Public Housing Occupancy Guidebook

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Office of Policy, Program and Legislative Initiatives

Table of Contents

INTRODUCTION **1**

PART 1. CIVIL RIGHTS AND NONDISCRIMINATION REQUIREMENTS

PART 1. CIVIL RIGHTS 2
PART 2. ADMISSIONS 3
PART 3. PUBLIC HOUSING INCOME AND PROGRAM RENTS 4
PART 4. CONTINUED OCCUPANCY 5
PART 5. THE PUBLIC HOUSING LEASE 6
PART 6. GRIEVANCE PROCEDURE 6
APPENDICES 7

1. CIVIL RIGHTS AND NONDISCRIMINATION REQUIREMENTS **8**

1.0 GENERAL PROVISIONS 8
1.1 NONDISCRIMINATION LAWS 9
1.2 AFFIRMATIVE DISABILITY-RELATED CIVIL RIGHTS REQUIREMENTS UNDER SECTION 504 OF THE REHABILITATION ACT AND THE FAIR HOUSING ACT 15
1.3 AFFIRMATIVE MARKETING AND OTHER AFFIRMATIVE OBLIGATIONS 21

PART 2. ADMISSIONS TO PUBLIC HOUSING

2. ELIGIBILITY FOR ADMISSION **23**

2.0 OVERVIEW 23
2.1. ANNUAL INCOME (24 CFR § 5.609) 23
2.2 ELIGIBLE FAMILY STATUS (24 CFR § 5.403) 24

3. WAITING LIST ADMINISTRATION **31**

3.0 OVERVIEW 31
3.1 ENTERING NEW APPLICATIONS ON THE WAITING LIST 32
3.2 CLOSING THE WAITING LIST OR SUB-LIST 33
3.3 ESSENTIAL APPLICATION INFORMATION FOR WAITING LIST PLACEMENT 34
3.4 COMMUNITY-WIDE AND SITE-BASED WAITING LISTS 34
3.5 MOVING FROM COMMUNITY-WIDE TO SITE-BASED WAITING LIST 36
3.6 PREFERENCES 36
3.7 UPDATING A WAITING LIST 41
3.8 REMOVING APPLICANTS FROM THE WAITING LIST 43
3.9 DESIGNATED HOUSING 46
3.10 DESIGNATED HOUSING PLAN (PIH NOTICE 97-12) 46
3.11 IMPLEMENTING A DESIGNATED HOUSING PLAN 48

4. QUALIFICATION FOR ADMISSION: APPLICANT SELECTION CRITERIA **50**

4.0 OVERVIEW 50
4.1 SELECTION POLICY AND PROCEDURES 51
4.2 APPLICANT SCREENING: THE POLICY STATEMENT 51
4.3 SCREENING PROCEDURES 52
4.4 THE APPLICATION FORM AND SCREENING 53
4.5 EXPLAINING THE SCREENING PROCESS 53
4.6 TECHNIQUES AND PROCEDURES USED TO CHECK AN APPLICANT'S HISTORY 54
4.7 PROCESSING THE SCREENING VERIFICATION FORMS 60
4.8 PRELIMINARY RECOMMENDATION OF ADMISSION OR REJECTION 61
4.9 NOTICE AND RIGHT TO DISPUTE REJECTION 62
4.10 APPLICANTS WITH DISABILITIES 63
4.11 ROLE OF RESIDENTS IN APPLICANT SELECTION 66

5. OCCUPANCY GUIDELINES 67

5.0 OVERVIEW 67
5.1 STATE AND LOCAL CODES 67
5.2 SIZES AND CONFIGURATION OF PHA UNITS 68
5.3 CAPACITY OF SITES, SYSTEMS AND INFRASTRUCTURE 68
5.4 INDIVIDUAL FAMILY CHARACTERISTICS 68
5.5 MAKING THE BEST USE OF AVAILABLE UNITS 71

6. PROCESSING APPLICATIONS 73

6.0 OVERVIEW 73
6.1 COMPLIANCE WITH LAW, REGULATIONS AND PHA POLICIES 74
6.2 ACCESSIBILITY AND PLAIN LANGUAGE (SEE 24 CFR §§ 8.6 AND 8.21) 74
6.3 ACCEPTING APPLICATIONS FOR HOUSING 75
6.4 INITIAL ELIGIBILITY DETERMINATION (SEE 24 CFR § 960.201) 76
6.5 APPLYING THE PREFERENCE SYSTEM (SEE 24 CFR § 960.206) 78
6.6 COMPLETING/UPDATING THE APPLICATION 78
6.7 APPLYING APPLICANT SELECTION CRITERIA (SEE 24 CFR § 960.202 – 205) 79
6.8 INCOME TARGETING, INCOME MIXING AND DECONCENTRATION 81
6.9 UNIT ASSIGNMENT 82
6.10 UNIT OFFERS TO APPLICANTS 85
6.11 LEASING 85
6.12 PRE-OCCUPANCY TRAINING OR ORIENTATION 86

7. VERIFICATION STANDARDS 88

7.0 OVERVIEW 88
7.1 WHAT MUST BE VERIFIED 90
7.2 VERIFYING SOCIAL SECURITY NUMBERS 91
7.3 VERIFYING CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS 92
7.4 VERIFYING ANNUAL INCOME 95
7.5 UP-FRONT INCOME VERIFICATION TECHNIQUES 97
7.6 LIMITATIONS ON VERIFICATIONS RELATED TO DISABILITIES AND MEDICAL INFORMATION 98
7.7 VERIFYING APPLICANT SELECTION CRITERIA 103
7.8 MISREPRESENTATION OF ANY INFORMATION RELATED TO ELIGIBILITY, AWARD OF PREFERENCE FOR ADMISSION, ALLOWANCES, FAMILY COMPOSITION OR RENT 109
7.9 ACCEPTABLE FORMS OF VERIFICATION 109
7.10 DURATION OF ACCEPTABLE VERIFICATION 109
7.11 FILE DOCUMENTATION 110
7.12 INCOME MATCHING (RESERVED) 111

8. TENANT SELECTION AND ASSIGNMENT PLAN 112

8.0 OVERVIEW 112
8.1 UNIT OFFERS TO APPLICANTS 113
8.2 COMPARISON OF PLAN A AND PLAN B 114
8.3 COMMUNITY-WIDE AND SITE-BASED WAITING LISTS 115
8.4 DUE PROCESS RIGHTS FOR APPLICANTS 116
8.5 GOOD CAUSES FOR APPLICANT REFUSAL OF UNIT OFFER 117
8.6 DETERMINING WHICH UNIT TO OFFER WHEN MORE THAN ONE IS AVAILABLE 118
8.7 UFAS ACCESSIBLE OR ADAPTABLE DWELLING UNITS 118
8.8 LEASING AND OCCUPANCY OF DWELLING UNITS 119
8.9 TRANSFERS OF TENANTS 119

9. LEASING REQUIREMENTS 121

9.0 OVERVIEW 121
9.1 GENERAL LEASING POLICY 121
9.2 MOVE-IN INSPECTIONS 122
9.3 ADDITIONS TO THE HOUSEHOLD 122
9.4 FAMILY SIZES AND THE TRANSFER REQUIREMENT 122
9.5 VISITORS, GUESTS AND UNAUTHORIZED OCCUPANTS 123

PART 3. PUBLIC HOUSING INCOME AND PROGRAM RENTS

10. INCOME AND PROGRAM RENTS 125

10.0 OVERVIEW 125
10.1 ANNUAL INCOME (24 CFR § 5.609) 125
10.2 ADJUSTED INCOME – STATUTORY DEDUCTIONS 136
10.3 ADJUSTED INCOME – PERMISSIVE DEDUCTIONS 142
10.4 INCOME-BASED RENT AND MINIMUM RENT 146
10.5 CEILING RENTS 151
10.6 FLAT RENTS 152
10.7 RELATIONSHIP BETWEEN RENTS AND UTILITY ALLOWANCES 155
10.8 UTILITY REIMBURSEMENT 155
10.9 EARNED INCOME DISALLOWANCE 156

PART 4. CONTINUED OCCUPANCY OF PUBLIC HOUSING

11. TRANSFERS 164

11.0 OVERVIEW 164
11.1 TYPES OF TRANSFERS 164
11.2 PRIORITIES AMONG TYPES OF TRANSFERS 166
11.3 WHEN TRANSFERS TAKE PRECEDENCE OVER WAITING LIST ADMISSIONS 166
11.4 MANDATORY AND OPTIONAL TRANSFERS 167
11.5 SPLIT FAMILY TRANSFERS 167
11.6 ELIGIBILITY FOR TRANSFERS 168
11.7 COST OF TRANSFERS 168
11.8 PROCESSING TRANSFERS 168
11.9 SAMPLE TRANSFER POLICY 169

12. ANNUAL REEXAMINATION OF INCOME AND FAMILY CIRCUMSTANCES 170

12.0 OVERVIEW 170
12.1 QUALIFICATION FOR CONTINUED OCCUPANCY 170
12.2 ANNUAL REEXAMINATION 171
12.3 REMAINING FAMILY MEMBERS AND PRIOR DEBT 175
12.4 CHANGE IN REEXAMINATION DATE 176
12.5 ZERO INCOME FAMILIES 176
12.6 SPECIAL REEXAMINATIONS 176
12.7 DETERMINATION OF NEED FOR TRANSFER 176

13. INTERIM RENT ADJUSTMENTS 178

13.0 OVERVIEW 178
13.1 REQUIRED INTERIM RENT REDUCTIONS 178
13.2 APPROACHES TO INTERIM RENT INCREASES 181
13.3 EFFECTIVE DATE OF ADJUSTMENTS 182
13.4 TIMELY REPORTING OF ACCURATE INFORMATION 183
13.5 IMPUTED WELFARE INCOME (24 CFR § 5.615) 184

14. UTILITIES 188

14.0 OVERVIEW 188
14.1 RESIDENT-PAID UTILITIES 189
14.2 PHA-PAID UTILITIES 190
14.3 UTILITY ALLOWANCES 191
14.4 UTILITY REIMBURSEMENT 192
14.5 REASONABLE ACCOMMODATION OF RESIDENTS WITH DISABILITIES 192

15. COMMUNITY SERVICE AND ECONOMIC SELF-SUFFICIENCY 1

15.0 OVERVIEW 193
15.1 HOW PHAS CAN ADMINISTER COMMUNITY SERVICE/SELF-SUFFICIENCY PROGRAMS 193
15.2 ELIGIBLE COMMUNITY SERVICE ACTIVITIES 194
15.3 ELIGIBLE SELF-SUFFICIENCY ACTIVITIES 195
15.4 EXEMPT RESIDENTS 195
15.5 NONCOMPLIANT RESIDENTS 196

15.6 Other HUD Requirements 196
15.7 Resident Responsibilities 197
15.8 Change in Exempt Status 197
15.9 No Substitution of Community Service Workers for PHA Employees 198

16. PET POLICIES/ASSISTANCE ANIMALS 199

16.0 Overview 199
16.1 Non-Applicability of Pet Policies to Assistance Animals 199
16.2 Comparison of Pet Policy Requirements for Elderly and General Occupancy Developments 200
16.3 PHA Pet Policy Practices 204

PART 5. THE PUBLIC HOUSING LEASE

17. GENERAL PUBLIC HOUSING LEASE REQUIREMENTS 205

17.0 Overview 205
17.1 Required lease provisions: Changes mandated by the Quality Housing and Work Responsibility Act of 1998 206
17.2 Prohibited Provisions 207
17.3 Optional Provisions: Reasonableness Tests 209
17. 4 Reasonableness Test 209
17.5 Relationship of the Public Housing Lease to Occupancy Policies 210
17.6 Public Housing Lease Requirements 211
17.7 Posting of Policies, Rules and Regulations 229
17.8 Accommodation of Persons with Disabilities 229

PART 6. PUBLIC HOUSING GRIEVANCE PROCEDURE

18. THE GRIEVANCE PROCEDURE 230

18.0 Overview 230
18.1 Applicability 230
18.2 Due Process Determinations by HUD 231
18.3 Informal Settlement 231
18.4 Formal Grievance Hearing 232
18.5 Selecting the Hearing Officer or Hearing Panel 233
18.6 Escrow Deposits 234
18.7 Scheduling Hearings 234
18.8 Procedures Governing the Hearing 234
18.9 Decision of the Hearing Officer or Panel 236

19. DOMESTIC VIOLENCE [RESERVED] 238

APPENDICES

Appendix I. Guide to Federal Regulations
Appendix II. Definitions of Terms
Appendix III. Sample Admissions and Continued Occupancy Policy
Appendix IV. Sample Public Housing Authority Lease Agreement
Appendix V. Sample Public Housing Authority Grievance Procedure
Appendix VI. Sample Community Service and Self-Sufficiency Policy
Appendix VII. Pet Ownership Policy Outline
Appendix VIII. Sample Verification Forms

Introduction

This Guide is designed to assist HUD and housing authority staff with a range of issues related to public housing occupancy, from application for admission and rent calculations through ongoing occupancy to lease termination. The guidebook is intended to provide a handy reference for all aspects of admissions and occupancy administration.

In addition, the creation of this Guide furthers the Department's Rental Housing Integrity Improvement Project (RHIIP), a Secretarial priority intended to improve quality control by addressing issues identified in the *Quality Control for Rental Assistance Subsidies Determinations*, a study completed by the Department in 2001.

Across HUD programs, this study estimates subsidy overpayments of $1.669 billion and underpayment errors of $634 million. Additional subsidy overpayments are attributed to tenant underreporting of income – with recent annual estimates ranging from $600 million to $900 million. In public housing, errors in determining earned income are the largest contributor to these numbers followed by inaccuracies in calculating social security, pension, disability survivor's income, and the miscalculation of other income. This Guide is a useful quality control tool and includes detailed and substantive information on the components of annual income and the correct calculation of rent. The Guide makes this information readily accessible to anyone in the public housing field charged with the responsibility to complete these as well as other admissions and occupancy tasks.

The Guide is divided into five parts, described below. Unlike the federal regulations, which are program requirements, some of the material in this Guide represents suggestions, practical ideas, or good management practice from successful PHAs. The authors have distinguished between elements that are mandatory and those that are simply suggestions by limiting the use of the terms "must" and "shall" to statutory or regulatory requirements, while non-mandatory elements do not use these terms. Regulatory citations are provided throughout the Guide, and Appendix I summarizes the applicable regulations. In all aspects of occupancy, doing the right thing is only part of the job. PHA staff must also be certain that every action is documented properly. Written third party verification

forms should be present in each applicant's or resident's file to support income, deductions and rent, preferences, tenant and criminal history[1]. Obtaining and using such documentation correctly makes sure that the public housing program benefits eligible families and that the rent they pay is correct. High quality documentation prevents both inadvertent errors and program fraud.

Part 1. Civil Rights

A knowledge of civil rights requirements is important for many aspects of housing authority operations, but it is particularly germane with respect to occupancy administration. Generally PHAs should become familiar with the requirements of applicable laws and regulations, and ensure that their policies and procedures comply with these requirements. PHAs should provide training and monitor staff activities to ensure that policies and procedures are followed and that applicants and residents who are in similar circumstances are similarly treated.

PHAs should be prepared to go beyond their standard procedures and practices when needed to make it possible for persons with disabilities or persons with limited English proficiency to obtain equal access to housing and related services. This may mean more than ensuring that all the PHA's offices are accessible. It means making it possible for anyone, regardless of disability or limited English proficiency, to complete the application process for housing. It may suggest that the PHA should fill out the application form for an applicant who cannot do it because of a disability, or to conduct an application interview in the applicant's current home because he cannot come to the PHA offices for a reason related to his disability or has no one to provide translated services.

Finally, PHAs should conduct affirmative marketing to members of protected classes who are "least likely to apply" for housing, as demonstrated by a disproportionately small number of such class members who are current residents of or applicants for public housing. Often it is the lack of knowledge on how to obtain public housing that keeps members of the proficient class from seeking housing.

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[1] If written third party documentation is unavailable, PHA staff must provide other forms of verification and indicate, in the file, efforts to obtain third party written documentation.

The Civil rights section of the Guide contains materials on:

- Applicable Non-discrimination Laws and Regulations;
- Affirmative Disability-related Civil Rights Requirements; and
- Affirmative Marketing and Other Obligations.

Part 2. Admissions

Housing authorities that handle admissions correctly and efficiently establish a strong foundation for high quality property management, but this is not an easy task. HUD requires that applicants be verified to be eligible and that tenant and criminal histories be reviewed. Order of offers must follow the PHA's preferences[2] and Tenant Selection and Assignment Plan[3]. It is a good business practice to ensure that the admissions process is "applicant-friendly". Pressures to lease vacant units quickly may conflict with quality applicant processing and screening.

PHA staff must carry out the steps required for admission precisely and accurately and the entire process must be auditable. Noncompliance with HUD rules can lead to admission of ineligible families, incorrect calculation of rents, or even unlawful discrimination.

