must establish standards that allow termination of tenancy if the HACDB 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.

HACDB Policy

The HACDB will terminate the lease if the HACDB 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 HACDB 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 HACDB 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 HACDB 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)]

PHAs must establish standards that allow termination of tenancy if the HACDB 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.

HACDB Policy

The HACDB will terminate the lease if the HACDB 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 HACDB 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 HACDB 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 HACDB 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, sexual assault, 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)].

HACDB Policy

The HACDB 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 HACDB 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 HACDB 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 HACDB may, on a case-by- case basis, choose not to terminate the lease.

13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

HUD authorizes PHAs 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 HACDB may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the HACDB to only those examples. The Violence Against Women Act of 2013 explicitly prohibits PHAs 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 [24 CFR 5.2005(c)(1)].

HACDB Policy

The HACDB 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 of facts after admission to the program that would have made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with a reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the HACDB to make determinations with respect to rent, eligibility, and the appropriateness of the dwelling unit size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the HACDB that such a dwelling unit is available

Failure to permit access to the unit by the HACDB 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 HACDB 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 HACDB pet policy

If the family has breached the terms of a repayment agreement entered into with the HACDB

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 HACDB personnel.

Abusive or violent behavior towards HACDB 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 HACDB 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 HACDB 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 HACDB 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.

HACDB Policy

The family must supply any information or certification requested by the HACDB to verify that the family is living in the unit, or relating to family absence from the unit, including any HACDB-requested information or certification on the purposes of family absences. The family must cooperate with the HACDB for this purpose.

The family must promptly notify the HACDB when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 15 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 90 consecutive days, and the family does not adequately verify that they are living in the unit, the HACDB will terminate the lease for other good cause.

Abandonment of the unit. If the family appears to have vacated the unit without giving proper notice, the HACDB will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the HACDB will secure the unit immediately to prevent vandalism and other criminal activity.

Over-Income Families [24 CFR 960.261 and FR 11/26/04, p. 68786]

Subject to certain restrictions, HUD authorizes PHAs to evict or terminate the tenancies of families because they are over income. Unless required to do so by local law, the HACDB may not evict or terminate the tenancy of a family solely because the family is over income if: (1) the family has a valid contract of participation in the Family Self-Sufficiency (FSS) program, or (2) the family is currently receiving the earned income disallowance. This rule does not require PHAs to evict over-income residents, but rather gives PHAs the discretion to do so thereby making units available for applicants who are income-eligible.

HACDB Policy

The HACDB will not evict or terminate the tenancies of families solely because they are over income.

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 HACDB may consider exclusion of the culpable household member. Such an alternative can be used for any other reason where such a solution appears viable in accordance with HACDB policy.

HACDB Policy

The HACDB 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 HACDB request.

Repayment of Family Debts

HACDB Policy

If a family owes amounts to the HACDB, as a condition of continued occupancy, the HACDB will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the HACDB of the amount owed. See Chapter 16 for policies on repayment agreements.

13-III.E. CRITERIA FOR DECIDING TO TERMINATE TENANCY

A HACDB 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 HACDB 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.

HACDB Policy

The HACDB will use 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 HACDB 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.

HACDB Policy

The HACDB 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, sexual assault, 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 HACDB's failure to terminate the tenancy

- The effect of the HACDB'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 PHAs 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.

HACDB 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 HACDB will consider whether such household member has successfully completed a supervised drug or alcohol rehabilitation program.

For this purpose the HACDB will require the tenant to submit evidence of the household member's successful completion of a supervised drug or alcohol rehabilitation program.

Reasonable Accommodation [24 CFR 966.7]

If the family includes a person with disabilities, the HACDB's decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HACDB 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 HACDB will determine whether the behavior is related to the disability. If so, upon the family's request, the HACDB will determine whether alternative measures are appropriate as a reasonable accommodation. The HACDB 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 HACDB's eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

13-III.F. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

This section addresses the protections against termination of tenancy that the Violence against Women Act of 2013 (VAWA) provides for public housing residents who are victims of domestic violence, dating violence, sexual assault, or stalking. For general VAWA requirements and HACDB policies pertaining to notification, documentation, and confidentiality, see section 16-VII of this ACOP, where definitions of key VAWA terms are also located. VAWA does not limit the HACDB's authority to terminate the tenancy of any tenant if the HACDB can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property.

VAWA Protections against Termination [24 CFR 5.2005(c)]

VAWA provides that "criminal activity directly related 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 tenancy of, occupancy rights of, or assistance to the victim, if the tenant or affiliated individual of the tenant is the victim" [24 CFR 5.2005(c)(2)].

VAWA protection does not apply of 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.

Limits on VAWA Protections [24 CFR 5.2005(d) and (e)]

While VAWA prohibits a HACDB from using domestic violence, dating violence, sexual assault, or stalking as the cause for a termination or eviction action against a public housing tenant who is the victim of the abuse, the protections it provides are not absolute. Specifically:

- VAWA does not limit a HACDB's otherwise available authority to terminate assistance to or evict a victim for lease violations not premised on an act of domestic violence, dating violence, sexual assault, or stalking providing that the HACDB does not subject the victim to a more demanding standard than the standard to which it holds other tenants.
- VAWA does not limit a HACDB's authority to terminate the tenancy of any public housing tenant if the HACDB can demonstrate an actual and imminent threat to other

tenants or those employed at or providing service to the property if that tenant's tenancy is not terminated.

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a HACDB to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

HACDB Policy

In determining whether a public housing tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the HACDB will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within a short period of time

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location, transferring the victim to another unit, or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the tenant wishes to contest the HACDB's determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the grievance hearing or in a court proceeding.

Documentation of Abuse [24 CFR 5.2007]

HACDB Policy

When an individual facing termination of tenancy for reasons related to domestic violence, dating violence, sexual assault, or stalking claims protection under VAWA, the HACDB will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-VII.D of this ACOP. Certification on the HUD 5382 is sufficient and no further document is required.

The HACDB reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases the HACDB will document the waiver in the individual's file.

Terminating or Evicting a Perpetrator of Domestic Violence

Although VAWA provides protection from termination for victims of domestic violence, it does not provide such protection for perpetrators. In fact, VAWA gives the HACDB the explicit authority to bifurcate a lease, or remove a household member from a lease, “in order to evict, remove, terminate occupancy rights, or terminate assistance to any tenant or lawful occupant 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 a tenant or lawful occupant” [24 CFR 5.2009(a)]. Moreover, HUD regulations impose on the HACDB the obligation to consider lease bifurcation in any circumstances involving domestic violence, dating violence, or stalking [24 CFR 966.4(e)(9)].

Specific lease language affirming the HACDB’s authority to bifurcate a lease is not necessary, and the authority supersedes any local, state, or federal law to the contrary. However, if the HACDB chooses to exercise its authority to bifurcate a lease, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law for eviction, lease termination, or termination of assistance. This means that the HACDB must follow the same rules when terminating or evicting an individual as it would when terminating or evicting an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

HACDB Policy

The HACDB will bifurcate a family’s lease and terminate the tenancy of a family member if the HACDB determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, nonculpable family members.

In making its decision, the HACDB will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the HACDB by the victim in accordance with this section and section 16-VII.D. The HACDB will also consider the factors in section 13.III.E. Upon such consideration, the HACDB may, on a case-by-case basis, choose not to bifurcate the lease and terminate the tenancy of the culpable family member.

If the HACDB does bifurcate the lease and terminate the tenancy of the culpable family member, it will do so in accordance with the lease, applicable law, and the policies in this ACOP. If necessary, the HACDB will also take steps to ensure that the remaining family members have a safe place to live during the termination process. For example, the HACDB may offer the remaining family members another public housing unit, if available; it may help them relocate to a confidential location; or it may refer them to a victim service provider or other agency with shelter facilities.

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.

HACDB 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 HACDB to grant an extension for up to 30 days, subject, however, to the program regulations under the applicable covered housing program authorizing the HACDB to grant an extension, as part of the HACDB's standard policies and practices or, alternatively, granting such an extension on a case-by-case basis. HACDB'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.

PART IV: NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING

13-IV.A. 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.

13-IV.B. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]

HUD authorizes PHAs to conduct criminal records checks on public housing residents for lease enforcement and eviction. HACDB policy determines when the HACDB will conduct such checks.

HACDB Policy

The HACDB will conduct criminal records checks when it has come to the attention of the HACDB, 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 HACDB may not pass along to the tenant the costs of a criminal records check.

13-IV.C. 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 HACDB 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 HACDB 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 HACDB 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.

HACDB Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the HACDB 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 HACDB notice, to dispute the accuracy and relevance of the information. If the family does not contact the HACDB to dispute the information within that 10 business day period, the HACDB 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.

13-IV.D. 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 HACDB documents directly relevant to the termination or eviction. If the HACDB does not make the documents available for examination upon request by the tenant, the HACDB may not proceed with the eviction [24 CFR 996.4(m)].

When the HACDB 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 HACDB'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 HACDB 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 HACDB 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 HACDB, or for a drug-related criminal activity on or off the premises.

HACDB Policy

The HACDB 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 2013 (VAWA) for victims of domestic violence, dating violence, sexual assault, or stalking (see section 16-VII.C). The HACDB will also include a copy of the form HUD-5382. 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, sexual assault, 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 HACDB 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, HACDB 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

HACDB Policy

The HACDB will give written notice of 14 calendar days for nonpayment of rent. For all other lease terminations the HACDB 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 HACDB 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.

HACDB 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 HACDB either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the HACDB's informal hearing procedures.

13-IV.E. 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 HACDB 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.

HACDB Policy

When a family does not vacate the unit after receipt of a termination notice, by the deadline given in the notice, the HACDB 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 HACDB will seek the assistance of the court to remove the family from the premises as per state and local law.

The HACDB may not proceed with an eviction action if the HACDB 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).

13-IV.F. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]

When the HACDB evicts an individual or family for criminal activity, including drug-related criminal activity, the HACDB must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

13-IV.G. RECORD KEEPING

For more information concerning general record keeping, see Chapter 16.

HACDB Policy

A written record of every termination and/or eviction will be maintained by the HACDB 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 14

GRIEVANCES AND APPEALS

INTRODUCTION

This chapter discusses grievances and appeals pertaining to HACDB actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not the HACDB's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure.

PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

14-I.A. OVERVIEW

When the HACDB makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the HACDB policies necessary to respond to applicant appeals through the informal hearing process.

14-I.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants under the HACDB grievance procedures [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide applicants the opportunity to review the reasons for denial of admission and to present evidence to refute the grounds for denial.

Use of Informal Hearing Process

While the HACDB must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the HACDB could make the informal hearing process available to applicants who wish to dispute other HACDB actions that adversely affect them.

HACDB Policy

The HACDB will only offer informal hearings to applicants for the purpose of disputing denials of admission.

Notice of Denial [24 CFR 960.208(a)]

The HACDB must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the HACDB decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.

Scheduling an Informal Hearing

HACDB Policy

A request for an informal hearing must be made in writing and delivered to the HACDB either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the HACDB's notification of denial of admission.

The HACDB will schedule and send written notice of the informal hearing within 10 business days of the family's request.

Conducting an Informal Hearing [PH Occ GB, p. 58]

HACDB Policy

The informal hearing will be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the HACDB.