Mistakes in admission can be costly to PHAs in practical terms and to residents if rent is incorrect. If families with serious lease compliance or criminal problems are admitted, their behavior is likely to consume the limited time and resources of property management staff and drive out the best residents.

Ensuring that applicants are eligible, screened and ready to move into the PHA's vacant units as soon as they have been prepared for occupancy requires applicants "in the pipeline" with files current and all documentation in order. Then applicants may receive offers as soon as the units are ready. The number of applicants who should be can be predicted by average turnover rates and new units coming on line. The Admissions Chapters offer practical guidance to help PHA Occupancy and Property Management staff with:

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[2] In the HUD-approved Annual Plan

[3] Found in the Admissions and Continued Occupancy Policy

- Eligibility for Admission;
- Waiting List Administration;
- Qualification for Admission: Applicant Selection Criteria;
- Occupancy Guidelines;
- Processing Applications for Admission;
- Verification Standards;
- Tenant Selection and Assignment Plan
- Leasing; and,
- Screening and Eviction

Part 3. Public Housing Income and Program Rents

It is impossible to do an adequate job of public housing occupancy admin-istration without a good understanding of what is included in and excluded from Annual Income, and how to apply the statutory deductions from annual income used to determine Adjusted Income. Annual and adjusted income is the basis for income-based rents. If staff master the definitions of income, the formula for the income-based rent calculation is relatively simple. PHAs with resident-supplied utilities must then reduce income-based rents by a fair utility allowance that represents the cost an energy conservative household would pay for utilities.

A choice between income-based and market-based flat rents must be offered to each resident once each year at the annual reexamination. Establishing flat rents requires that the PHA take into account unit size, age, design and condition, but also a variety of neighborhood conditions that affect rental values. Few PHAs with multiple properties will be able to use exactly the same flat rents for all their units of the same size.

Applying and tracking the earned income disallowance properly is a different sort of challenge. The law provides a significant benefit to many residents moving from economic dependence to self sufficiency, but applying the disallowance correctly requires that residents understand their responsibility to report moves in and out of work and that staff keep careful track of each resident's disallowance periods. PHAs that elect to implement the optional individual savings accounts will have to comply with rules under that program while administering the disallowance for residents who select it rather than the savings account. This part of the Guidebook covers:

- Annual Income (including treatment of Net Family Assets);
- Adjusted Income;
- Optional Income Deductions;
- Income Based Rent and Minimum Rent;
- Optional Rent Formulations;
- Ceiling Rent;
- Flat Rent; and
- Earned Income Disallowance.

Part 4. Continued Occupancy

When an applicant becomes a resident the occupancy function shifts to a regular but not necessarily constant operation. PHA management staff reexamine the circumstances of families paying income-based rents at least annually. The PHA's Admissions and Continued Occupancy Policy and lease spell out the PHA's policy on interim adjustments to rent when resident incomes change between reexaminations. Certain kinds of hardship require the PHA to adjust rents. If welfare recipients are sanctioned for failure to comply with economic self-sufficiency requirements or welfare fraud, rent cannot be reduced. Determinations are made about transferring residents from one unit to another. File documentation requirements are just as strict for residents as applicants.

Pet policies are administered sensibly so that residents who comply with the policy can enjoy their pets and residents who object to pet noise, odors or allergens are bothered as little as possible.

PHA staff have both public housing program management responsibilities and property management responsibilities. Well-managed PHAs try to achieve the smallest amount of time spent on program management consistent with full regulatory compliance, so the majority of staff time is available for property management. Such a goal requires well-trained, motivated and monitored staff. This part of the Guidebook provides assistance with:

- Transfers;
- Annual Reexaminations of Income and Family Circumstances;
- Interim Adjustments to Rent;
- Utilities;

- Community Service Requirements; and
- Pet Policies.

Part 5. The Public Housing Lease

A well-written lease is an essential tool for good property management. It makes management's expectations and responsibilities clear and it lays out a clear path for successful residency. Leases that are legalistic or overly complex create problems for both residents and PHA staff. The HUD regulations governing leases give PHAs valuable flexibility to tailor their leases to local situations and issues so long as the HUD-required provisions are included and the prohibited provisions are excluded. PHAs must also consider the requirements imposed by state and local laws. The Lease part of the Guidebook addresses:

- Required provisions mandated by QHWRA;
- Prohibited Provisions;
- Optional Provisions: the Reasonableness Test;
- Relationship to Occupancy Policies;
- Public Housing Lease Requirements;
- Posting Policies; and
- Reasonable Accommodations.

Part 6. Grievance Procedure

The Grievance Procedure gives public housing residents a tool to resolve disputes with PHAs that is quicker and less expensive than a lawsuit. This part of the Guide provides information on the regulatory requirements for PHA grievance procedures along with some practical guidance about how to make the process work better for both residents and PHAs. Material covered in this part of the Guidebook includes:

- Applicability of the Grievance Procedure;
- Due Process Determinations by HUD;
- Informal Settlements of Grievances;
- Formal Grievance Hearings;
- Selecting the Hearing Officer or Panel;
- Escrow Deposits for Grievances involving Rent;

- Scheduling Hearings;
- Procedures Governing the Hearing; and
- Decision of the Hearing Officer or Panel.

Appendices

Eight appendices are provided to assist PHAs with occupancy administration:

Appendix I: Statutory and Regulatory Foundation of Occupancy Requirements
Appendix II: Definition of Terms
Appendix III: Sample Public Housing Authority Admissions and Continued Occupancy Policy
Appendix IV: Sample Public Housing Lease
Appendix V: Sample Public Housing Grievance Procedure
Appendix VI: Sample Public Housing Community Service Procedure
Appendix VII: Public Housing Pet Policy Outline
Appendix VIII: Sample Verification Forms

1. Civil Rights and Nondiscrimination Requirements

1.0 General Provisions

Public Housing Agencies (PHAs) are subject to civil rights requirements. This chapter gives a general overview of the civil rights requirements of PHAs that specifically apply to admissions and occupancy. Each chapter in this Guidebook also contains references to civil rights requirements wherever appropriate.

Federal civil rights laws prohibit discrimination against applicants or residents based on one or more of the following classifications:

- Race;
- Color;
- National origin;
- Sex;
- Age;
- Disability;
- Religion; or
- Familial status.

In addition, PHAs may be subject to local and/or state laws that prohibit discrimination. Below is a brief description of the major federal laws, along with reference to their implementing regulations. Throughout this Guidebook, reference is made to applicable civil rights requirements with respect to various admissions and occupancy activities. PHAs should be familiar with the regulations implementing these civil rights laws and the HUD Notices explaining those requirements. Both the Offices of Public and Indian Housing (PIH) and Fair Housing and Equal Opportunity (FHEO) provide technical assistance on these requirements. See e.g., PIH 99-52, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

1.1 Nondiscrimination Laws

The major civil rights laws and their implementing regulations to which public housing agencies must adhere are as follows: [NOTE: In addition to the following laws, HUD rules require recipients of Federal housing assistance to comply with civil rights related program requirements that affect nearly every aspect of PHA operations. For example, affirmative fair housing marketing, waiting lists, selection for admission, residency preference, relocation, record keeping and maintenance.]

1.1.1 Fair Housing Act - 42 U.S.C. 3601 (also known as Title VIII of the Civil Rights Act) (See 24 CFR Part 100 et seq)

The Fair Housing Act prohibits discrimination based upon race, color, religion, sex, national origin, disability, or familial status (living with children under the age of 18) in most housing and housing related transactions. The Act applies to all but a very small subset of housing providers, both private and public. Under the Act, PHAs or other housing providers[4] may not, on the basis of race, color, religion, sex, national origin, disability, or familial status:

- Deny anyone the opportunity to apply to rent or purchase housing, nor deny to any qualified applicant the opportunity to lease or purchase housing suitable to his or her needs;
- Provide anyone housing that is different from that provided to others[5];
- Subject anyone to segregation or disparate treatment;
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;

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[4] The Act applies to among others, property owners, landlords, housing managers, real estate agents, brokerage service agencies, and banks.

[5] However, a PHA is not only permitted but is required to provide persons with disabilities with housing that is structurally appropriate for their needs. This will range from a unit that is fully accessible to one that has been specifically adapted for a particular individual. This accessible or adaptable housing, although different from that provided to others, is required because it enables persons with disabilities to participate in the public housing program.

- Treat anyone differently in determining eligibility or other requirements for admission, including the terms and conditions of a lease;[6]
- Deny anyone access to the same level of services[7];
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- 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;
- Discriminate in the provision of brokerage services or in residential real estate transactions; and
- Discriminate against someone because they are related to or associated with a member of a protected class.

Some PHAs may not be familiar with the interaction of familial status and lead-based paint. The Fair Housing Act makes it illegal for a PHA to refuse to allow a family to occupy a unit with lead-based paint hazards because the family has children. The PHA must advise the family of the conditions of the unit, but the family has the right to make the choice whether or not to occupy the unit. Similarly, if a family wishes to remain in a unit where lead-based paint hazards have not been controlled, it would violate the Fair Housing Act for a PHA to seek to terminate the tenancy of that family because of the presence of minor children in the household. However, the PHA may offer a transfer to a family residing in a unit where lead-based paint hazards have not been controlled to enable the family to move to a unit where lead-based paint hazards have been controlled, including for the purpose of addressing hazards in the family's current unit.

Although the Fair Housing Act generally requires applicants to be given equal treatment irrespective of membership in a protected class, there are certain limited circumstances when the Act may require a housing provider to treat persons with disabilities differently to enable them to have equal access to or enjoyment of housing and other housing-related programs. For example, the Fair Housing Act

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6 Except that a PHA is obliged to offer reasonable accommodations to applicants with disabilities. This will not affect the PHA's screening or eligibility standards, but it might require a PHA to revise its procedures or practices in carrying out those standards.

7 If a PHA provides services on its property or allows others to use its facilities to provide services, then those services would have to be usable and accessible to persons with disabilities. For example, if a PHA offered a training program for tenants, it would have to ensure that the program was fully accessible to tenants with disabilities.

directs housing providers to provide "reasonable accommodations" to persons with disabilities. This means a PHA may have to change its rules, policies, and procedures to allow persons with disabilities equal access to housing. In addition, the Fair Housing Act contains accessibility requirements that apply to the design and construction of new multifamily housing built for first occupancy after March 13, 1991. (See 24 CFR § 100.205)

1.1.2 Title VI of the Civil Rights Act of 1964 (See 24 CFR Part 1)

Title VI prohibits all recipients of federal financial assistance (including PHAs) from discriminating based on race, color, or national origin. Title VI applies to any program or activity receiving Federal financial assistance, not just housing. Each Federal agency has its own Title VI regulations. Thus, if PHAs receive funds from any other Federal agency, they will be subject to those agencies' Title VI rules, in addition to HUD's Title VI regulations. In housing, Title VI and the Fair Housing Act apply to many of the same types of activities. However, HUD has broader investigative authority in complaints related to violations of Title VI and the authority to impose different types of remedies than it does in cases involving violations of the Fair Housing Act.

HUD's Title VI regulations provide that recipients have an affirmative obligation to take reasonable steps to remove or overcome any discriminatory practice or usage that subjected individuals to discrimination based on race, color, or national origin. The regulations also require, that even in the absence of prior discrimination, recipients should take affirmative steps to overcome the effects of conditions which resulted in limiting participation by persons of a particular race, color, or national origin. (24 CFR § 1.4(b)(6)(ii))

1.1.3 Section 504 of the Rehabilitation Act of 1973 (See 24 CFR Part 8)

Section 504 prohibits discrimination based upon disability in all programs or activities operated by recipients of Federal financial assistance, including PHAs. Section 504 obligates recipients to make their programs accessible to persons with disabilities, including:

- Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities;

- Operating housing that is not segregated based upon disability unless authorized by federal statute or executive order;
- Providing auxiliary aids and services necessary for communication with persons with disabilities;
- Developing a "needs assessment" of the need for accessible units for applicants and tenants, and a transition plan to achieve program accessibility;
- Performing a self-evaluation of the PHA's program and policies to ensure that they do not discriminate based on disability.

Also, the Section 504 regulations establish affirmative accessibility requirements for newly constructed or rehabilitated housing and non-housing programs operated by PHAs including providing a minimum percentage of accessible units. In order for a unit to be considered accessible, it must meet the requirements of the Uniform Federal Accessibility Standards (UFAS). (See 24 CFR §§ 8.22, 8.23, 8.24, and 8.32)

1.1.4 Title II of the Americans with Disabilities Act (See 28 CFR Part 35)

Title II extends Section 504's prohibitions on discrimination against persons with disabilities to the programs, activities, and services operated by public entities, regardless of whether or not such programs are recipients of federal financial assistance. In addition, Title II contains specific physical accessibility requirements that apply to common areas and public spaces, not individual housing units. (See 28 CFR Part 151; 28 CFR Part 36, Appendix A.)

1.1.5 Age Discrimination Act of 1975 (See 24 CFR Part 146)

This Act prohibits discrimination based upon age in federally assisted and funded programs or activities in limited circumstances. It is not a violation of the Act to use age distinctions if such distinctions are permitted by statute for particular programs or if they are a factor necessary for the normal operation of the program or the achievement of a statutory objective of the program or activity. Thus a federally funded program that provides benefits to the elderly would not be considered to be operating in violation of the Age Discrimination Act, nor would operating elderly only housing that was designated pursuant to a HUD approved designated housing plan violate that Act.

1.1.6 Obligation to Affirmatively Further Fair Housing (See 24 CFR § 960.103 (b))

The Fair Housing Act requires the Secretary to administer all programs and activities relating to housing and urban development in a manner that affirmatively furthers fair housing. This includes the public housing program. Under Section 591 of the Quality Housing and Work Responsibility Act of 1998, PHAs must describe these efforts in their Public Housing Agency Plans. PHAs must determine whether their programs reach all eligible population groups. If they find that their programs are disproportionately serving only some groups and not others, the PHA should take actions to increase housing opportunities for under-served households. For example, under the requirement of affirmatively furthering fair housing, a PHA must engage in affirmative marketing to groups least likely to apply for the PHA's housing. (See 24 CFR Part 108)

PHAs are also subject to Executive Order 11063, which requires nondiscrimination and equal opportunity. The rules implementing this Executive Order require that PHAs maintain demographic data in connection with their programs and take "affirmative action to overcome the effects of prior discrimination." (See 24 CFR Part 107)

1.1.7 Improving Access to Services for Persons with Limited English Proficiency (LEP).

- Executive Order 13166 requires Federal agencies and grantees to take affirmative steps to communicate with people who need services or information in a language other than English.
- Executive Order 13166 requires Federal agencies to prepare a plan to improve access to federally conducted programs for people with limited English abilities, and to draft similar guidance for grantees.
- On June 12, 2002, the Department of Justice issued revised instructions to Federal agencies to assist in developing guidance for recipients.

1.1.8 Other Applicable Laws and Regulations

- Civil rights provisions in housing program statutes and rules (for example the certifications required with the PHA's Annual Plan and all applications for funding, site and neighborhood standards, etc.);

- Section 109 – Any PHA programs that are funded through Community Development Block Grants are subject to the nondiscrimination requirements in Section 109 of the Housing and Community Development Act of l974, (See 24 CFR Parts 6, 180, 570)
- Any applicable State laws or local ordinances; and
- Any other legislation protecting the individual rights of tenants, applicants or staff that may subsequently be enacted. (See 24 CFR § 960.203)

1.1.9 Effect of More than One Applicable Law or Regulation

Note that when more than one civil rights law applies to a situation, the laws should be read and applied together. For example:

- Both the Fair Housing Act and Section 504 have provisions relating to modification of units that must be made to make the units accessible for persons with disabilities. A PHA **must** apply Section 504's additional requirement that makes the cost of such modifications the responsibility of the PHA, unless doing so would constitute an undue financial and administrative burden or would be a fundamental alteration in the nature of the program.

- In constructing new housing, a PHA must ensure that a minimum of 5 percent of its units are built to meet the accessibility requirements in UFAS (24 CFR §§ 8.22, 8.32), and also must ensure that where applicable, the remaining units meet the design and construction requirements of the Fair Housing Act. (24 CFR § 100.205). (Also, the PHA must ensure that a minimum of 2 percent of the units are accessible for visually and hearing impaired individuals).

1.1.10 Program Reporting and Record Keeping (See 24 CFR § 107.30 and 24 CFR § 1.6(b)

PHAs are subject to Executive Order 11063, which requires nondiscrimination and equal opportunity. The rules implementing this Executive Order requires that PHAs maintain demographic data in connection with their programs and take "affirmative action to overcome the effects of prior discrimination." (24 CFR Parts 107.30 and 1.6B)

The PHA must complete HUD Form 50058, Family Report, on every applicant at the time of initial reexamination, annually at the reexamination and when other

administrative actions are taken. Part of the information required on HUD Form 50058 relates to the race and ethnicity of the head of household. The choices offered by the form for race are White, Black/African American Indian/Alaska Native, Asian or Native Hawaiian/Other Pacific Islander. It should be noted that family members are permitted to select more than one race category. The choices for ethnicity are Hispanic and non-Hispanic. If an applicant refuses to identify him or herself with one of the racial and/or ethnic categories the PHA should choose an appropriate category, based on observation, and enter it. Form 50058 also requires PHAs to report on whether a resident has a disability.

PHAs are also subject to Executive Order 11063, which requires nondiscrimination and equal opportunity. The rules implementing this Executive Order require that PHAs maintain demographic data in connection with their programs and take "affirmative action to overcome the effects of prior discrimination." (See 24 CFR Parts 107.30 and 1.6B).

1.1.11 Discrimination Complaints

Occasionally, an applicant or tenant may advise the PHA that he or she believes that he or she has been subject to unlawful discrimination by the PHA. The PHA should first determine whether the applicant's assertions have any merit and take any warranted corrective action. In addition, the PHA should provide the applicant or tenant with information about how to file a complaint with HUD.

1.2 Affirmative Disability-Related Civil Rights Requirements Under Section 504 of the Rehabilitation Act and the Fair Housing Act

Section 504 requires that recipients of federal financial assistance operate their program in a manner that ensures that they are readily accessible to and usable by persons with disabilities. This requirement applies not only to ensuring that a PHA's facilities are barrier free so that persons with mobility impairments can actually use the facilities, but also means that housing providers must be prepared to effectively communicate with persons who have visual, speaking, and hearing impairments. Moreover, PHAs must modify policies, rules, and procedures in order to accommodate persons with disabilities so that such individuals can make effective use of the housing program. PHAs are not required to make such

changes if they would change the nature of their program or are excessively expensive.

1.2.1 Who is a Person with a Disability under Federal Civil Rights Laws

The Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Americans With Disabilities Act and their implementing regulations, define an individual or person with a disability in virtually the same language. Section 504's definition of disability (handicap) is found at 24 CFR § 8.3, the Fair Housing Act definition is at 24 CFR § 100.201, and the ADA definition is found at 28 CFR § 35.104. A person with a disability is 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 impairment.

The definition 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 public housing program or activities, 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 "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

- 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" mean functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

"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.

"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 recipient as constituting such a limitation; has none of the impairments defined in this section but is treated by a recipient 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 above definition of disability determines whether an applicant or resident 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 Section 504 and the Fair Housing Act. This is not the operative definition of disability for determining eligibility for Public Housing Programs. See Chapter 3.2.1.

1.2.1.1 Exclusion of Individuals who pose a direct threat to health or safety of others.

Federal disability discrimination laws do not cover persons whose tenancy would pose a direct threat to the health or safety of others or whose tenancy would result in substantial physical damage to the property of others. However, neither Section 504 nor the Fair Housing Act allow for exclusion of individuals based upon fear or stereotype about a particular disability or persons with disabilities in general. A determination that an individual poses a direct threat must rely on an individualized assessment that is based on reliable objective evidence (e.g., current conduct, a recent history of overt acts). A housing provider's good faith belief or speculation that an individual poses a direct threat is not sufficient. The assessment should consider: (1) the nature, duration, and severity of the risk of injury; (2) the probability that injury will actually occur; and (3) whether there are any reasonable

modifications of rules, policies, practices, procedures, or services that will reduce or eliminate the risk of a direct threat. Consequently, in evaluating a recent history of overt acts, a provider should take into account whether the individual has received intervening treatment or medication that has reduced or eliminated the risk of a direct threat. In such a situation, the provider may request that the individual document how the circumstances have changed so that he/she no longer poses a direct threat. The housing provider must have reliable, objective evidence that a person with a disability poses a direct threat before excluding him or her from the housing on that basis.

1.2.1.2 Accessibility in Communication

A PHA should ensure that its application and admissions process is accessible to persons understood by applicants with disabilities. For example, documents should be made accessible in Braille format for vision impaired applicants and sign language interpreters for hearing impaired applicants; having large type materials available, if applicant is not able to read (or to read English); having intake staff read and explain orally anything that they would normally hand to an applicant to be read or fill out.

1.2.3 Reasonable Accommodations

Federal disability civil rights laws make it unlawful to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling. A "reasonable accommodation" is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies, practices, and services may have a different effect on persons with disabilities than they have on individuals without disabilities, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. An accommodation may also be a structural change to a common area or a dwelling that is needed by a person with a disability.

To show that a requested accommodation may be necessary, there must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability. An accommodation will not be considered reasonable if it

constitutes a fundamental alteration of the provider's program, or constitutes an undue financial and administrative burden.

1.2.3.1 Reasonable Accommodations in the Admissions/Occupancy Process

Some applicants with disabilities may need accommodations to enable them to participate in the application and leasing process. For example:

> Even though a PHA has a wheelchair accessible rental office, an applicant's disability prevents him from actually entering the office. In that instance, it may be a reasonable accommodation for the PHA to send staff to a location the applicant can use, including the applicant's home.

> A PHA has a policy of requiring tenants to come to the rental office in person to pay their rent. A prospective tenant has a mental disability that makes her afraid to leave her unit. Because of her disability, she requests that once she moves in she is permitted to have a friend mail her rent payment to the rental office as a reasonable accommodation. The PHA must make an exception to its payment policy to accommodate this tenant.

Other persons with disabilities may need reasonable accommodations in order to actually occupy and enjoy their public housing unit. For example:

> A PHA provider has a policy of providing unassigned parking spaces to tenants. A tenant with a mobility impairment, who is substantially limited in her ability to walk, requests that she be provided with an accessible parking space close to the entrance to her unit as a reasonable accommodation. There are available parking spaces near the entrance to her unit, but those spaces are available to all tenants on a first come, first served basis. The PHA must make an exception to its policy of not providing assigned parking spaces to accommodate this tenant.

1.2.4 Civil Rights Requirements Related to Verification/Inquiries About Disability (24 CFR § 100.202)

Under the Fair Housing Act, it is unlawful for a housing provider to (1) ask if an applicant for a dwelling has a disability or if a person intending to reside in a dwelling or anyone associated with an applicant or resident has a disability, or (2) ask about the nature or severity of a disability of such persons. Housing providers may make the following inquiries, provided these inquiries are made of all applicants, regardless of whether the applicant appears to have a disability or says he or she has a disability:

- An inquiry into an applicant's ability to meet the requirements of tenancy;
- An inquiry to determine if an applicant is a current illegal abuser or addicted to a controlled substance;
- An inquiry to determine if an applicant qualifies for a dwelling legally available only to persons with a disability or to persons with a particular type of disability. For example, a PHA may inquire whether an applicant has a disability for determining if that person is eligible to live in mixed population (elderly/disabled) housing;
- An inquiry to determine if an applicant qualifies for housing that is legally available on a priority basis to persons with disabilities or to persons with a particular disability. This means that a PHA may ask applicants if they need units with accessible features.

Housing authorities are required to verify that an applicant qualifies as a person with a disability before permitting them to move to housing designated for persons with disabilities, or granting the $400 rent deduction, disability expense allowance, or deduction for unreimbursed medical expenses. Applicants and residents cannot be compelled to reveal the fact that they have a disability; however, if they do not, they may not necessarily receive any of the benefits that such status confers. The wisest course is to ask **all** applicants whether they wish to claim disability status or need any special unit features or methods of communication for persons with disabilities. A sample form is included in Appendix VIII.

To verify that an applicant is a person with a disability, PHA staff can first check to see whether the applicant is under age 62 and receives either Social Security or SSI disability income. Receipt of such income is all the verification needed that an individual qualifies as a person with a disability. On the other hand, some applicants will be persons with disabilities even though they do not have such income. A sample form is included in Appendix VIII that the PHA can use to document that an applicant or resident meets the HUD eligibility definition of person with a disability. The form should be sent to a qualified professional having knowledge of the person's disability (not necessarily a physician) who can verify the applicant's status.

PHAs may also need to verify whether a person who is requesting a reasonable accommodation meets the Section 504 definition of person with a disability, and also whether the requested accommodation is necessary to allow the individual to

make more effective use of his or her housing. In doing so, PHAs must only ask for information that is actually necessary to verify this information. PHAs are still not permitted to inquire about the nature or extent of the person's disability, nor is it necessary or permitted for PHA staff to ask about anyone's diagnosis or details of treatment. If a verification source sends such information it should not be read or placed in the file; it should be disposed of in a secure manner, such as by shredding. Under no circumstances should a PHA request an applicant or resident's medical records.

> Note: It is a violation of Section 504 and the Fair Housing Act for a public housing authority to inquire whether an applicant or tenant is capable of "living independently." Courts have consistently held that this is not a legitimate inquiry to make of applicants or tenants in HUD-assisted housing and PHAs should ensure that their screening materials do not include questions related to such an inquiry.

1.3 Affirmative Marketing and Other Affirmative Obligations

The Federal Housing Administration (FHA) maintains affirmative fair housing marketing rules for HUD's multifamily housing programs. Although they apply only to FHA programs, the regulations provide the definition of what it means to affirmatively further fair housing:

> It is the policy of [HUD] to administer its FHA programs affirmatively, so as to achieve a condition in which individuals of similar income levels in the same housing marketing areas have a like range of housing choice available to them regardless of their race, color, religion, sex, handicap, familial status or national origin. (24 CFR 200.610)

The affirmative fair housing marketing rules require owners to develop fair housing marketing plans that attract applicants of all racial and ethnic groups. [24 CFR Parts 200.620 and 200.635.]

As part of the Annual Plan, (24 CFR Part 903.2(b) and (ii)) the PHA should take affirmative action to over come the effects of conditions which resulted in limiting participation of persons because of their race, national origin or other prohibited bases. Such affirmative action may include but not limited to: appropriate

affirmative marketing efforts. The following are examples of affirmative marketing efforts:

- Marketing materials should support an affirmative advertising and marketing program that is consistent with the Fair Housing Act guidance on wording, logo, size of type, etc., and Section 504 (24 CFR 8.54.)
- Using the Equal Housing Opportunity slogan: "Equal Housing Opportunity in accordance to regulations." (24 CFR 110.)
- Advertising in print and electronic media that are used, viewed or listed by those identified as the population that is less likely to apply.
- Developing brochures or other information material that describes the housing units, application process, waiting list, screening criteria, and preference structure accurately.
- Marketing should use clear and easy to understand terms and if appropriate, use language other than English to reach the target population who is less likely to apply. [Executive Order 13166.]
- PHA should have written policy on its responsibility to provide accommodations to persons with disabilities.

2. Eligibility for Admission

2.0 Overview

Determining eligibility of an applicant for public housing is one of the first steps in the admission process. Although the term "eligible" is often used to mean "qualified for admission", it has a narrower, more technical meaning that does not embrace every aspect of qualification. An applicant family will be "eligible" if they:

- Have an annual income at or below a PHA's income limit; and
- Meet one of the PHA's definitions of "family"; and
- Have at least one family member who is either a U.S. citizen or an eligible immigrant;[8] and
- Provide Social Security numbers for every family member age 6 or older or certify that they do not have Social Security numbers.

In addition to these criteria, which are described in detail below, an applicant must pass the PHA's screening (covered in Chapter 4, Qualification for Admission: Applicant Selection Criteria) before being qualified to receive a unit offer.

2.1. Annual Income (24 CFR § 5.609)

Annual income is used both to determine income eligibility and as the first step in income-based rent calculation. This section of the guidebook discusses income eligibility, the components of Annual Income, types of income that are excluded for both eligibility and rent, and how assets and asset income are handled.

2.1.1 Income for Eligibility

To be eligible for public housing, an applicant must have an annual income that is no more than the "Lower Income" limit for the jurisdiction. Generally, the Lower Income limit is set at 80 percent of area median income, adjusted for smaller and

[8] The family must also be willing and able to pay a higher rent for each member who is not a citizen or eligible immigrant.

larger families. HUD publishes the income limits in the Federal Register and on the internet at www.huduser.org.

There is no income limit for continued public housing occupancy, and PHAs may not establish income limits for continued occupancy unless they are required to do so by local law and there is decent, safe and sanitary housing of the right size for a family at a rent not exceeding the family's public housing rent. Also see the discussion about income targeting and deconcentration in Chapter 6.

2.1.2 Definition of Annual Income

Annual income includes all amounts, monetary and nonmonetary, that go to, or on behalf of the family head or spouse (even if temporarily absent) or to any other family member or are anticipated to be received from a source outside the family in the 12 months following admission or the annual reexamination's effective date, including amounts derived from assets to which any member of the family has access that are not specifically excluded by Federal regulations.

Categories of included and excluded annual income are discussed in Chapter 10, Income and Program Rents.

PHA Occupancy staff need to master what is and is not considered income in the public housing program, and to review types of excluded income at least annually.

Most errors in determining income will also produce errors in rent calculations. Appendix VIII provides, in a checklist format, a list of the various components of Annual Income that may be used in an admission or reexamination interview. Using such a checklist ensures that each family will be asked about all the types of potential income they might have as well as excluded income. The family head's signature on the checklist documents that the family has been asked.

2.2 Eligible Family Status (24 CFR § 5.403)

2.2.1 Definitions of Eligible families

The Federal rules define certain types of families, but the PHA establishes the basic definition of what is considered to be a family. A typical, but not required, definition of a family is:

Some PHAs explicitly include emancipated minors in the definition of family.

- All of the federally defined families, including elderly family, near-elderly family, disabled family, displaced family, remaining member of a tenant family, and a single person[9], and
- two or more persons related by blood, marriage, adoption or other operation of law, or two or more persons who are not so related but who will live together in a stable relationship and share resources.

While many PHAs have, in the past, insisted that a couple living together as husband and wife document their legal marriage, several PHAs have been successfully sued over this requirement, so few PHAs insist on such documentation today. In any event, if a couple has children together, each parent is related by blood to the children but the parents do not because of the children become related to each other.

One reason that many PHAs employ such a broad definition of family is to permit the admission of, for example, two unrelated young mothers who want to share housing because they work differing shifts and can save money on child care costs by sharing an apartment.

An elderly family is a family whose head, spouse or sole member is a person who is at least 62 years of age. It may include 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.

There is nothing in the definition of elderly family that excludes children. Many elderly families today consist of grandparents with legal custody of grandchildren. This is an elderly family.

A near-elderly family is a family whose head, spouse or sole member 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.

Near elderly families are only eligible for admission to projects designated for the elderly if the PHA determines there are an insufficient number of elderly families designated elderly properties if the PHA's plan for designation so provides.

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[9] PHAs may not alter the definitions that are included in HUD's regulations, for example by lowering the age for an Elderly Family, or excluding children from an Elderly Family.

A disabled family is a family whose head, spouse or sole member is a person with disabilities. It may include two or more persons who are persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides.

> The definition below covers public housing eligibility and eligibility for the $400 deduction for disabled families. The definition of "individual with handicaps", a broader definition than that below, found in 24 CFR § 8.3 is used to determine whether individuals are entitled to reasonable accommodations.

A person with disabilities is a person who:

- has a disability as defined in 42 U.S.C. 423 (the social security definition); or
- is determined to have 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 nature that the ability to live independently could be improved by more suitable housing conditions; or
- has a developmental disability as defined in 42 U.S.C. 6001;
- Does not exclude persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agency for acquired immunodeficiency syndrome;
- For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence[10].

A displaced family is a family in which each member or whose sole member is a person displaced by governmental action or a declared natural disaster.

> This definition does not include all the families who would formerly have qualified for the involuntary displacement federal preference.

The remaining member of a tenant family is an adult who was listed on the lease of a public housing unit and is the only family member still remaining in the unit.

A single person is a person who is not elderly, near elderly, disabled, displaced or the remaining member of a tenant family.

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[10] Although some persons with drug or alcohol dependence may have other disabilities.

The former federally mandated admission priority (found at 24 CFR § 5.405) for elderly, near elderly, disabled and displaced families over single persons was eliminated by the Quality Housing and Work Responsibility Act, but many PHAs have elected to retain it as a local preference.

With such a broad definition of Eligible Family one might wonder why verification of family status would be necessary. There are several reasons. Elderly and disabled families qualify for two deductions from income that are not available to other family types:

- The $400 elderly/disabled family deduction; and
- Unreimbursed medical expenses that exceed 3 percent of Annual Income.

The deduction for disability expense allowance also requires that at least one family member be a person with a disability. The person with a disability does not need to be the head or spouse (as required for the two deductions above), but the expense for care or apparatus must permit a family member to be employed.

In addition, for PHAs that grant a local preference for admission to mixed population buildings to elderly, disabled or (sometimes) displaced persons over single persons, verification of status is needed before the preference can be granted. Finally, verification that all the children in the family are related to the head is needed to ensure that the family is not claiming children who will not actually reside in the unit in order to qualify for a larger size unit. Such verification can document the relationship: blood (birth certificate), adoption (legal adoption records), court awarded custody (court documents), or, if the PHA opts to permit it, kinship care (child's medical records or school records establishing place of residence). Foster children or adults (state placement agency) can also be permitted to live in a PHA unit with the PHA's permission.

Finally, documenting a stable relationship and shared resources between otherwise unrelated individuals usually involves documenting a living arrangement that is already in place.