The person conducting the informal hearing will make a recommendation to the HACDB, but the HACDB is responsible for making the final decision as to whether admission should be granted or denied.

Informal Hearing Decision [PH Occ GB, p. 58]

HACDB Policy

The HACDB will notify the applicant of the HACDB's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the HACDB will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in HACDB policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The HACDB will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the HACDB will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the HACDB will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

The HACDB will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed, with return receipt requested, within 10 business days of the informal hearing, to the applicant and his or her representative, if any.

If the informal hearing decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the HACDB must consider such accommodations. The HACDB must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS

14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the HACDB hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the HACDB informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- ☐ That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- ☐ The family may be eligible for proration of assistance.
- ☐ In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- ☐ That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- ☐ That the family has a right to request an informal hearing with the HACDB either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- ☐ For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]

When the HACDB receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the HACDB must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the HACDB with a copy of the written request for appeal and proof of mailing.

HACDB Policy

The HACDB will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the HACDB with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the HACDB, of its decision. When the USCIS notifies the HACDB of the decision, the HACDB must notify the family of its right to request an informal hearing.

HACDB Policy

The HACDB will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the HACDB provide a hearing. The request for a hearing must be made either within 30 days of receipt of the HACDB notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The HACDB must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the HACDB pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

HACDB Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.15 per page. The family must request discovery of HACDB documents no later than 2 business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the HACDB, and to confront and cross-examine all witnesses on whose testimony or information the HACDB relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. The HACDB is obligated to provide a competent interpreter, free of charge, upon request. The family may also or instead provide its own interpreter, at the expense of the family.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The HACDB may, but is not required to provide a transcript of the hearing.

HACDB Policy

The HACDB will not provide a transcript of an audio taped informal hearing.

Hearing Decision

The HACDB must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 10 business days of the date of the informal hearing. The notice must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The HACDB must retain for a minimum of 5 years the following documents that may have been submitted to the HACDB by the family, or provided to the HACDB as part of the USCIS appeal or the HACDB informal hearing process:

- ☐ The application for assistance
- ☐ The form completed by the family for income reexamination
- ☐ Photocopies of any original documents, including original USCIS documents
- ☐ The signed verification consent form
- ☐ The USCIS verification results
- ☐ The request for a USCIS appeal
- ☐ The final USCIS determination
- ☐ The request for an informal hearing
- ☐ The final informal hearing decision

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the HACDB provide a hearing. The request for a hearing must be made either within 20 business days of receipt of the HACDB notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS

14-III.A. REQUIREMENTS [24 CFR 966.52]

PHAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any HACDB action or failure to act involving the lease or HACDB policies which adversely affect their rights, duties, welfare, or status.

The HACDB grievance procedure must be included in the lease.

HACDB Policy

The HACDB grievance procedure will be incorporated by reference in the tenant lease.

The HACDB must provide at least 20 business days' notice to tenants and resident organizations setting forth proposed changes in the HACDB grievance procedure, and provide an opportunity to present written comments. Comments submitted must be considered by the HACDB before adoption of any changes to the grievance procedure by the HACDB.

HACDB Policy

Residents and resident organizations will have 20 business days from the date they are notified by the HACDB of any proposed changes in the HACDB grievance procedure, to submit written comments to the HACDB.

The HACDB must furnish a copy of the grievance procedure to each tenant and to resident organizations.

14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to HACDB action or failure to act in accordance with the individual tenant’s lease or HACDB regulations which adversely affect the individual tenant’s rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the HACDB or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which 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 HACDB including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
 - A decision on the merits
- **Hearing Officer/Panel** – a person/panel selected in accordance with HUD regulations to hear grievances and render a decision with respect thereto
- **Tenant** – the adult person (or persons) (other than a live-in aide)
 - Who resides in the unit, and who executed the lease with the HACDB as lessee of the dwelling unit, or, if no such person now resides in the unit,
 - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

14-III.C. APPLICABILITY [24 CFR 966.51]

Grievances could potentially address most aspects of a HACDB's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the HACDB. It is not applicable to disputes between tenants not involving the HACDB. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the HACDB.

If HUD has issued a due process determination, a HACDB may exclude from the HACDB grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- ☐ Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the HACDB
- ☐ Any violent or drug-related criminal activity on or off such premises
- ☐ Any criminal activity that resulted in felony conviction of a household member

In states without due process determinations, PHAs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, with the following exception: PHAs may use expedited grievance procedures for the first two of the three excluded categories listed above. These expedited grievance procedures are described in Section 14-III.E. below.

If HUD has issued a due process determination, the HACDB may evict through the state/local judicial eviction procedures. In this case, the HACDB is not required to provide the opportunity for a hearing under the HACDB's grievance procedure as described above.

HACDB Policy

The HACDB is located in a HUD-declared due process state. Therefore, the BACDB will not offer grievance hearings for lease terminations involving criminal activity that resulted in a felony conviction of a household member or that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the HACDB, or for violent or drug-related criminal activity on or off the premises.

See Chapter 13 for related policies on the content of termination notices.

14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the HACDB office or to the office of the housing development in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

HACDB Policy

The HACDB will accept requests for an informal settlement of a grievance either orally or in writing, to the HACDB office within 10 business days of the event. Within 10 business days of receipt of the request the HACDB will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

If a tenant fails to attend the scheduled meeting without prior notice, the HACDB will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the HACDB's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

HACDB Policy

The HACDB will prepare a summary of the informal settlement within 5 business days; one copy to be given to the tenant and one copy to be retained in the HACDB's tenant file.

For PHAs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.

14-III.E. PROCEDURES TO OBTAIN A HEARING [24 CFR 966.55]

Requests for Hearing and Failure to Request [24 CFR 966.55(a), (c), and (d)]

All grievances must be presented in accordance with the informal procedures prescribed above as a condition prior to a grievance hearing. However, if the complainant can show good cause for failure to proceed with the informal settlement process to the hearing officer/panel, the hearing officer/panel may waive this provision [24 CFR 966.55(d)].

The complainant must submit the request in writing for a grievance hearing within a reasonable time after receipt of the summary of informal discussion [24 CFR 966.55(a)]. The request must specify the reasons for the grievance and the action or relief sought.

HACDB Policy

The resident must submit a written request for a grievance hearing to the HACDB within 5 business days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, the HACDB's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the HACDB's action in disposing of the complaint in an appropriate judicial proceeding [24 CFR 966.55(c)].

Escrow Deposits [24 CFR 966.55(e)]

Before a hearing is scheduled in any grievance involving the amount of rent that the HACDB claims is due, the family must pay an escrow deposit to the HACDB. When a family is required to make an escrow deposit, the amount is the amount of rent the HACDB states is due and payable as of the first of the month preceding the month in which the family's act or failure to act took place. After the first deposit the family must deposit the same amount monthly until the family's complaint is resolved by decision of the hearing officer/panel.

The HACDB must waive the requirement for an escrow deposit where the family has requested a financial hardship exemption from minimum rent requirements or is grieving the effect of welfare benefits reduction in calculation of family income [24 CFR 5.630(b)(3)].

Unless the HACDB waives the requirement, the family's failure to make the escrow deposit will terminate the grievance procedure. A family's failure to pay the escrow deposit does not waive the family's right to contest the HACDB's disposition of the grievance in any appropriate judicial proceeding.

HACDB Policy

The HACDB will not waive the escrow requirement for grievances involving rent amounts except where required to do so by regulation.

Scheduling of Hearings [24 CFR 966.55(f)]

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/panel promptly for a time and place reasonably convenient to both the complainant and the HACDB. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate HACDB official.

HACDB Policy

Within 10 business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the HACDB.

The HACDB may wish to permit the tenant to request to reschedule a hearing for good cause.

HACDB Policy

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the HACDB may request documentation of the “good cause” prior to rescheduling the hearing.

Expedited Grievance Procedure [24 CFR 966.55(g)]

The HACDB may establish an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:

- ☐ Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the HACDB, or
- ☐ Any drug-related criminal activity on or near such premises

In such expedited grievances, the informal settlement of grievances as discussed in 14-III.D is not applicable.

The HACDB may adopt special procedures concerning expedited hearings, including provisions for expedited notice or scheduling, or provisions for expedited decision on the grievance.

HACDB Policy

The HACDB will follow expedited grievance procedures for any grievance concerning a termination of tenancy or eviction that involves any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the HACDB, or any drug-related criminal activity on or near such premises.

Such procedures will provide for an expedited notice of meeting request, an expedited scheduling of the meeting, and for an expedited decision on the grievance. The tenant will have 2 business days to make their meeting request. The officer will have 2 business days to schedule the meeting, and 2 business days to render a decision.

14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.55(b)]

The grievance hearing must be conducted by an impartial person or persons appointed by the HACDB, other than the person who made or approved the HACDB action under review, or a subordinate of such person.

HACDB Policy

HACDB grievance hearings will be conducted by a single hearing officer and not a panel. The HACDB has designated the following to serve as hearing officers:

The HACDB will use officers that are appointed or selected in accordance with the policy.

The HACDB must determine the methodology for appointment of the hearing officer and it must be stated in the grievance procedure.

HACDB Policy

The HACDB will appoint a person who has been selected in the manner required under the grievance procedure. Efforts will be made to assure that the person selected is neither a friend nor enemy of the complainant, that they do not have a personal stake in the matter under dispute, and will otherwise not appear to lack impartiality.

The HACDB must consult with resident organizations before a person is appointed as a hearing officer or hearing panel member. Comments from the resident organizations must be considered before making the appointment.

14-III.G. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any HACDB documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the HACDB does not make the document available for examination upon request by the complainant, the HACDB may not rely on such document at the grievance hearing.

HACDB Policy

The tenant will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of HACDB documents no later than 12:00 p.m. on the business day prior to the hearing.

- The right to be represented by counsel or other person chosen to represent the tenant, and to have such person make statements on the tenant's behalf.

HACDB Policy

Hearings may be attended by the following applicable persons:

A HACDB representative(s) and any witnesses for the

HACDB The tenant and any witnesses for the tenant

The tenant's counsel or other representative

Any other person approved by the HACDB as a reasonable accommodation for a person with a disability

- ☐ 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 HACDB or project management, and to confront and cross-examine all witnesses upon whose testimony or information the HACDB or project management relies.
- ☐ A decision based solely and exclusively upon the facts presented at the hearing.

Decision without Hearing [24 CFR 966.56(c)]

The hearing officer/panel may render a decision without proceeding with the hearing if the hearing officer/panel determines that the issue has been previously decided in another proceeding.

Failure to Appear [24 CFR 966.56(d)]

If the complainant or the HACDB fails to appear at a scheduled hearing, the hearing officer/panel may make a determination to postpone the hearing for not to exceed five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the HACDB must be notified of the determination by the hearing officer/panel: Provided, That a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the HACDB's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

HACDB Policy

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact the HACDB within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

“Good cause” is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

General Procedures [24 CFR 966.56(e), (f), and (g)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the HACDB must sustain the burden of justifying the HACDB action or failure to act against which the complaint is directed [24 CFR 966.56(e)].

The hearing must be conducted informally by the hearing officer/panel. The HACDB and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses. In general, all evidence is admissible and may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings [24 CFR 966.56(f)].