Certain persons who are not members of a "family" may still reside in a public housing unit (and be considered in establishing maximum unit size), but only with the PHA's permission. Foster children and foster adults are one example of non-

family members who may still be household members. In addition, as mentioned in the definitions of Elderly Family and Disabled Family, Live-in Aides can be household members.

A Live-in Aide is a person who resides with one or more elderly persons or near-elderly persons, or persons with disabilities 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.

Live-in aides can be relatives, but if a relative wishes to be considered a Live-in aide, he or she must be willing to give up any rights to the unit as the remaining member of a tenant family. If the relative/live-in aide wants to have remaining family member status, his or her income **will be** considered as part of Annual Income, although otherwise a live-in aide's income is excluded. In addition, the live-in aide should be screened for criminal history and must be listed on the lease.

2.2.2 Citizenship and Eligible Immigrant Status (24 CFR § 5.506)

To receive housing assistance all family members must either be citizens or nationals of the United States or eligible immigrants. Persons who are U.S. citizens or nationals may certify to their status (and parents may certify to the status of their children). Persons who are not U.S. citizens or nationals have two choices.

Immigrants may either claim or document their eligibility for housing assistance, or they may choose not to contend their status and give up housing assistance.

Those who qualify as eligible immigrants are treated differently based upon their age. Immigrants who are 62 years of age or older can sign a declaration of eligible immigrant status and provide proof of age. Immigrants who are younger must sign a declaration of eligible immigrant status, one of the documents accepted by the Immigration and Naturalization Service (INS), and a signed verification consent form.

Immigrants may choose not to contend that they have eligible immigrant status. So long as at least one family member is either a citizen or an eligible immigrant, the family will qualify as a "mixed family" under 24 CFR § 5.504 and will have their

housing assistance pro-rated (which means they will pay a higher rent than they would if all family members were either citizens or eligible immigrants).

The INS determines what documents eligible immigrant status and the PHA may rely upon such verifications as INS accepts. The PHA then uses the identification from the documentation provided by the family to check with the INS's automated SAVE system and confirm eligible immigrant status. If the SAVE system does not verify eligible immigrant status, the INS will perform a manual search of records.

See Chapter 7 on Verification Standards for additional guidance.

2.2.3 Disclosure of Social Security Numbers (24 CFR § 5.216)

Applicants for public housing are required to document the Social Security numbers of all family members at least six years of age, or certify that an individual does not have a Social Security number. Refusal to provide a Social Security number or a certification renders an applicant ineligible for public housing.

However, two cases of applicants who might not have Social Security numbers include a very young child on whose behalf no assistance has been sought or granted, and an immigrant who has worked in and retired from a foreign country. In these cases refusal to provide a Social Security number (that has not been issued) is not grounds for rejecting the application.

2.2.4 Ineligibility Because of Criminal Activity (24 CFR § 960.204)

PHAs **are required** to prohibit admission of families with members:

- Who were evicted from federally assisted housing for drug related criminal activity for three years following the date of eviction (unless the family can demonstrate that the person who engaged in the drug related activity has been rehabilitated or is no longer a member of the household); or
- Who are currently engaging in illegal use of a drug; or
- Who have shown a pattern of use of illegal drugs that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents; or
- Who are subject to a lifetime registration requirement under a State sex offender registration program; or

- Whose abuse of alcohol or pattern of abuse of alcohol would interfere with the health, safety or right to peaceful enjoyment of the premises by other residents; or
- Who have ever been convicted of drug-related criminal activity for manufacture of methamphetamine on the premises of federally assisted housing.

There are other issues related to criminal activity and drug-related criminal activity that are discussed in Chapter 4, since they are permissive rather than required.

3. Waiting List Administration

3.0 Overview

The waiting list is the mechanism used to implement a PHA's preference system and, thus, establishes the order in which housing offers are made to qualified applicants. Setting up and maintaining the waiting list properly is essential to carrying out public housing admissions in accordance with HUD's civil rights and program regulations and the PHA's policies.

Although "the waiting list" is referenced, there are really multiple sub-lists based on unit sizes and types. Unit sizes are usually expressed as numbers of bedrooms, although some units[11] can comfortably house larger families because they have greater square footage than typical public housing development units with the same number of bedrooms. Unit types include units designed for families with children (including elderly families with children), units built for singles and "empty-nesters" and units that meet the Uniform Federal Accessibility Standards (UFAS) because they are adaptable or accessible to persons with mobility impairments.

A well-organized waiting list is also a source of data about need and demand for units by size, type and location. By analyzing trends of acceptance and refusal of unit offers, a PHA can tell which developments are considered most and least desirable by families with different characteristics. This can be useful in planning improvements in property management and maintenance. Waiting list data is also essential for almost all HUD applications such as demolition/ disposition, voluntary conversion, HOPE VI, and Designated Housing.

To assure that PHAs are in compliance with statutory requirements, and prevent violations that could affect applicants of assisted housing, waiting list audits are a primary tool when HUD conducts HUD's Occupancy Monitoring Reviews or Fair Housing reviews.

[11] These are often scattered site units.

This chapter discusses how to set up and manage the waiting list in accordance with the PHA's Admission and Occupancy Policy (ACOP), and the regulations at 24 CFR §§ 5.400, 5.600, 960.201 through 960.208. This chapter will provide guidance for PHAs on how to:

- Enter new applications on the waiting list;
- Close the waiting list or a sub-list;
- Determine essential application information for waiting list placement;
- Operate community-wide and site-based waiting lists;
- Administer preferences;
- Update the waiting list;
- Remove applications from the waiting list; and
- Process applications for designated housing.

3.1 Entering New Applications on the Waiting List

PHAs may accept applications only for sub-lists that are open. Many PHAs maintain an electronic log that lists applicants by the date and time their application was received. In fact, some PHAs use electronic kiosks in their occupancy offices where applicants can file electronic applications. PHAs that do not have electronic waiting lists can still be fully compliant with all of HUD's requirements using manual systems. PHAs could also accept e-mail applications.

Since applications need not be made in person, but can be accepted by mail, electronically, or by telephone, a random sorting system or lottery may be used to establish application numbers for applications received at the same date and time. Whether the PHA sorts in-person applications by date and time, a lottery, or a randomly generated application number, the result will be a master list of applicants with a specific identifier that will be used to sort the sub-lists among applicants with the same preferences. PHAs without local or ranking preferences would admit applicants in date/time or lottery/random application number order, as applicable.

The waiting list is typically divided into sub-lists by unit type and size[12]. Most PHAs have separate sub-lists for family/general occupancy developments and

[12] Unit size is characterized by maximum occupancy.

elderly/disabled properties, which are further divided by unit size. PHAs with HUD-approved designated properties usually maintain sub-lists for those properties separate from the sub-lists for their elderly/disabled (mixed population) developments. Finally, it is a good idea to list UFAS[13] accessible and adaptable units on a separate sub-list, independent of location, since no one except those who need the accessibility features of the units should receive an offer at such a property until all current residents and all applicants with disabilities have been offered the units.

3.2 Closing the Waiting List or Sub-List

When any of a PHA's sub-lists has so many applicants that the average length of time an applicant would have to wait for a unit offer is a year or more, the PHA may wish to close the sub-list. Taking applications absorbs a significant amount of staff time, which could be better used if the prospect of housing new applicants is distant.

A PHA, at its discretion, may restrict application intake, suspend application intake, and close waiting lists in whole or in part. For any unit size or type, if the PHA's highest waiting list preference category has sufficient applications to fill anticipated vacancies for the coming 12 months, the PHA may close the waiting list completely; close the list during certain times of the year; or restrict intake by preference, type of project, or by size and type of dwelling unit. (24 CFR § 960.206)

The decision to close the waiting lists, restrict intake, or the PHA must publicly announce opening the waiting lists. If a PHA closes a waiting list, it may maintain a list of individuals who wish to be notified when the waiting list is re-opened, although most PHAs choose not to maintain such a list.

Some PHAs adopt a Procedure for Opening and Closing the waiting list to determine whether and when the waiting list(s) may be closed. Unless the waiting list is closed, a PHA must accept an application, even if it believes that the applicant is probably not eligible.

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[13] Units characterized as accessible or adaptable under the Uniform Federal Accessibility Standards

3.3 Essential Application Information for Waiting List Placement

The application or pre-application upon which the waiting list is sorted would usually include the following information about the applicant:

- Name and social security number of head of household;
- Date and time of application or application number;
- Household Type (family, elderly, family with person with disability);
- Unit size required (number, sex and relationship of family members);
- Amount and source of annual income;
- Admission preference, if any;
- Accessibility requirement, if any; and
- Race and ethnicity of the family head.

3.4 Community-Wide and Site-Based Waiting Lists

PHAs may adopt a Single Community Wide waiting list or, if the PHA qualifies and elects to do so in its Annual Plan, a Site-based waiting list or lists. Most PHAs use a community-wide list with one master waiting list, divided into sub-lists by the type and size of unit. Applicants are not asked their preference of location, although they may refuse an offer for "good cause" (discussed in further detail in Chapter 8, Tenant Selection and Assignment Plan, TSAP), which includes various locational elements.

A site-based list is a separate list for a specific site or sites. Although it may be centrally administered, a system of site-based lists allows applicants to select the developments where they will accept unit offers.

If a PHA opts to manage a Community-wide waiting list, it should keep applications in sequence based upon:

- Type and size of unit needed and selected by the family (e.g. general occupancy building, accessible or non-accessible unit;
- Applicant preferences, if any;

- Income category[14] of each applicant family; and
- Date and time the application was received or application number.

If a PHA wishes to operate a Site-based Waiting List or Lists, it must obtain approval from HUD as part of the PHA's Annual Plan approval process. If a PHA decides to establish a site-based waiting list after the submission of its PHA Plan, it would be required to follow the procedure for significant amendment to the PHA Plan. In order for a PHA to be approved to use one or more site-based waiting lists there are a series of requirements: (24 CFR § 903.7 (b)(2))

- The PHA must have at least an 85 percent reporting rate or approved forbearance plan under the Public and Indian Housing Center (PIC) form 50058, former called the Multifamily Tenant Characteristics System (MTCS);
- Site-based waiting lists would not violate any court order or settlement agreement or be inconsistent with a pending civil rights complaint;
- The PHA must maintain accurate records about each site and provide all applicants with complete information about all sites, including their location, number, size and type of units, amenities such as child care, security, transportation and special programs available at and near each site, as well as the average length of wait to receive a unit offer;
- The PHA must manage its site-based waiting list in a manner that is consistent with the PHA's activities to affirmatively further fair housing, such as marketing to groups least likely to apply for public housing;
  - The PHA must have a system for regular review of the results of its site-based waiting list operation to examine any changes in the racial and ethnic makeup of each site through steps described below.
  - Each year, as part of its Annual Plan preparation, the PHA must assess any changes in the racial and ethnic make-up of sites with site-based waiting lists, based on data that has been determined to be accurate by the PHA's Independent Public Accountant;
  - At least every three years the PHA must use independent testers or some other method approved by HUD to ensure that applicants are not treated differently based upon their race or ethnicity, and that no patterns or practices of discrimination exist;

[14] This is needed to comply with Income Targeting requirements discussed in Chapter 6.

- The PHA must make changes in its site-based waiting list system, as needed, based on the data and methods above to affirmatively further fair housing.

These requirements were developed to prevent applicant families from self-segregating.

3.5 Moving From Community-Wide to Site-Based Waiting List

Once a PHA receives HUD approval, the first step in converting from community-wide to site-based waiting lists is to obtain the site preferences of current applicants. The process is usually combined with a waiting list update (described below in Section 3.8). All current applicants would be given information about each site and an opportunity to select some number of developments where they would accept a unit offer, or to opt for the "first available" unit offer. Then, new applicants would have the same opportunity to select up to three developments or the "first available" unit offer. Once the initial Site-based lists have been established, all applicants would be informed of the length of each list and have an opportunity when their application is updated to change their site selection. (See 24 CFR § 903.7(b)(2))

3.6 Preferences

Preferences do not guarantee admission. Rather, they establish the order of placement on the waiting list. Two types of preferences may be adopted: local preferences and ranking preferences. The local preferences a PHA uses are its primary preferences and must be related to the Statement of Housing Needs in its Annual Plan (See 24 CFR § 903.7(a)). In addition, the PHA should take into consideration how it will accomplish the income targeting, income mixing and deconcentration requirements of QHWRA. If the current waiting list is concentrated with extremely low income families (as many PHA's lists are), it is unlikely that the PHA will be able to accomplish either income mixing or deconcentration without a combination of marketing to higher income and working families and establishing a preference for such families at developments with very low average resident incomes.

New or revised local preferences require a change by Board resolution to the Admissions and Continued Occupancy Policy (ACOP) and are adopted as part of the Annual PHA Plan process or the PHA Plan Significant Amendment process. The preferences adopted must be consistent with all laws relating to Civil Rights (described in Chapter 1). PHAs must inform applicants of duly adopted preferences so applicants may demonstrate their qualification.

Preferences are granted to applicants who are otherwise qualified and who, at the time of the unit offer (prior to execution of a lease), meet the definitions of the preferences as described in the PHA's ACOP. Preferences are verified the same way as income, assets and deductions.

In designing its preference policy, a PHA is well advised to consider the ability of its staff and software to carry out the preference system correctly. Systems that are very complex, that have complex hierarchies or aggregate sub-preferences are subject to error and difficult to monitor and audit.

3.6.1 Considerations Before Applying Preferences

Although the waiting list is usually discussed as a list of families who need units, the reality is instead, the matching of those families with PHA's vacant units that need residents. Before applying its preference system, a PHA first matches the characteristics of the available unit to the applicants available on the waiting list. Factors such as unit size, accessibility features, or type of project, limit the admission to those households whose characteristics "match" the characteristics, unit type and features of the vacant unit available.

By matching unit and family characteristics, it is possible that families lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application, or ahead of families with higher preferences (e.g. the next unit available is an accessible unit and the only applicant family needing such features has no preference).

A second matter PHAs must consider is income targeting, deconcentration and income mixing. If a PHA does not opt to adopt preferences that will achieve these Congressionally mandated goals, the PHA must still ensure that at least forty percent of annual admissions are extremely low income families and that families with appropriate incomes are assigned to sites that need deconcentration.

3.6.2 Local and Ranking Preferences

Multiple local preferences can be adopted. If some rank higher than others, the ACOP and PHA Plan should spell out the hierarchy and whether they will be aggregated[15]. Ranking preferences establish a hierarchy of applicants within the local preference categories. If a PHA opts to adopt local preferences based on income tiers[16], ranking preferences can ensure that the families the PHA wishes to target receive the first assistance within each income tier. Finally, among applicants with the same local and ranking preferences, application date and time or application number, whichever applies, sorts applications. Some examples of preferences follow:

Income Targeting Preference
This preference (often used as a local preference) groups applicants based on ranges of income and follows the targeting requirement of admitting in a year not less than 40 percent of families with extremely low income: (24 CFR § 960.202)

Tier I: Families with incomes between 0 percent and 30 percent of area median income (this group must constitute at least 40 percent of all admissions in any year)

Tier II: Families with incomes between 31 percent and 80 percent of area median income (the maximum percentage of annual admissions for this group is 60 percent)

Residency Preference
A PHA is permitted to adopt a local or ranking residency preference if all non-discrimination and equal opportunity requirements in **24 CFR § 100.50** are followed; however, making residency a requirement for admission is prohibited.

A residency preference is granted to applicants who live in the specified geographical area such as the county or municipality where the PHA is located. An area smaller than the PHA's jurisdiction cannot be considered for a residency preference.

Applicants who live, work, or will be working in the area, must be considered residents of the area for the purpose of awarding the residency preference. A PHA may also consider applicants in an educational or job training program in the designated area as residents.

Finally, a PHA may not establish a minimum term of occupancy for residency. A family that arrived in town yesterday qualifies as a resident if they do not live somewhere else.

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15 This means that an applicant with multiple preferences would be placed higher than one with fewer preferences.

16 To ensure that income targeting requirements are met

Preference for elderly, displaced, or disabled single person
A preference for single persons who are 62 or older, displaced by government action, or persons with disabilities over other single persons for one bedroom or efficiency units. Prior to the passage of QHWRA this preference was a requirement.

Preference for Persons with Disability
Some PHAs may wish to establish a preference for persons with disabilities for certain units, either at mixed population buildings or family complexes. This, of course, is in addition to the statutory requirement that UFAS accessible or adaptable units be leased to persons who need the features of these units. If a PHA is considering adopting a preference for persons with disabilities, it must take into consideration that it cannot target this preference to persons with specific disabilities.

Preference for Victims of Domestic Violence
HUD specifically suggests that PHAs consider establishing a preference for victims of domestic violence. While this is not a requirement, many PHAs have agreed that victims of domestic violence deserve and need preferential treatment in admissions Some PHAs have opted to aggregate this preference into a broader preference for families who have been displaced by natural disaster, governmental action or domestic violence.