HACDB Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the HACDB. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the HACDB fails to comply with the discovery requirements (providing the tenant with the opportunity to examine HACDB documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the HACDB to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer/panel must require the HACDB, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer/panel 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 [24 CFR 966.56(f)].

The complainant or the HACDB may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(g)].

HACDB Policy

If the complainant would like the HACDB to record the proceedings by audiotape, the request must be made to the HACDB 2 business days prior to the hearing.

The HACDB will consider that an audio tape recording of the proceedings is a transcript.

Accommodations of Persons with Disabilities [24 CFR 966.56(h)]

The HACDB 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 in the grievance process must be in an accessible format.

See Chapter 2 for a thorough discussion of the HACDB's responsibilities pertaining to reasonable accommodation.

14-III.H. DECISION OF THE HEARING OFFICER/PANEL [24 CFR 966.57]

The hearing officer/panel must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the tenant and the HACDB. The HACDB must retain a copy of the decision in the tenant's folder. A copy of the decision, with all names and identifying references deleted, must also be maintained on file by the HACDB and made available for inspection by a prospective complainant, his/her representative, or the hearing officer/panel [24 CFR 966.57(a)].

HACDB Policy

In rendering a decision, the hearing officer will consider the following matters:

HACDB Notice to the Family: The hearing officer will determine if the reasons for the HACDB's decision are factually stated in the notice.

Discovery: The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with HACDB policy.

HACDB Evidence to Support the HACDB Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the HACDB's conclusion.

Validity of Grounds for Termination of Tenancy (when applicable): The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and HACDB policies. If the grounds for termination are not specified in the regulations or in compliance with HACDB policies, then the decision of the HACDB will be overturned.

The hearing officer will issue a written decision to the family and the HACDB no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

Name of the complainant

Date, time and place of the hearing

Name of the hearing officer

Name of the HACDB representative(s)

Name of family representative (if any)

Names of witnesses (if any)

Background: A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *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.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the HACDB's decision.

Order: The hearing report will include a statement of whether the HACDB's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the HACDB to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the HACDB to restore the family's status.

Procedures for Further Hearing

HACDB Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the HACDB will take effect and another hearing will not be granted.

Final Decision [24 CFR 966.57(b)]

The decision of the hearing officer/panel is binding on the HACDB which must take the action, or refrain from taking the action cited in the decision unless the HACDB Board of Commissioners determines within a reasonable time, and notifies the complainant that:

- The grievance does not concern HACDB action or failure to act in accordance with or involving the complainant's lease on HACDB policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer/panel is contrary to Federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the HACDB

HACDB Policy

When the HACDB considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the HACDB Board of Commissioners within 10 business days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

A decision by the hearing officer/panel, or Board of Commissioners in favor of the HACDB or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].

Chapter 15

PROGRAM INTEGRITY

INTRODUCTION

The HACDB is committed to ensuring that funds made available to the HACDB are spent in accordance with HUD requirements.

This chapter covers HUD and HACDB policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents HACDB policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the HACDB must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

15-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and program abuse. PHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and residents with form HUD-52675, “Debts Owed to PHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

HACDB Policy

The HACDB anticipates that the vast majority of families and HACDB employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the HACDB’s program is administered effectively and according to the highest ethical and legal standards, the HACDB will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The HACDB will provide each applicant and resident with a copy of “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The HACDB will provide each applicant and resident with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19. In addition, the HACDB will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The HACDB will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The HACDB will discuss program compliance and integrity issues. 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.

The HACDB will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

HACDB staff will be required to review and explain the contents of all HUD- and HACDB-required forms prior to requesting family member signatures.

The HACDB will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key HACDB forms and form letters that request information from a family member.

The HACDB will provide each HACDB employee with the necessary training on program rules and the organization's standards of conduct and ethics.

At every regular reexamination the HACDB staff will explain any changes in HUD regulations or HACDB policy that affect residents.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

15-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the HACDB will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

HACDB Policy

The HACDB will employ a variety of methods to detect errors and program abuse, including:

The HACDB routinely will use EIV and other non-HUD sources of up-front income verification. This includes the Work Number and any other private or public databases available to the HACDB.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The HACDB will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend \$500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of HACDB activities and notifies the HACDB of errors and potential cases of program abuse.

HACDB Policy

The HACDB will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the HACDB's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

HACDB Policy

The HACDB will encourage staff, residents, and the public to report possible program abuse.

15-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the HACDB Will Investigate

HACDB Policy

The HACDB will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the HACDB to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The HACDB will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 960.259]

The HACDB may investigate possible instances of error or abuse using all available HACDB and public records. If necessary, the HACDB will require families to sign consent forms for the release of additional information.

Analysis and Findings

HACDB Policy

The HACDB will base its evaluation on a preponderance of the evidence collected during its investigation.

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 that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the HACDB will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the HACDB, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the HACDB will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

HACDB Policy

In the case of family-caused errors or program abuse, the HACDB will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

HACDB Policy

The HACDB will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the HACDB determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

PART II: CORRECTIVE MEASURES AND PENALTIES

15-II.A. UNDER- OR OVERPAYMENT

An under- or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect rental determination is an overpayment or underpayment, the HACDB must promptly correct the tenant rent and any utility reimbursement prospectively.

HACDB Policy

Increases in the tenant rent will be implemented on the first of the month following a written 30 day notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family is required to reimburse the HACDB or the HACDB is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

15-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the HACDB to use incorrect information provided by a third party.

Family Reimbursement to HACDB

HACDB Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The HACDB may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the HACDB will terminate the family's lease in accordance with the policies in Chapter 13.

HACDB Reimbursement to Family

HACDB Policy

The HACDB will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

Prohibited Actions

An applicant or resident in the public housing program must not knowingly:

- | Make a false statement to the HACDB [Title 18 U.S.C. Section 1001].
- | Provide incomplete or false information to the HACDB [24 CFR 960.259(a)(4)].
- | Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l)(2)(iii)(C)].

HACDB Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the HACDB Board of Commissioners, employees, contractors, or other HACDB representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the HACDB on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The HACDB may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the HACDB may, at its discretion, impose any of the following remedies.

- | The HACDB may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to HACDB).
- | The HACDB may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).
- The HACDB may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- | The HACDB may refer the family for state or federal criminal prosecution as described in section 15-II.D.

15-II.C. HACDB-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of HACDB staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a HACDB staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the HACDB personnel policy.

HACDB-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

Repayment to the HACDB

The family is not required to repay an underpayment of rent if the error or program abuse is caused by HACDB staff.

HACDB Reimbursement to Family

HACDB Policy

The HACDB will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

Prohibited Activities

HACDB Policy

Any of the following will be considered evidence of program abuse by HACDB staff:

- Failing to comply with any public housing program requirements for personal gain

- Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident

- Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the HACDB

- Disclosing confidential or proprietary information to outside parties

- Gaining profit as a result of insider knowledge of HACDB activities, policies, or practices

- Misappropriating or misusing public housing funds

- Destroying, concealing, removing, or inappropriately using any records related to the public housing program

- Committing any other corrupt or criminal act in connection with any federal housing program

15-II.D. CRIMINAL PROSECUTION

HACDB Policy

When the HACDB determines that program abuse by a family or HACDB staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the HACDB will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate local, state, or federal entity.

15-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES

PHAs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed, or begin eviction proceedings against a family may retain 100 percent of program funds that the HACDB recovers [Notice PIH 2007-27 (HA)].

If the HACDB does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the HACDB's grievance process.

Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this ACOP. The policies are discussed in seven parts as described below:

Part I: Setting Utility Allowances. This part describes how utility allowances are established and revised. Also discussed are the requirements to establish surcharges for excess consumption of HACDB-furnished utilities.

Part II: Establishing Flat Rents and Public Housing Maximum Rents. This part describes the requirements and policies related to establishing and updating flat rent amounts and public housing maximum rents.

Part III: Repayment of Family Debts. This part contains policies for recovery of monies that have been underpaid by families, and describes the circumstances under which the HACDB will offer repayment agreements to families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part IV: Public Housing Assessment System (PHAS). This part describes the PHAS indicators, how PHAs are scored under PHAS, and how those scores affect a HACDB.

Part V: Record Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the HACDB will follow.

Part VI: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the HACDB's reporting responsibilities related to children with environmental intervention blood lead levels that are living in public housing.

Part VII: Violence against Women Act (VAWA): Notification, Documentation, and Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, and stalking; and maintaining the confidentiality of information obtained from victims.

PART I: SETTING UTILITY ALLOWANCES [24 CFR 965 Subpart E]

16-I.A. OVERVIEW

PHAs must establish allowances for HACDB-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from a utility supplier [24 CFR 965.502(a)].

PHAs must also establish surcharges for excess consumption of HACDB-furnished utilities [24 CFR 965.506].

The HACDB must maintain a record that documents the basis on which utility allowances and scheduled surcharges are established and revised, and the record must be made available for inspection by residents [24 CFR 965.502(b)].

16-I.B UTILITY ALLOWANCES

The HACDB must establish separate allowances for each utility and for each category of dwelling units the HACDB determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].

The objective of HACDB in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].

Utilities include gas, electricity, fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the HACDB does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].

Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].

Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location and sitting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].

Chapter 14 of the *PH Occupancy Guidebook* provides detailed guidance to the HACDB about establishing utility allowances.

Air-Conditioning

“If a HACDB installs air conditioning, it shall provide, to the maximum extent economically feasible, systems that give residents the option of choosing to use air conditioning in their units. The design of systems that offer each resident the option to choose air conditioning shall include retail meters or check meters, and residents shall pay for the energy used in its operation. For systems that offer residents the option to choose air conditioning but cannot be check metered, residents are to be surcharged in accordance with 965.506. If an air conditioning system does not provide for resident option, residents are not to be charged, and these systems should be avoided whenever possible.” [24 CFR 965.505(e)]

HACDB Policy

The HACDB [has not] installed air-conditioning.

Utility Allowance Revisions [24 CFR 965.507]

The HACDB must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505.

The HACDB may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective.

HACDB Policy

Between annual reviews of utility allowances, the HACDB will only revise its utility allowances due to a rate change, when required to by the regulation.

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

16-I.C. SURCHARGES FOR HACDB-FURNISHED UTILITIES [24 CFR 965.506]

For dwelling units subject to allowances for HACDB-furnished utilities where check meters have been installed, the HACDB must establish surcharges for utility consumption in excess of the allowances. Surcharges may be computed on a straight per unit of purchase basis or for stated blocks of excess consumption, and must be based on the HACDB's average utility rate. The basis for calculating the surcharges must be described in the HACDB's schedule of allowances.

Changes in

the amount of surcharges based directly on changes in the HACDB's average utility rate are not subject to the advance notice requirements discussed under 16-I.D.

For dwelling units served by HACDB-furnished utilities where check meters have not been installed, the HACDB must establish schedules of surcharges indicating additional dollar amounts residents will be required to pay by reason of estimated utility consumption attributable to resident-owned major appliances or to optional functions of HACDB-furnished equipment.

The surcharge schedule must state the resident-owned equipment (or functions of HACDB-furnished equipment) for which surcharges will be made and the amounts of such charges.

Surcharges must be based on the cost to the HACDB of the utility consumption estimated to be attributable to reasonable usage of such equipment.