Previous Federal Preferences
In some localities the population with the greatest unmet need is one or more of the categories of families covered by the former federal preferences. PHAs are permitted to use some or all of these preferences as Local or Ranking Preferences. They include families:
Substandard Housing: Living in substandard housing, including homeless families;
Involuntary Displacement: Forced to leave their current housing through no fault of their own;
Excessive Cost Burden: Paying more than 50 percent of monthly-adjusted income for shelter.

This list of local preferences is not all-inclusive. The PHA should be guided by the housing needs of families in its jurisdiction and its plan to achieve income targeting and deconcentraton goals.

Displacement Preference
The displacement preference may be defined to include applicants who can document that they have been displaced by a natural disaster declared by the President of the United States, or displaced, or through no fault of their own by governmental action. If appropriate, the preference can also be expanded to include applicants being displaced by private actions.

Employment
This preference targets families that have at least one adult member who is employed. The PHA defines the number of hours that qualifies as employment (usually not fewer than 20 hours per week). A PHA that adopts this preference must also grant it to families whose adult members cannot work because of age or disability.

Upward Mobility
Upward Mobility may be defined to include all applicants with adult members who can document that they are employed or involved in job training, including job training undertaken as a requirement of persons receiving Temporary Assistance to Needy Families. Additionally, persons who cannot work because of age or disability qualify for this ranking preference.

Although the Upward Mobility preference has several subcategories, for simplicity of operation, the subcategories should not be combined or aggregated in any way. Applicants should be considered for admission based on any one of the subcategories in which they qualify. Thus, an applicant whose family includes two members with Upward Mobility preferences does not rank any higher than a family that has only one member qualifying for the Upward Mobility preference.

3.6.3 Change in Preference Status While on the Waiting List

Families on the waiting list who did not qualify for any preference when they applied may experience a change in circumstances that qualifies them for a preference. The reverse may also occur. In such instances, the family should contact the PHA so that their status may be recertified or reverified. If preference status changes, applicants retain their original date and time of application or application number.

If the PHA determines that the family does now qualify for a preference, they would be moved up the waiting list in accordance with their preference(s) and their date and time of application/application number, and would be informed in writing of how the change in status has affected their position on the waiting list.

3.6.4 Meeting for Applicants Denied a Preference (24 CFR § 5.410(g))

If an applicant claims but does not qualify for a preference, the applicant can request a meeting:

- The PHA should provide a written notice if an applicant does not qualify for a preference. This notice shall contain: a brief statement of the reasons for the

determination, and a statement that the applicant has the right to meet with the PHA's designee to review the determination.

- If the applicant requests the meeting, the PHA shall designate someone to conduct the meeting who can be the person who made the initial determination or reviewed the determination a subordinate, or any other person designated by the PHA. A written summary of this meeting would be retained in the applicant's file.
- An applicant may exercise other rights if he or she believes discrimination, based on race, color, national origin, sex, religion, age, disability, or familial status contributed to the PHA's decision to deny the preference.

3.7 Updating a Waiting List

Well-managed PHAs update waiting lists at least annually. Using an updated waiting list makes it easier for the Occupancy staff to contact applicants, and productivity typically increases. A suggested method for updating the waiting list is described below.

3.7.1 Preparing the Update Package

The first step in updating the waiting list is to send each applicant an Update Package containing both a letter explaining the process and a form the applicant may either fill out and mail back[17] or bring in (if the applicant needs assistance in completing the form). Applicants with disabilities who have requested an alternative form of communication would be contacted using the requested method.

3.7.2 Disseminating the Update Package

The update package would be mailed to each applicant. In addition, to reach hard to contact applicants, the update package can be sent organizations including but not limited to Social Security/SSI, Public Assistance, Bureau of Employment Security/ Unemployment, as well as agencies serving people with disabilities (Alliance for the Mentally Ill, Lighthouse for the Blind, Community Health Law Project, Easter Seal Society, Independent Living, PACT programs, the ARC, etc.), agencies that serve the homeless, organizations that assist battered individuals, Legal Aid, etc.

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[17] A stamped envelope addressed to the PHA would usually be included.

In addition to sending the Update Packages to each applicant and advocacy organizations, a PHA would advertise, using a display advertisement, not a legal advertisement, in at least two papers of general circulation and one Spanish or other language paper, to let applicants know that the PHA will be updating the waiting list and where applicants can go to obtain an Update Package if they do not receive one in the mail.

Applicants can be allowed at least one calendar week from the date when the Update Package is received by the applicant to respond to the PHA, either by mailing back the Update form (in the envelope provided) or by hand delivering it back to the PHA Occupancy Office.

3.7.3 Applicants Who Fail to Respond: Second Notice

The PHA would begin entering update information as applicants return it. A list of all Packages returned would be updated daily. Three weeks after the first mailing, a second mailing can be sent out in order to reach applicants who have not responded.

The second mailing will not include the update form. It would be a letter that instructs the applicant to come to the PHA to obtain and complete an Update Form in person at the Occupancy Office. Applicants must produce picture identification in order to update their applications at the Occupancy Office. The PHA would usually have Occupancy Technicians available to help applicants complete the Update package.

Applicants would usually be given one calendar week from the date the second letter is received to report, in person, to the PHA.

If applicants fail to respond to either of the PHA's update letters or if the letters are returned postmarked undeliverable, the PHA would withdraw their applications. Letters returned by the post office are always filed unopened.

3.7.4 Reasonable Accommodation of Applicants with Disabilities

PHAs are required to provide reasonable accommodations for applicants with disabilities. Such reasonable accommodations shall include but not be limited to:

- Providing update materials in formats requested by applicants;
- Providing sign language interpreters for applicants with hearing impairments;
- Permitting applicants to be represented by a family member, advocate, case worker or other person designated by the applicant;
- Contacting the applicant in the manner designated by the applicant;
- Conducting interviews or completing paperwork at a site other than the PHA Occupancy Office for applicants who cannot come to the office for some reason connected with a disability;
- Granting extended time for response to persons who cannot respond within the timeframes described above because of a disability; and
- Reinstating applicants with disabilities who do not respond in the timeframes described above because of a verified reason connected to a disability.

3.7.5 Completing the Waiting List Update

After all the responses have been received from applicants who confirm their continued interest in the PHA's public housing, the Occupancy Staff complete the data entry of the Update forms and re-order the waiting list according to the updated information such as for example, applicant income, preferences, or need for accessible unit features.

3.8 Removing Applicants from the Waiting List

A PHA may only remove applicants from the waiting list because they have been housed, they have requested that their names be removed, their applications have been withdrawn or rejected, or they have refused an offer of housing without good cause. (See 24 CFR § 960.206)

Applicants' names may be withdrawn or removed either at their request or because the PHA is unable to contact them to follow up on their application. No informal hearing is required following withdrawal of an application, although the PHA usually maintains files of withdrawn applications for three years or until the next HUD occupancy audit.

If the reason an applicant with disabilities did not respond to the PHA's attempts to contact him/her is related to the disability, the PHA must, as a reasonable accommodation, reinstate the applicant in the former position on the waiting list.

Applicants whose applications are rejected (either because they are ineligible or because they do not pass screening) are entitled to an informal hearing if requested in a timely manner. Chapter 4 describes the procedure on Informal Hearings for Rejected Applicants. The files of rejected applicants would typically be maintained for three years or until the next HUD occupancy audit.

3.8.1 Withdrawing an Application From the Waiting List

A PHA may remove/withdraw an applicant's name from the waiting list under the following circumstances:

- The applicant requests that the name be removed;
- The applicant has failed to advise the PHA of his/her continued interest in public housing during the waiting list update. This includes failing to notify the PHA of any changes in family status, preference status, address;
- The PHA has made reasonable efforts to contact the applicant to update the waiting list, but has been unsuccessful. Correspondence (or other method designated by an applicant with a disability) sent by first class mail to the latest address that is returned by the Post Office will constitute documentation of reasonable effort to contact the applicant;
- The PHA has made reasonable efforts to contact the applicant to schedule interviews necessary to complete the application process or to obtain information necessary to process the application, and the applicant has failed to respond; or
- When an applicant fails to keep a scheduled interview or fails to respond to the PHA concerning information that is necessary to process the application or to maintain the waiting list, the PHA notifies the applicant in writing that he/she has 10 working days within which to reschedule the interview or provide the needed information. If the applicant fails to respond within that period, the application would be withdrawn from the waiting list. The PHA should consider mitigating circumstances such as health problems or lack of transportation in determining whether the application should be withdrawn.

3.8.2 Rejecting an Application for Public Housing

A PHA would reject an application and thus remove an applicant's name from the waiting list under the following circumstances: (Note: A **Notice of Rejection** is required for any of the following circumstances.)

- The PHA has notified the applicant of its intention to remove the applicant's name because the applicant is no longer eligible for public housing;
- The applicant fails to pay an outstanding balance owed to the PHA;
- The applicant fails to meet the home visit requirements in the Admissions and Continued Occupancy Policy;
- The applicant fails to complete the Pre-Occupancy Classes/Orientation;
- The applicant fails to pay an existing utility balance which results in a denial of service by the utility supplier; or
- The applicant fails the PHA's screening because of a documented tenant history of:
  - Poor past performance in meeting financial obligations, especially rent;
  - A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences that may adversely affect the health, safety or welfare of other tenants, or cause damage to the unit or development;
  - Involvement in criminal activity on the part of any applicant family member that would adversely affect the health, safety or welfare of other tenants;
  - A record of eviction from housing or termination from residential programs (considering relevant circumstances);
  - Inability or unwillingness to comply with the terms of the PHA's lease;
  - Misrepresentation of any information related to eligibility, award of preference for admission, allowances, family composition or rent.

3.8.3 Removing or Dropping an Application for Refusal of a Unit Offer

If an applicant receives an offer of housing and rejects the offer without good cause, the PHA may either drop the applicant to the bottom of the waiting list, with a new date and time of application or application number, or remove the applicant from the waiting list, requiring the applicant to reapply if he or she wishes to receive another unit offer. Whether an applicant is dropped to the bottom of the list or removed from the list is determined by the wording of the PHA's Tenant Selection and Assignment Plan.

3.9 Designated Housing

A PHA may designate projects or portions of a public housing project (buildings, floors or units) for occupancy by elderly families only or disabled families only. Properties with both elderly and disabled families are considered mixed population and require no special designation.

Designation of housing requires the preparation of a designated housing plan that must be reviewed by the Resident Advisory Board, the PHA Board and approved by HUD. The designation plan or an application for designation must be referenced in the PHA's annual plan. [24 CFR 903.7 (i)] A new designation plan may be included with the annual plan but HUD approves this document on a separate track. Once approved the designation plan becomes a supporting document to the Annual Plan.

3.10 Designated Housing Plan (PIH Notice 97-12)

The elements required for a designated housing plan are as follows:

- Justification for the Designation
- Project Description
- Alternative Resources
- Treatment of Current Residents Because of the Designation
- Eligibility of Near-elderly Families

Justification – PHAs must show that the Plan supports the housing goals for the jurisdiction. PHAs in communities with local consolidated plans (population is greater than 50,000) must demonstrate that the designation is consistent with the goals and priorities of the plan, that is, the designation is necessary to meet the housing needs of the jurisdiction. For PHAs in communities under 50,000, the designation plan must support the State consolidated plan. If the State plan is silent regarding a PHA's housing goals, the plan must demonstrate that the designation is necessary to meet the low-income needs of the jurisdiction.

Project Description – PHAs must provide a description of all sites to be designated including the type of residents to which the designation will apply, any supportive services to be provided to the residents of the designated property, and

how the design and related facilities of the property accommodate the special environmental need of the intended occupants.

Alternative Resources – The plan should describe other resources (existing or proposed) that will be made available by the PHA to the residents and any applicants currently on the waiting list affected by the designation. Resources might include: voluntary transfers to other PHA units, use of Section 8 vouchers, application for additional vouchers targeted to the population affected by the designation or combinations. It is also useful to describe the notification process to residents and applicants once the designation is approved. The Plan should outline the procedures the PHA will use to advise affected applicants and residents of the availability of alternate resources and options for accessing such resources. Although not required, it is helpful to show the impact of the designation in terms of units removed from the market and the "offset" of resources available to the PHA to help mitigate the impact of designation.

Example: if a 100 unit building is designated senior only, are there vacant units at other PHA sites available for the voluntary transfers of existing younger persons with disabilities?

If the same building has a turnover of 10 units per year and younger disabled applicants historically account for half the annual admissions, the PHA could show that 5 vouchers are available to lessen impact of the designation and meet the housing needs of these families.

Treatment of Current Residents Because of the Designation - The plan must include a statement that otherwise lease compliant residents affected by the designation will not be evicted or otherwise required to vacate. This last phrase is statutory and would address harassment or other activities by management or other residents that might be used to "force" a resident to move. Such actions are civil rights violations and are strictly prohibited.

Families in the building may opt to move voluntarily. The PHA can foster this type of move with cash incentives or other relocation benefits. Assistance in finding a Section 8 unit, transportation to look at a vacant PHA unit at another property or another PHA property, waiver of an increased security deposit or payment of a security deposit for a family moving to Section 8 are examples of encouraged

activities. The plan must demonstrate that the current resident will have access to comparable housing (services and design) should they decide to move.

Eligibility of Near-elderly Families – If there is any risk that insufficient elderly families are on the waiting list for the designated site(s), the plan should include a statement that the agency intends to admit near-elderly families in the designated building or portion of the building, if there are insufficient elderly families.

HUD will conduct a limited review of the plan to determine that it meets the statutory requirements and is required to notify the PHA of its decision not later than 60 days after receiving the plan. If approved, the term of the designation is five (5) years with an update. HUD can extend the approval for an additional two years.

3.11 Implementing a Designated Housing Plan

When a PHA has designated housing it is a prerogative of an eligible applicant family not to opt for a unit in designated housing. The decision by an elderly or disabled family not to accept an offer of designating housing must not have a negative effect in their position or placement in the waiting list. They retain their position if they prefer to occupy a unit in a mixed population or general occupancy project. Families on the waiting list for a designated building should also be advised of any alternate housing resources and if interested, receive assistance to help them access such resources.

The preference system for designated housing will work in combination with requirements to match the characteristics of the family to the type of unit available, including developments with HUD-approved designated populations, if any. When such matching is required or permitted by current law, the PHA should give preference to families as described below. The ability to provide preferences for some family types will depend on unit size available.

Once a designation plan is approved, a PHAs housing stock can be classified as follows:

Projects designated for the elderly: Only elderly families may be admitted to units or buildings covered by a HUD-approved Designation Plan.

When there are insufficient elderly families on the waiting list, near-elderly families (head or spouse ages 50 to 61) may receive a priority for this type of unit if the HUD-approved Plan for designation so specified.

Projects designated for disabled families: Only disabled families (of any age) may be admitted to units or buildings that are covered by a HUD-approved Designation Plan.

Mixed population Projects A mixed population project is a property (or portion of a property) that was: reserved for elderly and disabled families at its inception and has retained that character. These projects were formerly known as elderly projects.

Elderly families and disabled families receive equal priority for admission to such units.

General Occupancy Projects: The priority for elderly and disabled families over other single persons does not apply at General Occupancy Properties unless so stated for appropriate sized units in the PHA's Annual Plan.

4. Qualification for Admission: Applicant Selection Criteria

4.0 Overview

Establishing and enforcing fair and reasonable applicant selection criteria is the first step in creating a safe and comfortable community environment. This chapter provides guidance on applicant selection criteria and the process of its application.

Meeting the eligibility criteria for public housing or having admissions preference does not mean that a family will automatically receive an offer of housing. In order for an offer to be made, the household must be fully *qualified*, meaning that the household meets both the *eligibility criteria* and *applicant selection criteria* for admission[18]. The *applicant selection criteria* for admission relate to the applicant's probable lease compliance.

The PHA would reject applicant households for recent[19] behavior that would warrant lease termination as a public housing resident. Certain selection criteria such as money owed from previous participation as an assisted housing resident may be considered at the time of initial determination of eligibility[20]. The selection criteria discussed in this chapter are derived from the lease requirements; therefore the standards applied to existing residents are also applied to potential residents.

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[18] In recent years Federal law has changed such that some applicant households are considered ineligible due to past criminal history, especially persons evicted from housing because of drug-related criminal activity, current use of drugs or alcohol abuse.

[19] Most PHAs examine applicant history for at least the past three years.

[20] Often applicants will not be placed on the waiting list if, for example, they owe the PHA money from a previous public housing tenancy or as a Section 8 participant.

4.1 Selection Policy and Procedures

Applicant selection policies must be set forth clearly, in writing, in each PHA's Admissions and Continued Occupancy Policy (ACOP). Most well managed PHAs also have separate procedures that describe in detail the methods staff should use to implement the policy. Applicant selection, or screening, procedures should address:

- The lease requirement being evaluated by the screening process;
- How the screening should be done (e.g. required steps, evaluation factors);
- Verifications required in support of the screening process; and
- The weight and consideration given to information received.