HACDB Policy

The HACDB has a combination of HACDB-furnished utilities, and non-furnished.

HACDB will implement process to submit Utility Reimbursements to all Affordable Housing and HCV Residents through electronic ACH deposits to either resident bank accounts or debit cards.

16-I.D. NOTICE REQUIREMENTS [965.502]

The HACDB must give notice to all residents of proposed allowances and scheduled surcharges, and revisions thereof. The notice must be given in the manner provided in the lease and must:

- ☐ Be provided at least 60 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.
- ☐ Describe the basis for determination of the allowances, scheduled surcharges, or revisions, including a statement of the specific items of equipment and function whose utility consumption requirements were included in determining the amounts of the allowances and schedule of surcharges.
- Notify residents of the place where the HACDB's documentation on which allowances and surcharges are based is available for inspection.
- ☐ Provide all residents an opportunity to submit written comments during a period expiring not less than 30 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.

16-I.E. REASONABLE ACCOMMODATION [24 CFR 965.508]

On request from a family that includes a disabled or elderly person, the HACDB must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family [PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

PART II: ESTABLISHING FLAT RENTS AND PUBLIC HOUSING MAXIMUM RENTS

16-II.A. OVERVIEW

Flat rents are designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Public housing maximum rents are needed to prorate assistance for a mixed family. A mixed family is one whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigrations status [24 CFR 5.504].

This part discusses how the HACDB establishes and updates flat rents and public housing maximum rents. Policies related to the use of flat rents, family choice of rent, flat rent hardships, and public housing maximum rents are discussed in Chapter 6.

16-II.B. FLAT RENTS [24 CFR 960.253(b) and Notice PIH 2014-12]

Establishing Flat Rents

Flat rents for public housing units are based on the market rent charged for comparable units in the private unassisted rental market. The flat rent should be equal to the estimated rent for which the HACDB could promptly lease the public housing unit after preparation for occupancy.

The HACDB must use HUD's rent reasonableness methodology to determine flat rents. In determining flat rents, PHAs must consider the following:

- ☐ Location
- ☐ Quality
- ☐ Unit size
- ☐ Unit type
- ☐ Age of property
- ☐ Amenities at the property and in immediate neighborhood
- ☐ Housing services provided
- ☐ Maintenance provided by the HACDB
- ☐ Utilities provided by the HACDB

Notice PIH 2014-12 specifies that after the HACDB has determined flat rent amounts using HUD's rent reasonableness methodology, the HACDB must then compare this amount to 80 percent of the FMR and must set the flat rent at no less than 80 percent of the FMR, subject to utility adjustments.

PHAs are now required to apply a utility allowance to flat rents. Flat rents set at 80 percent of the FMR must be reduced by the amount of the unit's utility allowance, if any.

Review of Flat Rents

The HACDB must ensure that flat rents continue to mirror market rent values [24 CFR 960.253(b) and Notice PIH 2014-12]. No later than 90 days after HUD publishes new annual FMRs, PHAs must revise flat rents as necessary based on the rent reasonableness analysis and changes to the FMR. The HACDB must offer changes to the flat rent to all new admissions and to existing families at the next annual rent option.

If the FMR falls from year to year, the HACDB may, but is not required to, lower the flat rent to 80 percent of the current FMR.

HACDB Policy

If the net FMR is lower than the flat rent for the previous year, the HACDB **will retain the flat rent from the previous year.**

PHAs that determine that reasonable rents would be less than 60 percent of the applicable FMR may choose to complete a rent reasonableness study once every three years, rather than annually. [Notice PIH 2014-12].

HACDB Policy

If the HACDB determines that reasonable rents would be less than 60 percent of the applicable FMR, the HACDB will conduct a rent reasonableness study once every three years.

Posting of Flat Rents

HACDB Policy

The HACDB will publicly post the schedule of flat rents in a conspicuous manner in the applicable HACDB or project office.

Documentation of Flat Rents [24 CFR 960.253(b)(5)]

The HACDB must maintain records that document the method used to determine flat rents, and that show how flat rents were determined by the HACDB in accordance with this method.

16-II.C. PUBLIC HOUSING MAXIMUM RENTS

Establishing Public Housing Maximum Rents

PHAs are prohibited from making financial assistance available to persons who are not citizens or nationals of the United States, and to those who do not have eligible immigration status [24 CFR 5.500]. Therefore, in order to assist mixed families, PHAs must prorate assistance. Public housing maximum rents are needed in order to calculate the tenant rent for a mixed family.

The public housing maximum rent is based on the flat rent for the unit size in the complex.

PHAs may use the “direct comparison” or the “unit distribution” method for establishing the public housing maximum rents for each unit size. Appendix H, of Guidebook 7465.G, Restrictions on Assistance to Noncitizens provides detailed guidance on how to establish public housing maximum rents using the methodologies identified above.

Review of Public Housing Maximum Rents

HACDB Policy

The HACDB will recalculate the public housing maximum rents on an annual basis when they establish the flat rent.

Posting of Public Housing Maximum Rents

HACDB Policy

The HACDB will publicly post the schedule of public housing maximum rents in a conspicuous manner in the applicable HACDB or project office.

Documentation of Public Housing Maximum Rents

HACDB Policy

The HACDB will maintain records that document the flat rent.

PART III: FAMILY DEBTS TO THE PHA

16-III.A. OVERVIEW

This part describes the HACDB's policies for recovery of monies owed to the HACDB by families.

HACDB Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, the HACDB holds the family liable to return any underpayments to the HACDB.

The HACDB will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When a family refuses to repay monies owed to the HACDB, the HACDB will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

16-III.B. REPAYMENT POLICY

Family Debts to the HACDB

HACDB Policy

Any amount owed to the HACDB by a public housing family must be repaid. If the family is unable to repay the debt within 30 days, the HACDB will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the HACDB will terminate the family's tenancy in accordance with the policies in Chapter 13. The HACDB will also pursue other modes of collection.

General Repayment Agreement Guidelines

Down Payment Requirement

HACDB Policy

Before executing a repayment agreement with a family, the HACDB will generally require a down payment of 10-30% percent of the total amount owed (depending on a case by case base) based on the families monthly income. If the family can provide evidence satisfactory to the HACDB that a down payment of 10-30 percent would impose an undue hardship, the HACDB may, in its sole discretion, require a lesser percentage or waive the requirement.

Payment Thresholds

Notice PIH 2010-19 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income, which is considered "affordable." However, this is not a requirement and the HACDB has wide discretion to set repayment policies. Moreover, Notice PIH 2010-19 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

If a family is paying less than 40 percent of its monthly adjusted income (MAI) in rent, the minimum monthly payment amount will be the greater of the following two amounts:

The difference between 40 percent of the family's MAI and the TTP at the time the agreement is executed.

If a family can provide evidence satisfactory to the HACDB that a monthly payment amount would impose an undue hardship, the HACDB may, in its sole discretion, require a lower monthly payment amount.

If the family's income increases or decreases during the term of a repayment agreement, either the HACDB or the family may request that the monthly payment amount be adjusted accordingly.

HACDB Policy

The HACDB has established the following thresholds for repayment of debts:

Amounts between \$3,000 and the federal or state threshold for criminal prosecution must be repaid within 24 months.

Amounts between \$2,000 and \$2,999 must be repaid within 12 months.

Amounts between \$1,000 and \$1,999 must be repaid within 6 months.

Amounts under \$1,000 must be repaid within 30 days..

If a family can provide evidence satisfactory to the HACDB that the threshold applicable to the family's debt would impose an undue hardship, the HACDB may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the HACDB will consider all relevant information, including the following:

The amount owed by the family to the HACDB

The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control

The family's current and potential income and expenses

The family's current family share, as calculated less than 24 CFR 982.515

The family's history of meeting its financial responsibilities

Execution of the Agreement

HACDB Policy

Any repayment agreement between the HACDB and a family must be signed and dated by the HACDB and by the head of household and spouse/co-head (if applicable).

Due Dates

HACDB Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Late or Missed Payments

HACDB Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the HACDB, the HACDB will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the HACDB will terminate tenancy in accordance with the policies in Chapter 13.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the HACDB will terminate tenancy in accordance with the policies in Chapter 13.

No Offer of Repayment Agreement

HACDB Policy

The HACDB generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family, or if the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

Repayment Agreements Involving Improper Payments

Notice PIH 2010-19 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the public housing lease that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the HACDB may terminate assistance because of a family's action or failure to act
- ☐ A statement clarifying that each month the family not only must pay to the HACDB the monthly payment amount specified in the agreement but must also pay to the HACDB the monthly tenant rent
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- ☐ A statement that late or missed payments constitute default of the repayment agreement and may result in termination of tenancy

PART IV: PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

16-IV.A. OVERVIEW

The purpose of the Public Housing Assessment System (PHAS) is to improve the delivery of services in public housing and enhance trust in the public housing system among PHAs, public housing residents, HUD and the general public by providing a management tool for effectively and fairly measuring the performance of a public housing agency in essential housing operations.

16-IV.B. PHAS INDICATORS [24 CFR 902 Subparts A, B, C, D, and E]

The table below lists each of the PHAS indicators, the points possible under each indicator, and a brief description of each indicator. A HACDB's performance is based on a combination of all four indicators.

Indicator 1: Physical condition of the PHA's projects

Maximum Score: 40

- The objective of this indicator is to determine the level to which a PHA is maintaining its public housing in accordance with the standard of decent, safe, sanitary, and in good repair.
- To determine the physical condition of a PHA's projects, inspections are performed of the following five major areas of each public housing project: site, building exterior, building systems, dwelling units, and common areas. The inspections are performed by an independent inspector arranged by HUD, and include a statistically valid sample of the units in each project in the PHA's public housing portfolio.

Indicator 2: Financial condition of the PHA's projects

Maximum Score: 25

- The objective of this indicator is to measure the financial condition of the PHA's public housing projects for the purpose of evaluating whether the PHA has sufficient financial resources and is capable of managing those financial resources effectively to support the provision of housing that is decent, safe, sanitary, and in good repair.
- A PHA's financial condition is determined by measuring each public housing project's performance in each of the following sub-indicators: quick ratio, months expendable net assets ratio, and debt service coverage ratio.

Indicator 3: Management operations of the PHA's projects**Maximum Score: 25**

- The objective of this indicator is to measure certain key management operations and responsibilities of a PHA's projects for the purpose of assessing the PHA's management operations capabilities.
- Each project's management operations are assessed based on the following sub-indicators: occupancy, tenant accounts receivable, and accounts payable.
- An on-site management review may be conducted as a diagnostic and feedback tool for problem performance areas, and for compliance. Management reviews are not scored.

Indicator 4: Capital Fund**Maximum Score: 10**

- The objective of this indicator is to measure how long it takes the PHA to obligate capital funds and to occupy units.
- The PHA's score for this indicator is measured at the PHA level and is based on the following sub-indicators: timeliness of fund obligation and occupancy rate.

16-IV.C. PHAS SCORING [24 CFR 902 Subpart F]

HUD's Real Estate Assessment Center (REAC) issues overall PHAS scores, which are based on the scores of the four PHAS indicators, and the sub indicators under each indicator. The PHA's indicator scores are based on a weighted average of the PHA's public housing projects' scores. PHAS scores translate into a designation for each PHA as high performing, standard, substandard, or troubled.