The value of clear, detailed screening procedures cannot be overstated. The mechanics of screening must balance the rights of the individual applicant and the rights of the community. If a PHA cannot articulate its screening procedures in writing, odds are the PHA is performing screening incorrectly or applying criteria inconsistently from one applicant to the next. Also, applicant selection criteria require that the PHA examines each applicant's individual behavior, not the attributes or behavior imputed to a particular group or category of persons to which the applicant may belong. (24 CFR § 960.203)

4.2 Applicant Screening: The Policy Statement

Applicants for public housing are screened according to policies set forth in the ACOP, which provides a general description of the selection criteria. The criteria should relate to the individual behavior of adult household members and be based on requirements set forth in:

- The HUD Regulations that govern admissions (24 CFR § 960.203);
- The public housing lease regulations (24 CFR Part 966); as amended by the Final Rule on Drug Abuse and other Criminal Activities published in the Federal Regulations on May 24, 2001.
- Lease requirements imposed by state law; and
- Reasonable lease requirements imposed by the PHA.

A core statement of the screening criteria used in public housing might include:

- Poor past performance in meeting financial obligations, especially rent;
- A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences that may adversely affect the health, safety or welfare of other tenants, or cause damage to the unit or development;
- Involvement in criminal activity on the part of any applicant family member that would adversely affect the health, safety or right to peaceful enjoyment of the premises by other tenants;
- A record of eviction from housing or termination from residential programs (considering relevant circumstances);
- Inability to comply with the terms of the lease; and
- Misrepresentation of any information related to eligibility, award of preference for admission, allowances, family composition or rent.

The policy statement on contained in the Admissions and Continued Occupancy Policy (ACOP) screening need not be long or complicated. The procedures that guide staff conducting the screening process should be more detailed, describing the specific requirements applicable to each of the screening criteria and how staff should document applicant compliance with the criteria.

4.3 Screening Procedures

Screening procedures are intended to guide staff and elaborate on the policies outlined in the ACOP. Screening procedures set forth objective verification standards, explain how to interpret screening, and establish other requirements for completing screening.

A typical screening procedure might include the following elements:

- How each applicant's history will be checked: This section explains in detail the steps required to assess the applicant's performance or behavior.
- A review of the application form and screening: This section links the application form to the screening process.
- Interview checklist: This is a set of standard questions that the PHA asks the applicant. The applicant signs the checklist, certifying to its accuracy.
- Explaining the screening process: This section guides PHA staff in explaining the process to applicants in order to ensure that applicants understand what is checked and how.

- Processing screening verification forms: This section describes the forms sent to third parties.
- The home visit: This section would provide procedures for conducting the home visit (if required by the PHA), including when home visits are performed if they are not used for all applicants.
- Preliminary recommendation of admission or rejection: This section would provide guidance on evaluation of verified screening information and initial recommendation to accept or reject the applicant. In the case of rejection, the procedures allow the applicant to raise mitigating circumstances in an informal hearing.
- Applicants with disabilities: This section discusses reasonable accommodation in the screening process.

4.4 The Application Form and Screening

The application form contains key questions relating to the applicant's eligibility, preferences and tenant history. PHAs should inform applicants that failure to provide this information would result in suspension of application processing.

4.5 Explaining the Screening Process

Applicants must be informed about the applicant selection policy and what aspects of their background will be checked[21]. If an applicant is disabled, the PHA should provide a person to explain the process and ask the questions in a manner intelligible to the applicant. It is a good business practice to communicate effectively with all applicants, including those who speak a language other than English.

[21] Some applicants might voluntarily withdraw their applications when they understand the screening process, because with their knowledge of their own tenant history they believe it would be fruitless to continue.

4.6 Techniques and Procedures Used to Check an Applicant's History

Suggestions about applicant screening are presented below. Details on verification standards are found in Chapter 7, Verification Standards.

4.6.1 Past Performance Meeting Financial Obligations, Especially Rent: (24 CFR § 960.203(c)(1))

The lease establishes standards for each resident with respect to the amount of rent and other charges due and timeliness of payment. In order to determine an applicant's past performance in meeting financial obligations, a PHA could take the following steps:

- PHA staff would contact the current landlord, at least one prior landlord and utility suppliers (if the unit will have tenant-supplied utilities). After rent payment, utility payments are the next best indicator of ability to meet shelter-related costs. (The reason for checking with prior landlords is that current landlords of dangerous, destructive or costly applicants may misrepresent or not report information to the PHA.)
- Many PHAs use credit checks to evaluate an applicant's financial history. Now that electronic credit checks are available (and inexpensive) more PHAs are using this valuable tool (both at admission and at reexamination). In evaluating a credit report, staff should give higher weight to bills that are shelter related. Failure to make payments toward purchase of a stereo system, for example, should not be considered with the same weight as failure to pay rent or utilities[22].
- Rather than run a credit check on every family, some PHAs prefer to let a poor or marginal landlord reference trigger a credit check or check of court records for prior evictions.
- As part of the financial obligations screening, many PHAs require a former PHA tenant or Section 8 participant (otherwise eligible) who applies owing a

[22] Many PHAs run credit checks on all applicants, less for the financial history information the credit check provides than for corroboration of family member names, dates and addresses of former housing, and records of outstanding judgments, liens, etc.

balance in either program to pay the balance before being placed on the waiting list.

RECOMMENDED FORMS: A *Landlord Verification Form* gathers information about past performance meeting rental obligations: rent payment record, late payment record, whether the landlord ever began or completed lease termination for non-payment, and whether utilities were ever disconnected in the unit. The form should ask if the landlord would rent to the applicant family again.

A *Utility Verification Form* covers 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.

A third party completes Verification of Ability to Comply with Lease Terms if no other documentation of ability to meet financial obligations is available.

The applicant completes Checklist-- Ability to Comply with Lease Terms if no other documentation of ability to meet financial obligations is available.

Examples of these forms are found in Appendix VIII.

4.6.2 Disturbance of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect the Health, Safety or Welfare of Other Tenants, or Cause Damage to the Unit or the Development: (See 24 CFR § 960.203(c)(2))

In many ways, behavioral problems such as disturbance of neighbors and destruction of property are more serious than a poor payment record because they can cost the PHA more in the long term, and are more difficult to address. In order to avoid admitting applicants who might engage in such behaviors, the PHA can investigate:

- Whether the applicant can keep a unit clean, safe and sanitary;
- Whether the applicant ever 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 repair of damage cost;
- Whether the applicant housekeeping caused insect or rodent infestation;

- Whether the neighbors complained about the applicant and whether the police were ever called because of disturbances;
- Whether the landlord intends to keep any of the security deposit.

Home Visits: PHAs that use home visits consider them to be the single most accurate screening tool. PHAs may make a home visit to some or all-eligible applicants to determine whether the applicant is capable of caring for a PHA unit in a way that will not create health or safety hazards or contribute to infestation. The visit also determines whether the applicant is likely to damage a PHA unit, and whether the applicant is currently engaged in behavior or practices that would violate the PHA's lease.

- If the applicant's current unit shows a tenant-caused health or safety hazard, housekeeping that contributes to infestation, or damage caused by the applicant, the applicant may usually be rejected.
- If the applicant is not currently living under a lease with a landlord, the current housing provider should be asked to verify the applicant's ability to comply with the lease terms as they relate to care of the unit. Any area for which the applicant has upkeep responsibility should be inspected.
- If applicants are sharing housing, the PHA should inspect the common areas, not just the applicant's room(s). A family willing to live in unsanitary conditions created by others may have standards that are too low for admission. However, if there are mitigating circumstances concerning the living conditions, the PHA should consider them.
- For applicants with disabilities, if the home visit reveals housekeeping problems, the PHA should consider whether, as a reasonable accommodation, someone other than the applicant (such as Chore Service, family member, friend) could care for the unit.

RECOMMENDED FORMS: The *Landlord Verification Form* referenced above can be used to check these screening criteria.

The *Home Visit Form* can be used to document the condition of the applicant's current unit.

The *PHA Police Record Verification Form* can be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest.

Verification of Ability to Comply with Lease Terms (Completed by a third party if there is no other documentation of ability to care for unit and avoid disturbing neighbors is available)

Checklist on Ability to Comply with Lease Terms (Completed by the applicant if there is no other documentation of ability to care for unit and avoid disturbing neighbors is available).

4.6.3 Involvement in Criminal Activity on the Part of Any Applicant Family Member that Would Adversely Affect the Health, Safety or Right to Peaceful Enjoyment of the Premises by Other Tenants: (See 24 CFR §§ 960.203(c)(3)) and 960.204

PHAs are required to check an applicant's history of criminal activity for a history of crimes that would be lease violations if they were committed by a public housing resident[23]. Before the screening steps are examined, consider that certain actions and behaviors now require a rejection of an applicant:

- Persons evicted from federally assisted housing for drug-related criminal activities may not be admitted for three years from the date of eviction. In cases where the statute prohibits admission for a certain period of time, PHAs may now set a longer period of time for the prohibition. (See 24 CFR § 960.203 (c) (3) (ii))
  - Where the regulations specify a prohibition period for certain behavior, PHAs can consider that the mandatory period and any extension of the discretionary period.
  - The discretionary time period for prohibition of admission can vary based on the type of activity. For example, an eviction where the applicant was manufacturing or dealing drugs results in a 5-year prohibition. For other crimes, such as arson or child molesting, the PHA can establish longer periods or a lifetime ban.

[23] There is a wide variety of other crimes (embezzlement, for example) that cannot be claimed to adversely affect the health, safety or right to peaceful enjoyment of the premises by other PHA's residents.

- Persons engaging in the illegal use of a drug.
  - "Currently engaged in" means the person has engaged in the activity recently enough to believe the activity is current. In drafting screening language to guide staff, PHAs should spell out what they consider to be "recent", e.g. past month, past six months, etc.
  - In determining what constitutes "a reasonable belief" PHAs should consider that the use or pattern of use might threaten health, safety, or right to peaceful enjoyment of the premises by other residents.

- Persons convicted of methamphetamine production in assisted housing are permanently prohibited from public housing.
- Persons subject to a lifetime sex offender registration under a State sex offender registration program are barred from public housing.
- PHA must establish standards that prohibit admission to Public Housing if the PHA determines it has reasonable cause to believe that a household person's abuse or show pattern of abuse of alcohol that threatens health, safety, or right to peaceful enjoyment of the premises by other residents.

> This prohibition of admission for alcohol abuse differs from that for persons using illegal drugs. Alcohol is a legal drug and simple abuse of alcohol is not a reason to deny admission (or evict a resident). The alcohol-related behavior must threaten the health, safety or right to peaceful enjoyment of the premises by other residents before it becomes a screening or lease enforcement issue.

- Aside from the permanently prohibited admission of persons convicted of methamphetamine production, PHAs may consider factors that might indicate favorable future conduct such as current participation in a rehabilitation program or completion of such a program.
- In evaluating behavior, PHAs can also consider the time, nature, and extent of the applicant's conduct and the seriousness of the offense. PHAs are also permitted to exclude household members with criminal history problems thereby permitting the "new" household to qualify for admission.

Questions on History or Current Use of Illegal Drugs

- Documented current use of illegal drugs by any applicant family member is grounds to reject the applicant family. Very often the verification process reveals evidence of some drug history, but the family member contends that

the drug abuse is no longer occurring. If the PHA has received objective evidence that someone in the applicant family may be a user of illegal drugs, it is the applicant's responsibility to demonstrate that this is not the case. See Chapter 7 for a discussion of such verifications.

- PHAs should not engage in screening that excludes **former** users of illegal drugs (people in recovery). Former users in recovery whose housing histories reveal no problems that would point to future lease compliance problems are typically admitted to public housing because, very often, screening staff are unaware of the applicants' status as former substance abusers.

RECOMMENDED FORMS: The *Landlord Verification Form* referenced above can be used to check for criminal activity the landlord knows or knew about.

The *PHA Police Record Verification Form* or a police report from a law enforcement agency can be used to check for recent criminal activity or drug-related criminal activity.

A third party completes Verification of Ability to Comply with Lease Terms if there is no other documentation of ability to avoid criminal activity.

The applicant completes Checklist on Ability to Comply with Lease Terms if there is no other documentation of ability to avoid criminal activity.

4.6.4 A Record of Eviction from Housing or Termination from Residential Programs

Staff can check PHA records, landlord records and court records to determine whether the applicant has been evicted from the PHA, any other assisted housing, or any other property in the recent past.

In examining past records of eviction or program termination, the PHA should carefully check into the facts. The PHA should ascertain the family's income and composition at the time of eviction or program termination, the grounds for eviction and the facts of the eviction itself, in order to obtain a full understanding of the circumstances.

4.6.5 Ability to Comply with the Terms of the PHA Lease

If an applicant can document that he or she is complying with lease terms equivalent to the PHA's in current and former residences, this criterion should be considered to have been satisfied. Ability to comply with PHA lease terms should be checked only in the absence of satisfactory landlord documentation.

4.6.6 Misrepresentation of any Information Related to Eligibility, Preferences, Allowances, Family Composition or Rent

The PHA can reject the application if, during the course of processing, it is proven that an applicant has falsified or otherwise misrepresented any facts about his/her current situation, history, or behavior in a manner that would affect eligibility, preferences, applicant selection criteria qualification, allowances or rent.

4.7 Processing the Screening Verification Forms

When the applicant is between 120 and 90 days of receiving a unit offer, screening can begin. Many PHAs perform the criminal history check first, since certain types of criminal history rule out admission. This saves time that would be spent on further applicant processing.

When the applicant has completed verification form releases (to authorize the release of information), the PHA mails or faxes out the forms. If the verifications are not returned in a timely manner, the PHA contacts the landlords or housing providers by telephone to encourage their cooperation. If it proves impossible for the staff to obtain verifications, the PHA staff notifies the applicant and request their help to obtain needed cooperation.

At the time of initial eligibility determination or not later than during the regular screening process, PHA staff can check former tenant files and former Section 8 participant files to determine whether the applicant was an adult member of a family that was evicted from the PHA, had Section 8 assistance terminated, or owes the PHA any money. The PHA can also order a check of Court records to determine whether the applicant was evicted from other housing during the same period.

4.8 Preliminary Recommendation of Admission or Rejection

A preliminary determination of admission or rejection may be based on the following:

- Responses from current and at least one former landlord: A positive or neutral response would result in a recommendation for admission;
- Responses from utility suppliers (if applicable): A positive or neutral response consistent with the landlord information would result in a recommendation for admission;
- Responses from the Police Department: No member of the applicant family should be involved in relevant criminal activity for a recommendation of admission;
- Response from housing providers other than a private landlord (if applicable): The applicant must be considered capable of complying with PHA lease terms for a recommendation of admission.
- Credit report (as applicable): The applicant must have a neutral or good record for a recommendation of admission.
- Home Visit Report: To be recommended for admission the applicant must receive a satisfactory or better rating on the Home Visit.

Review of File: If, at any point in the screening process it becomes clear that an applicant will not meet the screening criteria, the file should be reviewed. If a member of the applicant family has been verified to have engaged in criminal activity or drug-related criminal activity that requires rejection, the family should be notified in writing[24]. For problems other than violations requiring rejection, the first step in a review of possible rejection is a determination of the file's completeness. If any information is missing or the case for rejection or acceptance is not compelling, the file should be returned to the staff for further work.

Mitigating Circumstances: In evaluating information related to screening the PHA is required to consider mitigating circumstances. Mitigating circumstance are facts (that can be verified) that would overcome or outweigh information already

[24] The family might opt to remove the member who could not pass the criminal history check rather than lose their rights to public housing.

gathered in the screening process. For example, if an applicant has a previous history of disturbing neighbors, but his recent behavior was much improved, the PHA could consider this a mitigating circumstance. PHA staff must document the improvement in the applicant file.

Factors Not to be Considered in Screening: law cannot consider the following list of factors considered in making a decision to reject an application:

Race	Color
Religion	Ancestry
National Origin	Age
Sex	Marital Status
Receipt of Public Assistance	Parental Status
Political Ideology	Disability, including mental and emotional illness

Disability Status: Staff performing the review should also consider whether the applicant has disclosed a disability. If so, the file should be sent back to staff with instructions to contact the applicant and set up an interview to determine whether mitigating circumstances or reasonable accommodations would make it possible to house the applicant.

If the applicant is not known to have a disability, PHA staff should reject the application. The PHA should have a procedure in place for Informal Hearings for Rejected Applicants. The contents of the Rejection Letter must include a reference to the procedure for obtaining the informal hearing.

Determination of Admission: If an applicant is clearly eligible and passes the screening criteria, admission shall be authorized.

4.9 Notice and Right to Dispute Rejection

PHAs must send a formal notice of rejection to an applicant who is rejected for admission. The notice can be worded so that rejections for eligibility and for screening can be handled on the same form. If the household is rejected because of criminal activity, the notice must include language that offers the applicant a copy of the criminal records and an opportunity to dispute the accuracy and relevance of the record.

In addition, the rejection letter should:

- Clearly state the reason for the rejection;
- State the time period and process for requesting an informal hearing; and
- Provide notice to the applicant that a person with a disability has the opportunity to request consideration of reasonable accommodations.

The informal hearing for rejected applicants is not a Grievance Hearing[25]. The purpose of the hearing is to permit the applicant to hear the details of the reasons for rejection, present evidence to the contrary if available, and claim mitigating circumstances if possible. The person who made the original decision to reject, or a subordinate of that person, may conduct the hearing. A written record of the hearing decision should be mailed to the applicant and placed in the applicant's file. If the hearing decision overturns the rejection, processing for admission should resume. (See 24 CFR § 960.208)

4.10 Applicants with Disabilities

It is illegal to reject an applicant **because** he or she has a disability, or for reasons that could be overcome by the PHA's reasonable accommodation of the applicant's disability. If, even with reasonable accommodation, applicants with disabilities cannot meet essential lease requirements, it is permissible to reject them.

Such insurmountable problems might arise because of behavior or performance in past housing, inability to comply with the terms of the PHA's lease, or services needed from PHA staff that represents an alteration in the fundamental nature of the PHA's program. (24 CFR § 100.202) There are three possible stages of processing the applications of persons with disabilities.

Eligibility Review

The first stage of processing the application is the determination of program eligibility. Every applicant should be asked whether the applicant or a family member is disabled.

[25] Only PHA residents are entitled to grievance hearings.

Disabled Family status qualifies the member for a special deduction in rent computation and confers a preference in assigning modified and accessible units and in buildings designated for persons with disabilities. Once an applicant has been determined to have a disability, no further reference should be made to that fact unless the application reaches the third stage of processing.

Applying the Applicant Selection Criteria

The second stage of processing is applying the screening criteria. An applicant who happened to have a disability but was able to demonstrate a history of meeting financial obligations, caring for a rental unit, avoiding disturbing neighbors and destroying property, avoiding criminal behavior, etc., would be recommended for admission with no further reference to or consideration of the disability.

Mitigating Circumstances and Reasonable Accommodations

The third stage of processing would only occur if an applicant could not meet one or more of the applicant screening criteria. At this point, applicants with disabilities are entitled to considerations to accommodate their disability.

It is recommended that PHA staff hold a second interview with any applicant known to have a disability who cannot meet one or more of the applicant screening criteria. The purpose of this interview is to determine whether it is possible to admit the applicant through consideration of mitigating circumstances or by applying a reasonable accommodation. The following steps can be taken:

- Determine if mitigating circumstances are applicable.
- If the evidence of mitigating circumstances presented by the applicant relates to a change in medical condition or course of treatment, the PHA has the right to refer such information to persons qualified to evaluate the evidence and verify the mitigating circumstance.
- The PHA also has the right to request further information reasonably needed to verify the facts that directly relate to the mitigating circumstance, even if such information is of a medically confidential nature. If the applicant refuses to provide or give access to such further information, the PHA should give no further consideration to the mitigating circumstance.

Screening personnel must keep in mind that an applicant with a disability who may, for example, be unable to care for a current apartment alone, may still comply with the lease if he or she can demonstrate that assistance with caring for the unit has been secured. Such assistance could be in the form of a Live-in Aide, or it could be a friend, family member, chore service or employee of the applicant. It is not the province of the PHA to make judgments about the best way to provide assistance, but simply to determine whether the assistance will be available and will enable the

- For applicants with disabilities, the PHA must also consider reasonable accommodations to eliminate barriers to housing the applicant. Reasonable accommodations may take the form of either physical modification(s) made to the unit, building, development or grounds, or policy or procedural changes. An example of a reasonable accommodation might be the approval of an applicant for a larger unit (waiving the unit occupancy standards) to permit occupancy by a live-in aide who would in turn assist the applicant with some aspect of lease compliance that the applicant could not otherwise achieve.
- Accommodations, to be considered reasonable, must not cause undue financial or administrative burden or alter the fundamental nature of the PHA's public housing program. If a service is necessary for compliance with the lease, the PHA is not required to provide it to an applicant with a disability if the service is not provided to other tenants. The PHA must consider admitting that applicant if he or she can document those others will provide the service at no cost to the PHA.
- An applicant with a disability who cannot meet the applicant screening criteria taking into account possible mitigating circumstances, reasonable accommodations by the PHA, or services needed for lease compliance verified to be provided to the applicant by others, must be rejected.

RECOMMENDED FORMS: *Statement of Individual Providing Assistance, or Statement of Agency Certifying Eligibility for Assistance Services Form*

If an applicant needs help to comply with the lease terms, screening staff should obtain verifications that such assistance is available to the applicant. The Statement of Individual Providing Assistance Form or the Statement of Agency Certifying Eligibility for Assistance Services Form (including statement of Applicant Certifying Willingness to Accept Services) as appropriate can be used for this verification.

These forms verify that services necessary for admission will, in fact, be available upon admission. These forms are not structured as lease addenda. They verify that

the service needed for lease compliance is in place at the time of admission. After admission, the applicant (now resident) could fire the original service provider, but if the household remains lease compliant the PHA has no reason to take lease enforcement action. The PHA's legitimate interest is in lease compliance, not in the way the resident accomplishes this. If lease compliance were not maintained, the resident would be subject to eviction for failing to meet lease obligations.

4.11 Role of Residents in Applicant Selection

At many PHAs, residents are active in various aspects of PHA operations and, understandably, take an interest in applicant selection. Where PHA residents seek a role in applicant screening:

- The PHA should be certain that all residents who will participate in applicant screening are well trained in HUD regulations governing both screening and Civil Rights, privacy rights of applicants and the PHA's policies and procedures;
- The role of residents should be designed to augment, not replace, the role of staff. The PHA is ultimately responsible for screening decisions and cannot shift its responsibility, even if residents wish to assume it;
- It is sensible to have residents involved in reviewing the screening information on applicants whose tenant histories are questionable or marginal. Applicants whose files clearly document serious problems should be rejected and applicants whose files reveal excellent tenant histories would be accepted. There are, however, always a sizable number of applicants whose files are spotty, with some positive and some negative information. Residents can be very helpful and productive in working with these files.
- The PHA must be certain that involving residents in the screening process does not otherwise delay filling ready units. At larger agencies, this may mean that the resident screening group must meet several times each month. An alternative is to begin the screening process earlier to allow sufficient time for the resident screening group.
- Much of the information in an applicant file is confidential (in particular, criminal history and drug rehabilitation center information). The PHA is advised that residents should review only information from which names and identifiers have been removed, and, even then, that members of the resident screening group not repeat outside of the group the information that they have learned within it.

5. Occupancy Guidelines

5.0 Overview

This chapter provides guidance on occupancy standards for public housing. PHAs are permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children. A HUD Notice of Statement of Policy published in the Federal Register on December 18, 1998, states that "…an occupancy policy of two persons in a bedroom, as a general rule, is reasonable under the Fair Housing Act." The Statement also suggests that PHAs are permitted to consider the following issues in establishing their own occupancy standards:

- Applicable state or local housing or occupancy codes (if any);
- Size and configuration of the PHA's housing units;
- Limitations imposed by the capacity of water and sewer systems;
- Site density issues;
- Characteristics of individual families; and
- Avoiding both underutilizing space and overcrowding families.

When HUD's Office of Fair Housing and Equal Opportunity investigates an allegation of discrimination on the basis of familial status, it considers the above factors as well as the Statement of Policy.

5.1 State and Local Codes

Each PHA must determine whether there are state or local codes that govern the number of persons who may occupy a dwelling unit, since every jurisdiction may or may not have such codes. Substantial variation exists among the standards established by the national code organizations, and localities sometimes use these model codes but make further revisions. If a state or local occupancy code exists for the locality, then the PHA should be guided by it in determination of occupancy standards.

5.2 Sizes and Configuration of PHA Units

Most public housing units built in the programs early years are small and have small bedrooms, but some newer units are much larger. For PHAs with a mix of smaller and larger units it is sensible to use occupancy standards that reflect the actual size and layout of the units, rather that simply pegging occupancy levels to number of bedrooms. Likewise, when dwelling units include spaces that, while not designed as sleeping rooms, could be used as such, it is acceptable to permit larger families to occupy the units. The HUD Statement of Policy uses the example of an apartment with a den that a family chooses to use as a bedroom. In fact, few units built as public housing units have dens, but some scattered site units acquired by PHAs will have dens or other such spaces.

5.3 Capacity of Sites, Systems and Infrastructure

Some developments, chiefly in rural areas, are served by on-site water and wastewater systems and their occupancy must be dictated by the capacity of these systems. In urban sites a more common capacity problem is population density that will not support two persons per bedroom in every unit. The open space, play areas for children and neighborhood services are degraded to an extent inconsistent with a desirable quality of life if every unit is occupied to maximum capacity. Accordingly, many PHAs today have implemented deliberate strategies to reduce densities to manageable levels. This does not mean that PHAs are free to occupy every unit with the minimal number of persons, since such a policy would, by definition, exclude larger families. What it does mean is that PHAs need not occupy every unit at its maximum density. Newly constructed developments tend to have fewer units and more open space as well as having larger apartments.

5.4 Individual Family Characteristics

The Admissions and Continued Occupancy Policy (ACOP) must state the PHA's policy on the minimum and maximum number of persons who may live in units. It is suggested that the policy address the following elements:

- People who would normally be expected to share a bedroom (e.g. spouses, children of the same sex);

- People who would not be expected to share a bedroom (e.g. children of opposite sexes, parents and their children, other family members of different generations, Live-in aides, unrelated adults);
- Whether the PHA has any exceptions to the above rules (e.g. babies under a specified age being able to share a bedroom with parents or two siblings, people who need a separate bedroom for reasons related to a disability);
- How the PHA will handle foster children in establishing unit size;
- Locations of units where the maximum standard is fewer than two persons per bedroom (for very small bedrooms) or more than two persons per bedroom (for very large bedrooms);
- Whether the PHA will permit applicants to be on waiting sub lists for more than one unit size, or whether the PHA requires each applicant to state the size unit for which he/she wishes to be listed;
- Whether the PHA will count an unborn child or a child in the process of being adopted as a family member in determining unit size (the PHA must count children who are added to the family by birth, adoption or court-awarded custody only after these events have occurred); and
- Whether the PHA has any special policies related to the occupancy of units of a certain size (e.g. hard-to-rent efficiencies).

Presented below is a sample PHA policy on Occupancy Standards.

1. Families of the appropriate size shall occupy units. This maintains the usefulness of the units, while preserving them both from excessive wear and under-utilization. It is also fully compliant with HUD rules related to Occupancy Standards.

Minimum and Maximum-Number-of-Persons -Per Unit Standard

Number of Bedrooms	Min Persons/Unit Largest Unit Size)	Max Persons/Unit (Smallest Unit Size)
0BR	1	1
1BR	1	2
2BR	2	4
3BR	3	6
4BR	4	8
5BR	5	10

The following principles govern the size of unit for which a family will qualify. Generally, two people are expected to share each bedroom, except that units will be so assigned that:

- It will not be necessary for persons of different generations or opposite sex, other than husband and wife, to occupy the same bedroom, although they may do so at the request of the family.
- Exceptions to the largest permissible unit size may be made in case of reasonable accommodations for a person with disabilities.
- Two children of the opposite sex will not be required to share a bedroom, although they may do so at the request of the family.
- An unborn child will not be counted as a person in determining unit size. A single pregnant woman may be assigned to a one-bedroom unit. In determining unit size, PHA will count a child who is temporarily away from the home because the child has been placed in foster care, kinship care, or is away at school.
- A single head of household parent shall not be required to share a bedroom with his/her child, although they may do so at the request of the family.
- A live-in attendant may be assigned a bedroom. Single elderly or disabled residents with live-in aides will be assigned one or two bedroom units.
- Efficiency apartments will be occupied first by persons who prefer efficiencies to 1 BR units. Once applicants who prefer efficiencies have been housed, single individuals applying to Mixed Population buildings who wish to live in 1 Bedroom units (rather than efficiencies) will participate in a lottery to determine whether they will be offered a 1 BR or an efficiency.

2. The Local Housing Code of two persons per bedroom will be used as the standard for the smallest unit a family may be offered. Individual housing units with very small or very large bedrooms or other specific situations that inhibit or encourage lower or higher levels of occupancy may establish lower or higher occupancy levels. The PHA must make the case that such occupancy levels will not have the effect of discriminating on the basis of familial status.

3. The largest unit size that a family may be offered would provide no more than one bedroom per family member, taking into account family size and composition.

4. When a family applies for housing, and each year when the waiting list is updated, some families will qualify for more than one unit size. Both at application and at update, the applicant family must choose the waiting sub list corresponding to one of the unit sizes for which they qualify. Factors that might affect the family's decision could include cultural standards; length of time the family would have to wait for smaller vs. larger units, and the age, relationship and gender of family members. Based on the family's choice, they will be placed on the appropriate waiting sub list by unit size.

   The family (not the PHA) decides which size of unit they wish to be listed for (corresponding to the smallest, largest or a unit in between, for which they qualify).

5. When a family is actually offered a unit, if they no longer qualify for the unit size corresponding to the waiting sub list, they will be moved to the appropriate sub list, retaining their preferences and date and time of application. This may mean that they may have to wait longer for a unit offer.

6. A family that chooses to occupy a smaller size unit must agree not to request a transfer until their family size changes.

7. **IMPORTANT**: The unit size standards shall be discussed with each applicant family that qualifies for more than one unit size. Families will also be informed about the status and movement of the various waiting lists and sub lists maintained by PHA. Families shall be asked to declare in writing the waiting list on which they wish to be placed. If a family opts for a smaller unit size than would normally be assigned under the largest unit size standard (because, for example, the list is moving faster), the family will be required to sign a statement agreeing to occupy the unit assigned at their request until their family size or circumstances change. The PHA shall change the family's sub list at any time while the family is on the waiting list at the family's request.

5.5 Making the Best Use of Available Units

A very common failing in the area of Occupancy Standards occurs when PHAs permit long-time residents to remain in units that are significantly too large for their families even though there is demand for the size of unit in which the family

is over housed. The only situations in which a family should occupy a unit with more bedrooms than family members would be:

- As a reasonable accommodation to a person with a disability (e.g. a resident with a disability has large and bulky apparatus related to the disability in the apartment and an extra bedroom is the only location where it can reasonably be stored); or
- Because there is currently no demand for the unit size the family occupies (although in this situation the family must understand that they would be required to transfer if a family with the number of persons requiring the unit size qualifies for housing.

A second problem in the area of Occupancy Standards is overcrowding. Transferring residents who have outgrown their homes is unpopular with many PHAs because it necessitates making two units ready, the one the family moved to and the one they are moved from. PHAs cannot, however, adopt a "no transfer" policy for overcrowded families because this results in unsafe and substandard conditions. The obligation of the PHA to operate decent, safe and sanitary housing comes directly from the Annual Contributions Contract with HUD.

6. Processing Applications

6.0 Overview

This chapter offers practical guidance about the logistics of processing public housing applications, from the first step of accepting applications through the process of making a unit offer and the final step of leasing the unit. The suggestions included are supplemented by many other sections of this Guidebook, as referenced in the text.

The process of taking and processing applications is not governed by law or regulations. Well-managed PHAs design their procedures to reflect their capabilities and limitations as well as the local demand for public housing.

> Whether a PHA uses a one-step application or a two-step pre-application and full application depends on the local demand for public housing. In a tight market with long waiting lists, a two-step application process makes sense, since some applicants will either give up or move long before they reach the top of the waiting list. If waiting lists are short or non-existent, PHAs have an incentive to process applicants as quickly as possible to avoid losing any families interested in becoming public housing residents.

In designing the application process, PHAs usually take into account internal communications between occupancy, maintenance and property management departments. PHAs also want staff to remain efficient and friendly to applicants so they can be housed quickly and in accordance with the needs of each family. This chapter contains practical guidance on:

- Compliance with law, regulations and PHA policies;
- Accessibility and plain language;
- Accepting applications for housing;
- Initial eligibility determinations;
- Applying the preference system;
- Completing/updating the application;
- Applying applicant selection criteria;
- Income targeting, income mixing and deconcentration requirements;
- Unit assignment;
- Unit offers to applicants;

- Leasing; and
- Pre-occupancy training or orientation.

6.1 Compliance with Law, Regulations and PHA Policies

Of all the activities the PHA carries out, the process of admission and occupancy imposes the heaviest burden of statutory compliance and the greatest possibility for an inadvertent error resulting in civil rights violations. Generally, PHAs have qualified staff review Admission policies regularly for compliance with ever-changing statutes and regulations. The staff will need to be trained and thoroughly monitored so that they follow the written policies as approved by the Board of Commissioners. Housing Authorities are required to keep their policies in compliance with applicable laws and rules and, to carry out any revisions in practice. The only correct and acceptable way to avoid occupancy problems is to keep policies and practices current.

6.2 Accessibility and Plain Language (See 24 CFR §§ 8.6 and 8.21)

PHAs are required to remain flexible in determining where and how applications are taken by making certain that they address any special arrangements needed to take the applications of disabled persons who are unable to come to the PHA office or to hear or understand PHA efforts at communication. See Chapter 1, Civil Rights, for further discussion of reasonable accommodation requirements.