A high performer is a PHA that achieves an overall PHAS score of 90 or greater, and achieves a score of at least 60 percent of the points available under the physical, financial, and management indicators and at least 50 percent of the points available under the capital fund indicator.

A standard performer is a PHA that has an overall PHAS score between 60 and 89, and achieves a score of at least 60 percent of the points available under the physical, financial, and management indicators and at least 50 percent of the points available under the capital fund indicator.

A substandard performer is a PHA that has an overall PHAS score of at least 60 percent and achieves a score of less than 60 percent under one or more of the physical, financial, or management indicators.

A troubled performer is a PHA that achieves an overall PHAS score of less than 60, or achieves less than 50 percent of the total points available under the capital fund indicator.

These designations can affect a PHA in several ways:

- ☐ High-performing PHAs are eligible for incentives including relief from specific HUD requirements and bonus points in funding competitions [24 CFR 902.71].
- PHAs that are standard performers may be required to submit and operate under a corrective action plan to eliminate deficiencies in the PHA's performance [24 CFR 902.73(a)(1)].
- PHAs that are substandard performers will be required to submit and operate under a corrective action plan to eliminate deficiencies in the PHA's performance [24 CFR 902.73(a)(2)].
- PHAs with an overall rating of "troubled" are subject to additional HUD oversight, and are required to enter into a memorandum of agreement (MOA) with HUD to improve PHA performance [24 CFR 902.75].
- ☐ PHAs that fail to execute or meet MOA requirements may be referred to the Assistant Secretary to determine remedial actions, including, but not limited to, remedies available for substantial default [24 CFR 902.75(g) and 24 CFR Part 907].

PHAs must post a notice of its final PHAS score and status in appropriate conspicuous and accessible locations in its offices within two weeks of receipt of its final score and designation [24 CFR 902.64(b)(2)].

PART V: RECORD KEEPING

16-V.A. OVERVIEW

The HACDB must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the HACDB must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-V.B. RECORD RETENTION

The HACDB must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

Notice PIH 2014-20 requires the HACDB to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

HACDB Policy

During the term of each public housing tenancy, and for at least four years thereafter, the HACDB will keep all documents related to a family's eligibility, tenancy, and termination.

In addition, the HACDB will keep the following records for at least four years:

- An application from each ineligible family and notice that the applicant is not eligible

- Lead-based paint records as required by 24 CFR 35, Subpart B

- Documentation supporting the establishment of flat rents and the public housing maximum rent

- Documentation supporting the establishment of utility allowances and surcharges

- Documentation related to PHAS

- Accounts and other records supporting HACDB budget and financial statements for the program

- Complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule

- Other records as determined by the HACDB or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

16-V.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

HACDB Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized HACDB staff.

HACDB staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the HACDB may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification (UIV) Data*.

HACDB Policy

Prior to utilizing HUD's EIV system, the HACDB will adopt and implement EIV security procedures required by HUD.

Criminal Records

The HACDB may only disclose the criminal conviction records which the HACDB receives from a law enforcement agency to officers or employees of the HACDB, or to authorized representatives of the HACDB who have a job-related need to have access to the information [24 CFR 5.903(e)].

The HACDB must establish and implement a system of records management that ensures that any criminal record received by the HACDB from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the HACDB action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The HACDB must establish and implement a system of records management that ensures that any sex offender registration information received by the HACDB from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the HACDB action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information, or is obtained by a HACDB other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The HACDB may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the HACDB receives a verification document that provides such information, the HACDB should not place this information in the tenant file. The HACDB should destroy the document.

Domestic Violence, Dating Violence, Sexual Assault, or Stalking Records

For requirements and HACDB policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, or stalking, see section 16-VII.E.

PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e)] PIH 2017-13

Childhood lead poisoning has serious negative consequences on childhood growth and development. The U.S. Centers for Disease Control and Prevention (CDC) has consistently affirmed that deteriorated lead-based paint and lead-contaminated dust are the most hazardous sources of lead exposure in children. Lead-based paint can be found in homes built before 1978, with an increased prevalence in very old homes with original painted windows, doors, and trim (Jacobs et al., 2002; Cox et al., 2015).

In 2012, the CDC lowered its reference level for lead in the blood of children under age 6 to 5 micrograms of lead per deciliter of blood, and provided guidance for health departments and medical professionals at www.cdc.gov/nceh/lead/acclpp/cdc_response_lead_exposure_recs.pdf. On January 13, 2017, HUD amended the LSHR to align it with CDC's updated guidance.

Consistent with CDC's guidance, HUD is now using the reference level of 5 micrograms per deciliter to identify children with an EBLL. This new level is the blood lead level of the highest 2.5 percent of U.S. children ages 1 to 5 years. CDC may revise this level in the future, and if so, HUD will update its EBLL as used under the LSHR, via the notice and comment process, as provided by the definition of EBLL in the amendment (24 CFR 35.110).

However, if a state or local government establishes more protective standards in response to lead in children's blood, LSHR's section 35.150 directs PHAs to follow those standards

Public Housing

For public housing, when a child under 6 is identified with an EBLL, the HACDB must take the following steps. (For a more detailed explanation, please refer to section 6.):

- **Initial notification of a confirmed case to HUD:** The HACDB must notify the Field Office and HUD's Office of Lead Hazard Control (OLHCHH) of the EBLL case within 5 business days.
- **Initial notification of a confirmed case to public health department, when necessary:** The HACDB must notify the public health department of the EBLL case within 5 business days when it received the notification of the case from another medical health care professional.
- **Verification of the case, when necessary:** If a HACDB learns that a child has an EBLL from someone other than a medical health care provider, such as from a parent, the HACDB must immediately verify the report with the health department or medical

health care provider.

- **Environmental Investigation:** The HACDB must conduct an environmental investigation of the child's unit and the common areas servicing that unit within 15 calendar days in accordance with Chapter 16 of the HUD *Guidelines*, as described in section 6 below. If lead-based paint hazards are found in the index unit in a multiunit property, perform risk assessments in other covered units with a child under age 6 and the common areas servicing those units, as described in section 9 below.
- **Control:** The HACDB must ensure that any lead-based paint hazards identified by the environmental investigation are controlled within 30 calendar days by a certified lead-based paint abatement firm or certified lead renovation firm, including having the unit and common area pass a post-work dust clearance exam in accordance with section 35.1340. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards as described in section 9 below.
- **Notification to other residents:** As already required by the LSHR, in a multiunit property, the HACDB must notify all residents of lead evaluation and hazard control activities.

- **Follow-up notification:** The HACDB must notify the HUD Field Office of the results of the environmental investigation and then of the lead hazard control work within 10 business days of each activity.
- **Ongoing maintenance and reevaluation:** As already required by the LSHR in sections 35.1120(c) and 35.1355(a), after the work passes clearance, the HACDB must ensure that the unit and common areas are maintained as lead-safe for continued occupancy, which includes no deteriorated paint or failed lead hazard control methods. As also already required by the LSHR in section 35.1355(b), the HACDB must generally conduct periodic reevaluations every two years, using a certified lead risk assessor, and respond to them. The reevaluations shall be for: deteriorated paint surfaces unless they are known not to be lead-based paint, deteriorated or failed interim controls of lead-based paint hazards or encapsulation or enclosure treatments, dust-lead hazards, and soil-lead hazards in newly- bare soil. Exceptions from the reevaluation requirement are in section 35.1355(b)(1) and (4); the requirements for responding to the reevaluations are in section 35.1355(c).

The HACDB has certain responsibilities relative to children with environmental intervention blood lead levels that are living in public housing.

HACDB Policy

The HACDB will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

The HACDB will provide written notice of each known case of a child with an environmental intervention blood level to the HUD field office within 5 business days of receiving the information.

PART VII: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, AND CONFIDENTIALITY

16-VII.A. OVERVIEW

The Violence against Women Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault, and stalking who are applying for or receiving assistance under the public housing program. If your state or local laws provide greater protection for such victims, those laws take precedence over VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and HACDB policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and HACDB policies are located in Chapter 3, “Eligibility” (sections 3-I.C and 3-III.F); Chapter 5, “Occupancy Standards and Unit Offers” (section 5-II.D); Chapter 8, “Leasing and Inspections” (section 8-I.B); Chapter 12, “Transfer Policy” (sections 12-III.C, 12-III.F, and 12-IV.D); and Chapter 13, “Lease Terminations” (sections 13-III.F and 13-IV.D).

16-VII.B. DEFINITIONS [24 CFR 5.2003]

As used in VAWA:

- ☐ The term *affiliated individual* means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
 - Any individual, tenant or lawful occupant living in the household of that individual.
- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights are allowed to remain intact.
- ☐ 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 *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse 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, 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 *sexual assault* means:
 - Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks the capacity to consent
- The term *stalking* means:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

16-VII.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The HACDB adopts the following policy to help ensure that all actual and potential beneficiaries of its public housing program are aware of their rights under VAWA.

HACDB Policy

The HACDB will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.

A summary of the rights and protections provided by VAWA to public housing applicants and residents who are or have been victims of domestic violence, dating violence, or stalking (see sample notice in Exhibit 16-1)

The definitions of *domestic violence*, *dating violence*, *sexual assault*, and *stalking* provided in VAWA (included in Exhibit 16-1)

An explanation of the documentation that the HACDB may require from an individual who claims the protections provided by VAWA (included in Exhibit 16-1)

A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

A statement of the HACDB's obligation to keep confidential any information that it receives from a victim unless (a) the HACDB has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information (included in Exhibit 16-1)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibit 16-1)

Contact information for local victim advocacy groups or service providers

Notification to Applicants and Tenants [24 CFR 5.2005(a)(1)]

PHAs are required to inform public housing applicants and tenants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

HACDB Policy

The HACDB will provide all applicants with information about VAWA on the on-line application for housing assistance. The HACDB will also include such information in all notices of denial of assistance (see section 3-III.F).

The HACDB will provide all tenants with information about VAWA at the time of admission (see section 8-I.B) and at annual reexamination. The HACDB will also include such information in all lease termination notices (see section 13-IV.D).

The VAWA information provided to applicants and tenants will consist of the notice in Exhibit 16-1 and a copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, and Stalking.

The HACDB is not limited to providing VAWA information at the times specified in the above policy. If the HACDB decides to provide VAWA information to a tenant following an incident of domestic violence, Notice PIH 2006-42 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the HACDB make alternative delivery arrangements that will not put the victim at risk.

HACDB Policy

Whenever the HACDB has reason to suspect that providing information about VAWA to a public housing tenant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim.

16-VII.D. DOCUMENTATION [24 CFR 5.2007]

A HACDB presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, or stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The HACDB may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the HACDB's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim
- (2) A federal, state, tribal, territorial, or local police report or court record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical professional. Acceptable documentation also includes a record of an administrative agency, and documentation from a mental health professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The HACDB may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [VAWA final rule].

HACDB Policy

Any request for documentation of domestic violence, dating violence, sexual assault, or stalking will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The HACDB may, in its discretion, extend the deadline for 10 business days. Any extension granted by the HACDB will be in writing.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the HACDB receives conflicting certification documents 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 HACDB may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The HACDB must honor any court orders issued to protect the victim or to address the distribution of property.

HACDB Policy

If presented with conflicting certification documents (two or more forms HUD-5382) from members of the same household, the HACDB will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(b)(2) or (3) and by following any HUD guidance on how such determinations should be made.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

The HACDB has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b).

HACDB Policy

If the HACDB accepts an individual's statement or other corroborating evidence of domestic violence, dating violence, sexual assault, or stalking, the HACDB will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a HACDB must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the HACDB may allow, the HACDB may deny relief for protection under VAWA.

16-VII.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to the HACDB regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the HACDB (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

HACDB Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the HACDB will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

EXHIBIT 16-1: SAMPLE NOTICE TO PUBLIC HOUSING APPLICANTS AND TENANTS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)

This sample notice was adapted from a notice prepared by the National Housing Law Project.

A federal law that went into effect in 2013 protects individuals who are victims of domestic violence, dating violence, sexual assault, or stalking. The name of the law is the Violence against Women Act, or “VAWA.” This notice explains your rights under VAWA.

Protections for Victims

If you are eligible for public housing, the housing authority cannot refuse to admit you to the public housing program solely because you are a victim of domestic violence, dating violence, sexual assault, or stalking.

If you are the victim of domestic violence, dating violence, sexual assault, or stalking, the housing authority cannot evict you based on acts or threats of violence committed against you. Also, criminal acts directly related to the domestic violence, dating violence, sexual assault, or stalking that are caused by a member of your household or a guest can’t be the reason for evicting you if you were the victim of the abuse.

Reasons You Can Be Evicted

The housing authority can still evict you if the housing authority can show there is an *actual and imminent* (immediate) threat to other tenants or housing authority staff if you are not evicted. Also, the housing authority can evict you for serious or repeated lease violations that are not related to the domestic violence, dating violence, sexual assault, or stalking against you. The housing authority cannot hold you to a more demanding set of rules than it applies to tenants who are not victims.

Removing the Abuser from the Household

The housing authority may split the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the public housing unit. If the housing authority chooses to remove the abuser, it may not take away the remaining tenants’ rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, the housing authority must follow federal, state, and local eviction procedures.

Proving That You Are a Victim of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

The housing authority can ask you to prove or “certify” that you are a victim of domestic violence, dating violence, sexual assault, or stalking. It must give you at least 14 business days (i.e., Saturdays, Sundays, and holidays do not count) to provide this proof. The housing authority is free to extend the deadline. There are three ways you can prove that you are a victim:

- Complete the certification form given to you by the housing authority. The form will ask for your name, the name of your abuser, the abuser’s relationship to you, the date, time, and location of the incident of violence, and a description of the violence. You are only required to provide the name of the abuser if it is safe to provide and you know their name.
- Provide a statement from a victim service provider, attorney, or medical professional who has helped you address incidents of domestic violence, dating violence, sexual assault, or stalking. The professional must state that he or she believes that the incidents of abuse are real. Both you and the professional must sign the statement, and both of you must state that you are signing “under penalty of perjury.”
 - | Provide a police or court record, such as a protective order.

If you fail to provide one of these documents within the required time, the housing authority may evict you.

Confidentiality

The housing authority must keep confidential any information you provide about the violence against you, unless:

- | You give written permission to the housing authority to release the information.
- | The housing authority needs to use the information in an eviction proceeding, such as to evict your abuser.
- | A law requires the housing authority to release the information.

If release of the information would put your safety at risk, you should inform the housing authority.

VAWA and Other Laws

VAWA does not limit the housing authority’s duty to honor court orders about access to or control of a public housing unit. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking.

For Additional Information

If you have any questions regarding VAWA, please contact _____ at _____.

For help and advice on escaping an abusive relationship, call the National Domestic Violence Hotline at 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY).

Chapter 17

The Family Self-Sufficiency (FSS) Program

INTRODUCTION

The FSS program supports HUD's strategic goal of utilizing housing as a platform for improving quality of life, by helping HUD-assisted renters increase their economic security and self-sufficiency. The purpose of the FSS program is to promote the development of local strategies to coordinate the use of assistance under the Affordable Housing program with public and private resources and enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

FSS regulations are found at the 24 CFR Parts 984. Participation of families in the FSS program is voluntary and cannot be a condition of receipt of assistance under the PH programs. While one of the objectives of the program is to reduce the dependency of low-income families on federal, state, and local housing assistance programs; most families that complete the program will still need and may continue to receive assistance for housing. PHAs may screen families for interest, and motivation to participate in the FSS program, as long as the factors used by the HACDB are those which solely measure the family's interest and motivation. The HACDB may not screen for education, job history, credit rating, marital status, or number of children, and may not consider any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or nonminority groups.

17-1.A. FSS CONTRACT OF PARTICIPATION

Once an eligible family is selected to participate in the program, HACDB, and the head of each participating family will execute a FSS Contract of Participation that specifies the rights and responsibilities of both parties.

The head of the family must:

- Seek and maintain suitable employment after completion of the job training programs listed in the individual training and services plan.
- The HA, after consulting with the head of the family, will determine what employment is suitable based on the skills, education, and job training of that individual and available job opportunities in the area.

The head of the family and those family members, who have decided, with HACDB agreement, to execute an individual training and services plan, must:

- Complete the activities within the dates listed in each individual training and services plan.
- Provide the HACDB and HUD with information about the family's participation in the FSS program in order to help the HACDB and HUD evaluate the FSS program. This could include information regarding employment, job interviews, training, educational attendance, and other FSS services and activities.

All family members must:

- Comply with the terms of the lease agreement.
- If receiving welfare assistance, become independent of welfare assistance and remain independent of welfare assistance for at least 12 consecutive months before the contract expires.
- Seek and maintain suitable employment for at least 12 consecutive months before graduating from the FSS Program.

17-I.B. BASIC REQUIREMENTS

One of the basic requirements of the FSS program is execution of an FSS contract of participation between the Head of the FSS family and the HACDB. The FSS contract of participation includes the rights and responsibilities of the FSS family and the HACDB, the services to be provided to the family, and the activities to be completed by the family.

The term of the FSS contract is up to five years; however, such term may be extended for up to two more years provided that there is good cause for the extension, such as serious illness or involuntary loss of employment. Participants may also successfully graduate in less than five years.

FSS requires execution of the FSS Contract of Participation (form HUD-52650) between HACDB and the head of household of the participating FSS family. The head of the FSS family must be the head of household for eligibility and rent determination purposes. The contract specifies the obligations of each party. An *Individual Training and Services Plan* (ITSP) is attached to the contract, and lists the services to be provided to each participating family member, the activities to be completed by the family member, and the agreed-upon completion dates of the services and activities.

All family members must:

- Comply with the terms of the lease agreement
- If receiving welfare assistance, become independent of welfare assistance and remain independent of welfare assistance for at least 12 consecutive months before the contract expires.
- Seek and maintain suitable employment for at least 12 consecutive months before graduating from the FSS Program.

17-I.C. TERMS OF CONTRACT

The effective date is the first day of the month following the date the contract was signed by the family and the HA's representative. The expiration date is five years from the effective date of the contract. If the HA decides to extend the term of the contract, the original expiration date listed on page one of the contract must be crossed out and the new expiration date added. The ITSP establishes specific interim and final goals by which HACDB and the family can measure the family's progress toward self-sufficiency. For all FSS families there is a required interim goal of receiving no welfare assistance for the 12 months before the FSS contract is completed. The contract also requires that the family comply with its lease with the owner. The contract of participation must be executed no more than 120 days after the household's most recent annual or interim reexamination. If more than 120 days have passed since the last

The FSS contract requires that the entire family comply with the lease, all FSS family members (not just family members who elected to participate in FSS) are welfare-free for the 12 consecutive months before the FSS contract is completed, and that the head of the FSS family (the same as the head of household for rent and income eligibility purposes) seek and maintain suitable employment.

17-I.D. HACDB RESPONSIBILITIES FOR THE FSS PROGRAM

- Attempt to obtain commitments from public and private sources for supportive services for families.
- Establish an FSS escrow account for the family, invest the escrow account funds, and give the family a report on the amount in the FSS escrow account at least once a year.
- Determine which, if any, interim goals must be completed before any FSS escrow funds may be paid to the family; and pay a portion of the FSS escrow account to the family if HACDB determines that the

family has met these specific interim goals and needs the funds from the FSS escrow account to complete the contract.

- Determine if the family has completed this contract.
- Pay the family the amount in its FSS escrow account, if the family has completed the contract and the head of the family has provided written certification that no member of the family is receiving welfare assistance.

The head of the participating family must be the adult member of the family who is the head of the household for income eligibility and rent purposes.

The contract of participation can only be changed to modify the contract term, the head of the family, or the individual training and services plans. Any change of the head of the family under the contract must be included as an attachment to the contract. The attachment must contain the name of the new designated head of the family, the signatures of the new head of the family and the HACDB representative, and the date signed. Any change/s to an individual training and services plan must be included as a revision to the individual training and services plan (attachment) to which the change applies. The revision must include the item changed, signatures of the participant and the HACDB representative, and the date signed. For extensions to the contract term, see the “Term of Contract” section.

The contract of participation must be executed no more than 120 days after the household’s most recent annual or interim reexamination. If more than 120 days have passed since the last examination, a new reexamination must be completed. An FSS Addendum must be submitted to IMS/PIC within 60 days of FSS Enrollment or Exit from the FSS program. A progress report must be submitted at least once a year for each FSS family. This requirement can be satisfied as part of the FSS progress report submitted with annual reexamination (50058 Action Code2).

The contract lists the family’s current annual income, the amount of earned income, included in the annual income and the family’s total tenant payment when the family begins its FSS participation. During the term of the contract, increases in earned income and total tenant payment are compared to the amounts listed in calculating escrow credits. The contract is effective the first of the month after execution of the contract of participation.

HACDB may make a portion of the escrow account available to the family during the term of the contract if HACDB determines that the family has fulfilled certain interim goals established in the contract and requires a portion of the FSS escrow account funds for purposes consistent with the contract of participation.

The family has fulfilled all of its FSS obligations under the contract when - on or before the expiration of the contract – they have been welfare-free for the 12 consecutive months before the FSS contract is completed, and the head of the family certifies - on or before the FSS contract expiration date - that no family member is a recipient of welfare assistance.

Noncompliance with the FSS contract without good cause may result in termination from the FSS program. Termination (or exit) from the FSS program may not result in termination of the family’s rental assistance. Participants discharged from the FSS program without completing it can enroll again in the program after sitting out of the FSS program for a total of eighteen months.

17-1.E.TERMINATION OF THE CONTRACT OF PARTICIPATION

HACDB may terminate this contract if:

- The family and HACDB agree to terminate the contract.
- HACDB determines that the family has not fulfilled its responsibilities under this contract
- The family withdraws from the FSS program
- An act occurs that is inconsistent with the purpose of the FSS program.

- HACDB is permitted in accordance with HUD requirements to declare this contract null and void if the resources and services necessary to complete the contract are not available.
- HACDB must give a notice of termination or nullification to the head of the family. The notice must state the reasons for HACDB's decision to terminate or nullify the contract. If the contract is terminated or declared null and void, the family has no right to receive funds from the family's FSS escrow account.
- HACDB must close the family's FSS escrow account and may use the funds for purposes in accordance with HUD requirements.

Completion of the Contract of Participation

Completion of the contract occurs when HACDB determines that:

- The family has fulfilled all of its responsibilities under the contract.

An FSS family will forfeit its escrow account if the contract of participation is terminated in accordance with the regulations if, the family is still receiving welfare at the expiration of the contract term, or the contract (Interim and Final goals) were not completed at the end of the contract term.

17-II.A.PUBLIC HOUSING RESIDENT HOMEOWNERSHIP PROGRAM POLICY

The Public Housing Resident Homeownership Incentive Program

The Public Housing Resident Homeownership Incentive Program is designed to assist very low to low income Public Housing residents of the Housing Authority of the City of Daytona Beach (HACDB) with homeownership. Eligible participants in the Public Housing program will have the option of purchasing a home using the Housing Choice Voucher (HCV) *Homeownership Voucher Program* afforded Housing Choice Voucher participants. Participants in the HACDB Family Self- Sufficiency (FSS) Program will be strongly encouraged to participate in the HCV homeownership program.

Participation in the *HCV Homeownership Program* is voluntary for HACDB - FSS residents. Each participant must meet the general requirements for admission to the HCV rental program as set forth in the HCV Administrative Plan. The family must also meet all the eligibility requirements of the *HCV Homeownership Program*.

The additional eligibility requirements for participation in the HACDB *Homeownership Voucher Program* stipulate that the family must:

- Be enrolled in the FSS program and be a first-time homeowner or have a member who is a person with a disability.
- With the exception of elderly and disabled households, meet a minimum income requirement without counting income from "welfare assistance" sources
- With the exception of elderly and disabled households, meet the requisite employment criteria.
- Have fully repaid any outstanding debt owed to HACDB or any other Housing Authority.
- Not defaulted on a mortgage securing debt to purchase a home under the homeownership voucher option.
- Not have any member who has a present ownership interest in a residence at the commencement of homeownership assistance.

17-II.B.FIRST TIME HOMEOWNER

Each family, except a family with a disabled member, must be a first-time homeowner. A "first-time

homeowner” means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of home ownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resident in a home owned by a spouse) is considered a “first-time homeowner” for purposes of the homeownership option. Elderly and disabled families are exempt from participating in the FSS program for the purpose of homeownership.

Minimum Income Requirement

Amount of Income

At the time a family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income equal or above the extremely low income guidelines for the family size. The minimum income for disabled families will be equal to the monthly *Federal Supplement Security Income* (SSI) benefit for an individual living alone (or paying his or her share of food and housing costs) multiplied by twelve. For purposes of program eligibility, welfare assistance may only be counted as income in cases where the applicant meets the definition of an elderly or disabled family. Minimum Income Requirement ff 982.627 c(1)(i).

The HACDB will be allowed to establish a higher income standard for either or both types of families (disabled or non-disabled). However, if the family is able to demonstrate that it has been pre-qualified or pre-approved for financing and the family meets the HUD minimum income requirement, but not the higher standard established by HACDB, this family shall be considered to have satisfied the income requirement. The pre-qualified or pre-approved financing amount must be sufficient to purchase housing that meets housing quality standards in HACDB’s jurisdiction. Ff982.627 c (2) (iii)

Employment History

With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of home ownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to execution of the sales agreement. In order to reasonably accommodate a family’s participation in the program, HACDB will exempt families that include a person with disabilities from the requirement.

The head of household or spouse must remain continuously employed (no less than 30 hours per week) while participating in the *Homeownership Voucher Program*.

Part-time employment by both parties, totaling over 30 hours per week, does not constitute full-time employment by either party. For continued eligibility purposes, continuous employment is defined as: Continuous employment by the head, spouse or co-head defined as full time employment (average of 30 hours per week) with no gap in employment lasting more than four weeks total (30 hours x 48 weeks = 1,440 hours).

HACDB will consider mitigating circumstances where certain lapses in employment prohibit the family from meeting its continuous employment obligation. These include receipt of *Unemployment Insurance Benefits* due to layoff; absences defined under the *Family Medical Leave Act*; receipt of *Workman’s Compensation* benefits, or *Maternity*.

The participant must return to full-time employment within 30 days after exhaustion of unemployment benefits. Failure to return to full-time employment (30 hours per week) within 30 days will generate a 60-day Notice to Correct. Failure to correct will result in a correctable 30-day Notice of Termination.

Consideration of other mitigating circumstances is at the discretion of FSS Coordinator recommendation to the HCV Program Administrator. The Program Administrator will convene a three-person committee to review any additional mitigating circumstances that prevent a participant’s return to full-time employment within the time frames allotted. Determinations of the review committee are made on a case-by-case basis. Their decisions are subject to final approval by the Executive Director/CEO.

17-II.C.PARTICIPATION REQUIREMENTS

HACDB will require participants to participate in the Family Self-Sufficiency (FSS) program unless elderly or disabled. Public Housing Residents must be actively participating in the FSS program and be making progress toward their stated goals while employed full time for one year or more before being referred to the *Homeownership Voucher Program*. The participant must attend all FSS group as required unless excused due to school or work hours during the same time as FSS group hours. The participant must complete all the FSS trainings for first time homeowners to receive a *Homeownership Voucher*. The family must also complete *all U.S. Department of Housing and Urban Development* requirements for the *Homeownership Voucher* as itemized in the *HCV Homeownership Voucher Program*.

Mortgages with balloon payments, interest only, or variable interest rates are not allowed under the *Homeownership Voucher Program*. The buyer may not enter into a seller financing or lease-purchases agreement under this program. The program also precludes the purchase of a “fixer-upper” or “handyman’s special” in need of major repairs.

17-II.D.MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

For non-elderly and non-disabled households, homeownership assistance is available for a maximum 15-year term for mortgages with a 20-year or longer term and a maximum 10- year term in all other cases. The term is calculated from the date of issuance of the first housing assistance payment of the initial mortgage loan.

Families that qualify as a disabled family at the commencement of homeownership assistance, or at any time during the provision of homeownership assistance, are not subject to the 15- year term limitation. Homeownership assistance is available for a disabled family as long as the family remains eligible for the program.

17-II.E. HOMEOWNERSHIP VOUCHER ISSUED

A voucher appointment for homeownership subsidy will be scheduled for the family once the homeownership counselor has determined the family is “mortgage ready”. The family will meet with the FSS Coordinator and be referred to the HCV Housing Specialist to complete the *Housing Assistance Payment Certificate*. After a home is located, but before homeownership assistance can begin, the family and HACDB must execute a HUD prescribed “Statement of Homeowner Obligations.” In the statement the family agrees to comply with all obligations under the homeownership option. The initial “Statement of Homeowner Obligations, HUD-52649” will be reviewed and executed. The family must also execute the HACDB “Statement of Family Obligations” which details the additional HACDB HCV Homeownership Program obligations.

Certificate of Housing Assistance Payment will be issued based on the current subsidy and payment standards in effect on the date of closing. Unlike the voucher rental program, the initial payment standard shall be the base for future housing payments. The payment standard shall be the base for future housing payments. The payment standard shall not drop below the initial payment standard dollar amount due to changes by family composition. HACDB will permit portability of HCV homeownership assistance to another jurisdiction subject to HACDB policies governing portability. The receiving jurisdiction must operate a *HCV Homeownership Program* for which the applicant qualifies and it must be willing to administer new homeownership families. For additional information regarding the *HCV Homeownership Voucher Program* please refer to the HACDB HCV Homeownership Program Policy.

CHAPTER 18 RESIDENTS STEPS TO HOMEOWNERSHIP

Step 1 - Make an appointment with a HACDB FSS Coordinator to determine eligibility status for homeownership and to set goals for homeownership which includes attending all mandatory FSS in-house homeownership trainings.

Step 2 - Once all FSS program requirement have been completed and the employment and income requirements have been established and met. The Public Housing family will be declared eligible for the homeownership program. A referral from *the Family Self Sufficiency Program* and an appointment will be set to meet with a *Homeownership Counselor* to begin the homeownership process.

Step 3 - Eligible families must attend and satisfactorily complete a homeownership counseling program required by HUD. The entity must be a HUD-approved housing counseling agency that will provide counseling services at little or no charge. One on one credit counseling will be provided to those families who are ready to continue the homebuyer's process. The credit reports will be reviewed and the housing counselor will advise the client of ways to clear up credit related issues. The family will work with both the credit counselor and FSS to prepare for homeownership. Once all credit-related issues are cleared, the client's application packet will be submitted to a lender for loan approval.

Step 4 - Once the lender has made the approval, the housing counselor will meet with the client to select a home. The counselor will work closely with the client to assure them of the best negotiable deal.

NOTE: It is important that the client (resident) does not work independently with a realtor at this stage of the process. Realtors don't always understand the process for financing low and very low income persons and this could create a problem with proper and timely loan closings. It is advised that the housing counselor work closely with the realtor on behalf of the client to insure that government funded assistance be expended in full compliance with the regulations.

Step 5- The housing counselor will assist the client with all business transactions from entering into a housing contract to closing. Finding a home is the families' responsibility. HCV Homeownership Voucher funds may NOT be used to assist with financing cost (down payment, closing cost, etc.) Once the home has been identified, the family will furnish HACDB with the proposed sales agreement. HACDB will not approve a unit if it has been informed (by HUD or otherwise) the seller is debarred, suspended, or subject to limited denial of participation under 24 CRF. Information is available on HUD website- and must be checked.

Step 6 - Once a home is identified for purchase the HACDB FSS Coordinator will then set an appointment with the HCV Housing Specialist to begin the Homeownership Voucher application. The unit must be eligible under the Housing Choice Voucher Homeownership Program. Documents needed to issue the HACDB HCV Homeownership Voucher must be submitted to issue the Homeownership Voucher. These documents are submitted for the calculation of the HAP (homeownership assistance payment) and Total Home Buyer Contribution.

Step 7 - An Annual Recertification is required by the family. Families provide income, composition of family and expense updates to HACDB annually.

Step 8 - HACDB requires families to participate in a post-purchase counseling program annually for three years post-purchase of their home. The workshop will be held at the HACDB each January of the New Year.

Chapter 19

EMERGENCY TRANSFER PLAN

FOR VICTIMS OF DOMESTIC VIOLENCE

INTRODUCTION

EMERGENCY TRANSFERS

The HACDB 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), HACDB 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 HACDB 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 HACDB 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.

19.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.

19.B. EMERGENCY TRANSFER REQUEST DOCUMENTATION

To request an emergency transfer, the tenant shall notify HACDB'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 HACDB'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.

HACDB may request additional documentation from a tenant in accordance with the documentation policies of HUD's regulations at 24 CFR part 5, subpart L.

19.C. CONFIDENTIALITY

HACDB will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives HACDB 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.

19.D. EMERGENCY TRANSFER TIMING AND AVAILABILITY

HACDB cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. HACDB 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 HACDB has no safe and available units for which a tenant who needs an emergency is eligible, HACDB 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, HACDB 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.

19.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 20

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 HACDB's **Smoke-free policy for all HACDB properties**. This policy is based on HUD and HACDB's intent to provide healthier, safer, living environments for residents and work environment for its employees. Effective July 30, 2018, all current residents, all employees, all guests, and all new residents of the HACDB will be prohibited from smoking inside the buildings including the housing units and within any common areas owned or under the control of the HACDB. 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 (HACDB) administering public housing to implement a smoke-free policy. Specifically, no later than by July 30, 2018, the HACDB 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 HACDB administrative office buildings. HACDB has been proactive in smoke free public housing and will implement the provisions.

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 HACDB staff; reduces the risk of catastrophic fires; and lowers overall maintenance costs.

General Provisions

HACDB 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, HACDB 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, HACDB may choose to create additional smoke-free areas outside the restricted areas or to make their entire grounds smoke-free.

HACDB'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)
- HACDB will include that the smoke-free policy will also include legal and illegal substances to include marijuana, and other controlled substances.
- HACDB may enhance the smoke free regulations, and will use the opportunity under this policy to enhance the smoke free policy to include smoke free enhancements.

Lease Provisions

All properties in HACDB will be considered a smoke-free facilities in accordance with the HUD rules.

This means that no smoking of tobacco of any kind or other products will be allowed on the HACDB property. The HACDB will not allow the electronic nicotine delivery systems (ENDS) to be smoked within the individual's dwelling unit.

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 HACDB has designated as smoke-free. HACDB does not allow smoking on any of HACDB's property, and is considered a "smoke free area".

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 HACDB has designated as smoke-free.

Policy and Applicability

1. Smoking is not be permitted in individual units, including the use of ENDS. Smoking including ENDS will not be permitted in the 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, marijuana, or any other lighted smoking equipment or tobacco product or other substance- controlled or uncontrolled.
2. This policy covers all HACDB 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. HACDB 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. Smoking is only allowed outside the 25 foot range of the buildings.
3. The HACDB 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 HACDB is considered a smoke free area.

4. This policy applies to any and all persons entering the HACDB properties including HACDB residents, their guests and visitors, contractors, and HACDB 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 Area” 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 HACDB 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 HACDB’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

HACDB will use a series of progressive actions for the enforcement of the policies, The actions are as follows:

1st violation of the policy/lease provisions

Resident will be counseled and receive a written warning that further violations will lead to a lease termination, resident will be referred to cessation resources

2nd violation of the policy/lease provisions

Resident will be counseled and receive a 2nd written warning that further violations will lead to a lease termination, resident will be required to attend session on cessation resources

3rd violation of the policy/lease provisions

Resident's lease will be terminated with a 30 day notice

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

1. It is the responsibility of every employee to be aware of HACDB's No Smoking Policy and assist HACDB 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 HACDB 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. HACDB 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

ACOP 6/1/15

GLOSSARY

A. ACRONYMS USED IN PUBLIC HOUSING

ACC	Annual contributions contract
ACOP	Admissions and continued occupancy policy
ADA	Americans with Disabilities Act of 1990
AIDS	Acquired immune deficiency syndrome
AMI	Area median income
AMP	Asset management project
BR	Bedroom
CDBG	Community Development Block Grant (Program)
CFP	Capital fund program
CFR	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
COCC	Central office cost center
CPI	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
EID	Earned income disallowance
EIV	Enterprise Income Verification
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration (HUD Office of Housing)
FHEO	Fair Housing and Equal Opportunity (HUD Office of)
FICA	Federal Insurance Contributions Act (established Social Security taxes)
FMR	Fair market rent
FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal year
FYE	Fiscal year end
GAO	Government Accountability Office

HA	Housing authority or housing agency
HCV	Housing choice voucher
HERA	Housing and Economic Recovery Act of 2008
HOPE VI	Revitalization of Severely Distressed Public Housing Program
HUD	Department of Housing and Urban Development
HUDCLIPS	HUD Client Information and Policy System
IMS	Inventory Management System
IPA	Independent public accountant
IRA	Individual retirement account
IRS	Internal Revenue Service
JTPA	Job Training Partnership Act
LBP	Lead-based paint
LEP	Limited English proficiency
LIHTC	Low-income housing tax credit
MTW	Moving to Work
NOFA	Notice of funding availability
OGC	HUD's Office of General Counsel
OIG	HUD's Office of Inspector General
OMB	Office of Management and Budget
PASS	Plan to Achieve Self-Support
PHA	Public housing agency
PHAS	Public Housing Assessment System
PIC	PIH Information Center
PIH	(HUD Office of) Public and Indian Housing
QC	Quality control
QHWRA	Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)

RAD	Rental Assistance Demonstration Program
REAC	(HUD) Real Estate Assessment Center
RFP	Request for proposals
RIGI	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
ROSS	Resident Opportunity and Supportive Services
SSA	Social Security Administration
SSI	Supplemental security income
SWICA	State wage information collection agency
TANF	Temporary assistance for needy families
TR	Tenant rent
TTP	Total tenant payment
UA	Utility allowance
UFAS	Uniform Federal Accessibility Standards
UIV	Upfront income verification
UPCS	Uniform Physical Condition Standards
URP	Utility reimbursement payment
VAWA	Violence Against Women Reauthorization Act of 2013
VCA	Voluntary Compliance Agreement

B. GLOSSARY OF PUBLIC HOUSING TERMS

Accessible. The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

Adjusted income. Annual income, less allowable HUD deductions and allowances.

Affiliated individual. 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 the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual

Annual contributions contract (ACC). The written contract between HUD and a HACDB under which HUD agrees to provide funding for a program under the 1937 Act, and the HACDB agrees to comply with HUD requirements for the program.

Annual income. The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

Applicant (applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

As-paid states. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

Assets. (See *net family assets*.)

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

Bifurcate. With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

Ceiling rent. The highest rent amount the HACDB will require a family to pay, for a particular unit size, when the family is paying an income-based rent.

Child. A member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen. A citizen or national of the United States.

Cohead. An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

Confirmatory review. An on-site review performed by HUD to verify the management performance of a PHA.

Consent form. Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Covered families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance 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 the assistance.

Dating violence. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

Dependent. A member of the family (except 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.

Dependent child. In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family. A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person. See *person with disabilities*.

Disallowance. Exclusion from annual income.

Displaced family. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

Domestic violence. Felony or misdemeanor crimes of violence committed by a current or former spouse 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, 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.

Domicile. The legal residence of the household head or spouse as determined in accordance with state and local law.

Drug-related criminal activity. The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

Economic self-sufficiency program. Any program designed to encourage, assist, train, or facilitate the economic independence of assisted families, or to provide work for such families. Can 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 treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

Effective date. The "effective date" of an examination or reexamination refers to: (i) in the case of an examination for admission, the date of initial occupancy and (ii) in the case of reexamination of an existing tenant, the date the redetermined rent becomes effective.

Elderly family. A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person. An individual who is at least 62 years of age.

Eligible family (Family). A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR.

Employer identification number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted as evidence of citizenship or eligible immigration status. (See 24 CFR 5.508(b).)

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area as determined by HUD, whichever number is higher, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (See 24 CFR 5.603.)

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock, or other real or personal property or interest in the property.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

Family. Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in HACDB policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
- An elderly family or a near-elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family self-sufficiency program (FSS program). The program established by HACDB in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Federal agency. A department of the executive branch of the federal government.

Flat rent. Established by the HACDB for each public housing unit; a rent based on the market rent charged for comparable units in the unassisted rental market, set at no less than 80 percent of the applicable Fair Market Rent (FMR), and adjusted by the amount of the utility allowance, if any

Foster child care payment. A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

Full-time student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). (See 24 CFR 5.603)

Gender identity. Actual or perceived gender-related characteristics.

Guest. 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.

Handicap. Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

Head of household. The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Household. A household includes additional people other than the family who, with the HACDB's permission, live in an assisted unit, such as live-in aides, foster children, and

foster adults.

Housing agency (HA). See *public housing agency*.

HUD. The U.S. Department of Housing and Urban Development.

Imputed asset. An asset disposed of for less than fair market value during the two years preceding examination or reexamination.

Imputed asset income. The HACDB-established passbook rate multiplied by the total cash value of assets. The calculation is used when net family assets exceed \$5,000.

Imputed welfare income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

Income. Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

Income-based rent. A tenant rent that is based on the family's income and the HACDB's rent policies for determination of such rents.

Income information means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer identification number of an employer reporting wages under a state unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment wages and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

Individual with handicaps. See *person with disabilities*.

Jurisdiction. The area in which the HACDB has authority under state and local law to administer the program.

Lease. A written agreement between the HACDB and a tenant family for the leasing a public housing unit. The lease establishes the legal relationship between the HACDB and the tenant family.

Live-in aide. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

Local preference. A preference used by the HACDB to select among applicant families.

Low-income family. A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

Medical expenses. Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance (a deduction for elderly or disabled families only). These allowances are given when calculating adjusted income for medical expenses in excess of 3 percent of annual income.

Minimum rent. An amount established by the HACDB of zero to \$50.

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

Mixed family. A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

National. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family. A family whose 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 living with one or more live-in aides.

Net family assets. (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- 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 value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall 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 therefore. 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 important consideration not measurable in dollar terms.

Noncitizen. A person who is neither a citizen nor national of the United States.

PHA Plan. The annual plan and the 5-year plan as adopted by the HACDB and approved by HUD.

Participant (participant family). A family that has been admitted to the HACDB program and is currently assisted in the program.

Person with disabilities. *For the purposes of program eligibility.* A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

Premises. The building or complex in which the dwelling unit is located, including common areas and grounds.

Previously unemployed. With regard to the earned income disallowance, a person who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Public assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

Public housing agency (PHA). Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Qualified family. A family residing in public housing:

- Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;
- Whose annual income increases as a result of increased earnings by a 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 a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the HACDB in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance, provided that the total amount over a six-month period is at least \$500.

Reasonable accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the HACDB's programs or services.

Recertification. Sometimes called *reexamination*. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Remaining member of the tenant family. The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

Residency preference. A HACDB preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

Residency preference area. The specified area where families must reside to qualify for a residency preference.

Responsible entity. For the public housing program, the HACDB administering the program under an ACC with HUD. **Secretary.** The Secretary of Housing and Urban Development.

Section 8. Section 8 of the United States Housing Act of 1937; refers to the housing choice voucher program.

Security deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the HACDB upon termination of the lease.

Sexual assault. Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a))

Sexual orientation. Homosexuality, heterosexuality or bisexuality.

Single person. A person living alone or intending to live alone.

Social security number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

Specified welfare benefit reduction. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Spouse. The marriage partner of the head of household.

Stalking. To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

State wage information collection agency (SWICA). The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Tenant. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent. The amount payable monthly by the family as rent to the HACDB.

Total tenant payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

Utilities. Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a HACDB of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment (TTP) for the family occupying the unit.

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Reauthorization Act (VAWA) of 2013. Prohibits denying admission to the project 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.

Violent criminal activity. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Visitor. A person who [visits](#), as for reasons of friendship, business, duty, travel, or the like.

Waiting list. A list of families organized according to HUD regulations and HACDB policy who are waiting for a unit to become available.

Welfare assistance. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (984.103(b)), *welfare assistance* includes only cash maintenance payments from federal or state programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or social security.

ⁱ 24 CFR§ 966.4 (i)

ⁱⁱ 24 CFR § 966.4 (p)

ⁱⁱⁱ 24 CFR§ 966.4 (i)

^{iv} 24 CFR § 5.5