Applicants who read or understand little English may furnish an interpreter who can explain the process and forms. The PHA is not required to pay the costs associated with having a foreign language interpreter (as they are for sign language interpreters for the hearing impaired) because the Fair Housing law makes no such requirement.

6.3 Accepting Applications for Housing

Application Form: Before a PHA can admit a family as a resident; it must obtain a written application. A full application includes all the information the PHA needs to determine family eligibility, type and size of unit needed, eligibility for preferences, and rent (based upon the family's income and unit selection). A pre-application, by contrast, typically only includes information necessary to place an applicant in the right location on the applicable waiting sub list. Such information would include family size, income amount and sources, disability-related features needed, and qualification for preferences.

HUD does not provide PHAs with a standard application form. The PHA may develop its own form or use some other method of organizing the information, or use a form or method that another PHA or entity has developed. Many PHAs maintain the majority of their admission information as electronic files, with paper files limited to documents that require original signatures (such as verification forms) or certifications (e.g. birth certificates). A sample pre-application and application form are provided in Appendix VIII, Sample Forms.

Methods for Accepting Applications: When PHAs accept in-person applications; the applicant or the interviewer may fill out the application. Many housing authorities have the applicant complete the application or pre-application, which is then reviewed by an occupancy staff person. The PHA is required to assist applicants with disabilities who cannot complete the form without help. If the PHA has a long waiting list, it may take pre-applications, and the full application may not be completed until the applicant is being processed for admission, generally within four months of receiving a housing offer. If the PHA has a short waiting list, interviews may be scheduled very quickly following the receipt of the application or pre-application.

Housing Authorities that are opening waiting lists that have been closed for extended periods often choose to take telephone, electronic or mail pre-applications.[26] This method prevents applicants from, for example, having to spend the night in the PHA's parking lot to protect their place in line and is more

[26] PHA staff must assist applicants with disabilities and process in-person applications from them even if all other applicants are required to submit telephone or mail pre-applications.

convenient for applicants and PHA staff. If telephone or mail pre-applications are used, the PHA may publish the pre-application in the local newspapers and make the forms available at local social service agencies so that it is easier to obtain and review a pre-application. If telephone pre-applications will be taken, the PHA can rent a bank of telephones from the phone company and take the pre-applications in a relatively short period of time. The times when pre-applications will be accepted would be widely publicized at least two weeks in advance and arrangements made with social service agencies to have telephones available for applicants who might not have telephones. If mail pre-applications are used, the period during which they will be accepted must also be publicized.

When telephone or mail pre-applications are used, the PHA must sort the pre-applications by some fair and random system or lottery, since it will not be possible to sort them by date and time (many will share the same date and time). This process will produce an application number that is equivalent to the date and time stamp PHAs use for in-person applications.

6.4 Initial Eligibility Determination (See 24 CFR § 960.201)

A PHA must accept and process applications in accordance with HUD's regulations, the agency's Admissions and Continued Occupancy Policy (ACOP), and other written procedures and guidelines. If the PHA has a waiting list and uses a pre-application, staff may work on the early assumption that the facts certified by the applicant are correct, although all these facts will be subject to verification prior to any unit assignment or unit offer.

Housing authorities that have short or no waiting lists may choose to have applicants complete a full application immediately, avoiding the extra step of a pre-application. The full application may be completed at an initial interview. If the PHA does not conduct initial interviews, staff usually reviews the application to request any information that might be missing. PHAs collect the following information from the full application:

- the names of all persons who will live in the unit, their sex, date of birth, social security numbers and relationship to the head of household;

- the applicant's current address and telephone number (if any), as well as information on other places the applicant has lived in the past three to five years[27];
- family characteristics or circumstances that would qualify the family for a preference if the PHA has preferences;
- information about previous landlords and other parties the PHA might want to contact while performing applicant screening;
- the family's anticipated income for the next twelve (12) months and the sources of that income;
- citizenship or eligible immigration status of each family member;
- the names of employers, banks, and other sources the PHA would need to contact to verify the applicant's income and deductions;
- sources to verify the family composition; and
- the name and telephone number of a person to contact if the applicant becomes ill or otherwise incapacitated.

At the initial interview the PHA provides the applicant with information on the application process and its housing resources, including the distribution of developments, unit types and bedroom configurations within the developments. Staff also answers any questions the applicant may have on other PHA programs, special developments, screening requirements, determination of rents, or any other topic about which the applicant has questions. Finally, the applicant signs the releases that authorize information sources to submit the required third party verifications as the applicant approaches the top of the waiting list.

The initial eligibility determination usually takes place after submission of either the pre-application or the full application. As described in Chapter 2 of this Guidebook, the eligibility determination examines income, family composition, social security numbers, citizenship or eligible immigrant status and certain elements of criminal history.

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[27] Some PHAs screen applicants for the past five years, but more use the past three years.

6.5 Applying the Preference System (See 24 CFR § 960.206)

Local and ranking preferences are used to establish the order of placement on the waiting list. Preferences are granted to applicants who are otherwise qualified and who, at the time of the unit offer (prior to execution of a lease), meet the definitions of the preferences established by the PHA. (See Chapter 3).

PHAs are not required to have admissions preferences so long as they are able to achieve income targeting and deconcentration without preferences. In accordance with the preferences included in the PHA's Annual Plan and ACOP, the PHA should place applicants on the waiting sub list appropriate for the size and type of unit each applicant needs. If a PHA has no local or ranking preferences, applicants on each sub list would be sorted by date and time of application or application number.

If the PHA has no other applicants for the size and type of unit needed by the applicant, the PHA should still note the applicant's waiting list position, but may begin processing the application and assembling third party verifications immediately.

The method for sorting and selecting applicants must leave a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the PHA's Annual Plan and ACOP.

6.6 Completing/Updating The Application

As applicants approach 120 days of receiving a unit offer, the PHA contacts and requests the applicant to come to the PHA for an interview to complete or update their applicant file[28]. This is the point at which the PHA begins assembling the verified information needed to confirm eligibility and compute income-based rent. (See also Chapter 7, Verification Standards, for instructions about how to carry out

[28] PHAs with short or no waiting lists may not need two interviews, since they may begin verifications immediately after receiving the full application. Although it is not a requirement in public housing it is a good idea that verifications should not be more than 90 days old at the time of initial certification, and can be extended to 120 days with one telephone update.

verifications correctly.) PHAs usually withdraw the applications of families who fail to attend their scheduled interview or who cannot be contacted to schedule an interview, subject to reasonable accommodations for people with disabilities.

At the same time the PHA is completing the application process and beginning to obtain verifications related to eligibility, staff usually start the screening process.

Additional information is obtained or incomplete information is completed when the family is interviewed. Skillful interviewing by the PHA can often elicit information that the PHA needs to finalize eligibility, apply the tenant selection criteria, determine the proper unit size, and obtain other information needed to process the application.

Because rent is based on income, applicants reporting zero income may be asked to provide additional information and complete a family expense form. (See Chapter 10, Income and Program Rents)

A PHA's records with respect to applications for admission to any low-income housing assisted under the United States Housing Act of 1937, as amended, indicate for each application the date and time of receipt; the applicant's race and ethnicity; the determination by the PHA as to eligibility or ineligibility of the applicant; when eligible, the unit size(s) for which eligible; the preference, if any; and the date, location, identification, and circumstances of each vacancy offered and accepted or rejected. (Required, 24 CFR § 85.42)

6.7 Applying Applicant Selection Criteria (See 24 CFR § 960.202 – 205)

In selecting families for admission to its public housing program, the PHA is responsible for reviewing each applicant's rental and criminal history and suitability for tenancy – also referred to as applicant screening. At its most basic, screening looks not at an applicant's characteristics, but at his or her past behavior as a predictor of future behavior. The topic is covered in this Guidebook in detail in Chapter 4, Qualification for Admission: Applicant Selection Criteria.

The discussion here relates not to the method but to the logistics of applicant screening as a component of the admissions process. Keep in mind that the

practical limitation on the age of verifications applies to screening verifications just as to those for income, assets and deductions. Thus, at well-managed PHAs screening is begun and completed in the 120 days before an applicant receives a unit offer.

Screening is the most demanding and, often, the most time consuming aspect of public housing admissions. Unlike eligibility determination, under which an applicant is either eligible or not, applicant suitability is subject to a wide range of interpretation and judgment by PHA staff. Screening decisions are more difficult when, as often happens, an applicant's tenant and/or criminal history is mixed or marginal. These cases require thoughtful decisions by trained staff and, sometimes, gathering additional information and intervention by outside agencies. These are also, in many PHAs, cases that represent the majority of applicants.

Considering the difficulty and staff time that good screening involves, it is recommended that screening begin early enough in the admissions process to ensure that it can be completed in an accurate and timely manner that will not otherwise delay or compromise admissions.

One suggestion is that the PHA examine the elements of screening and determine which take the most time, or cause the most problems and begin these aspects of screening at the point when an applicant arrives within 120 days of receiving a unit offer. In some localities criminal history screening takes a month or more, while in other locations the criminal check takes only days but landlord references are very difficult to obtain. The aspects of every applicant's background that must be examined include:

- Criminal history for at least the past three years for each adult in the applicant family;
- Tenant history for at least the past three years if the applicant has been living in a traditional rental setting with an arm's length landlord or landlords;
- Other evidence of ability to comply with the PHA's lease terms if the applicant has not been living in a traditional rental setting with an arm's length landlord or landlords;[29]

[29] This approach would be used for applicants who have been homeless or living with family members or friends or in some sort of institution or shelter.

- Utility history and ability to obtain utility connections in the applicant's name (for units with tenant-paid utilities); and
- Determining whether any supportive services that are needed to ensure the lease compliance of an applicant with a disability are available to the applicant and will be accepted by the applicant.

In addition, PHAs that perform home visits or credit checks on some or all applicants must schedule and perform these functions during the screening period.

6.8 Income Targeting, Income Mixing and Deconcentration

With the passage of the Quality Housing and Work Responsibility Act (QHWRA) of 1998, Congress established an implicit goal that public housing, while not neglecting its traditional constituency of the lowest income families and individuals, must house families with a broader overall mix of eligible incomes. The income targeting provisions preserve the rights of extremely low income families, while the deconcentration requirements are expected to deconcentrate poverty and promote income mixing. The Section 8 Housing Choice Voucher program, with its higher targeting requirements for the lowest income families, is now the primary vehicle to serve these families.

6.8.1 Income Targeting (24 CFR § 960.202)

The income-targeting requirement guarantees a share of available public housing to the lowest income applicants. At least 40 percent of new admissions to public housing in a fiscal year must be "extremely low income" (ELI) families (with annual incomes at or below 30 percent of the area median income)[30]. For the Section 8 Housing Choice Voucher program the minimum admission target for ELI families is 75 percent in a fiscal year.

PHAs that manage both public housing and Section 8 vouchers can reduce their public housing 40 percent target of ELI admissions by exceeding the 75 percent

[30] This new targeting requirement places additional emphasis on both the PHA's internal administrative tracking and the quality and timeliness of its 50058 submissions to HUD.

Section 8 admissions target during the same PHA fiscal year. The fiscal year credit for voucher program admissions that exceed 75 percent ELI families must not exceed the lowest of:

- Ten (10) percent of public housing waiting list admissions during the PHA's fiscal year;
- Ten (10) percent of the waiting list admissions of the PHA's Section 8 tenant-based assistance program during the PHA fiscal year; or
- The number of qualifying low income families who commence occupancy during the fiscal year of PHA public housing units located in census tracts with a poverty rate of 30 percent or more. As used here, qualifying low income family means a low income family other than an extremely low income family.

If the income range of families in need of public housing spans the range of eligible incomes, a PHA is likely to be targeting only the 40 percent of ELI families required by the law and rule. One way to consider this requirement and ensure that the annual goal is met is to make sure 4 out of every 10 applicants admitted is an ELI family. Whether a PHA is large or small, this approach will keep the PHA on track with income targeting requirements.

6.8.2 Income Deconcentration [See 24 CFR Part 903, Subpart A] (RESERVED)

6.9 Unit Assignment

As described in Chapter 3, Waiting List Administration, a PHA processing applicants for admission should prepare applicant families for unit offers before the units even become vacant, based on the PHA's average turnover patterns. The applicant that should receive the assignment of a vacant unit that is ready for occupancy should be:

- eligible;
- passes screening;
- is in the highest waiting list preference category;
- with the oldest date and time of application or lowest application number;
- whose family is the right size and type for the unit;
- taking into account income targeting and deconcentration requirements; and

- considering the family's need for special accessibility features and the features available in the unit.

It is the responsibility of the PHA to ensure that that unit assignments follow the dictates of the law, rules and ACOP. Each of the elements of the unit assignment process is reviewed briefly below.

6.9.1 Eligibility Determination

Unlike many determinations made by occupancy staff, the eligibility decision is either yes or no. Considering applicants' incomes, family composition, social security numbers, citizen or eligible immigrant status and whether any family members have violated the criminal activity provisions, the bottom line is that every family is either eligible or not. For example, a family with an annual income two dollars over the low income limit for their family size is not eligible. Likewise, a family that includes no members who are either citizens or eligible immigrants is not eligible.

6.9.2 Applicant Selection Criteria Determination

As noted in Chapter 4, the purpose of screening applicants is to attempt to avoid admitting someone who, based on their past lease compliance and criminal history, is likely to violate the PHA's lease. When screening is completed, the PHA should be relatively certain that a family is able to comply with the lease.

When the eligibility and applicant selection criteria determinations are complete, the PHA is required to notify the applicant of the approximate date of occupancy, as far as it can be determined. (See 24 CFR § 960.208 (b))

6.9.3 Waiting List Position

PHAs are expected to make unit offers in waiting list order. In summary, an applicant's waiting list position depends upon the applicant's family size and type, need for accessibility features, preference status, date and time of application or application number, and, if the PHA is administering site-based waiting lists, location preference. (Administration of the waiting list is described in detail in Chapter 3.)

For each unit there is an appropriate family, and the staff's job is to match units that are ready for leasing with the family that is in the highest waiting list position

on the sub list that matches the unit, taking into account income targeting requirements and deconcentration applicable to the developments.

6.9.4 Occupancy Standards

When assigning units, PHA staff must take care to consider the actual size and layout of units, rather than relying simply on the number of bedrooms in determining the appropriate size of family for each unit. The units available must be occupied in accordance with the PHA's ACOP occupancy guidelines and other goals, consistent with applicable Civil Rights requirements. (This topic is covered fully in Chapter 5.) Each vacant unit has an ideal size family considering the ACOP's provisions. A family of the right size would receive the offer of the unit if there were no family of the right size on the waiting list.

6.9.5 Income Targeting and Deconcentration

If a PHA has a waiting list that contains families with a mix of incomes, it must be certain that it is meeting the 40 percent Extremely Low Income family annual target[31]. In addition, if the PHA has any properties whose income profiles require deconcentration actions, the PHA may have to assign either a higher or lower income family to a vacant unit at such a property, depending on the income characteristics of the development. If the PHA's preference structure is designed to accommodate income targeting and deconcentration (See the Sample ACOP in Appendix III for an example) these actions become automatic.

6.9.6 Accessibility Issues

Units that are either accessible or adaptable (according to UFAS standards) are usually assigned first to any current tenants who need such units and second to any applicant who need them. See Chapter 1, Civil Rights Requirements, for additional information.

When all the elements that affect unit assignment have been dealt with, units should be assigned. This step takes place before PHA staff makes unit offers to applicants.

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[31] At many PHAs the waiting list is composed of almost entirely extremely low-income families, so meeting the targeting requirement is not difficult.

6.10 Unit Offers to Applicants

The PHA has an incentive to adopt procedures that will limit the duration of a vacancy to the minimum amount of time necessary. In addition, each PHA must follow its tenant selection plan, with respect to the number of offers made to applicants. The tenant selection and assignment plan describes whether an applicant is permitted one or more offers before dropping to the bottom of the waiting list or being removed from the waiting list. (See Chapter 8, Tenant Selection and Assignment Plan.)

From a property management viewpoint, one aspect of unit offers often neglected by PHAs is showing the applicant the ready unit. Good managers make sure that not only the unit itself but also the route to the unit will show well. This means that the grounds are clean and attractive, and the walks, halls and stairwells are clean, well lit and free of graffiti. A well-prepared unit in an attractive development is much easier to lease than a dirty unit at a poorly managed site. Close coordination between occupancy and property management staff is required to make sure no time is lost in showing units. Some PHAs send the lease package to the site along with the prospective resident, so if the applicant accepts the unit, the lease can be executed without delay.

The Tenant Selection and Assignment Plan also contains the PHA's policy on the number of days an applicant will have to consider a unit offer before deciding whether to accept or refuse the offer.

Under any tenant selection plan, the PHA maintains a record of the units offered, including location, date, and the circumstances for each offer, and each refusal or acceptance. The PHA would record the reason for refusal by an applicant.

6.11 Leasing

When an applicant who is eligible and passes screening is offered and accepts a unit, the next step is lease execution. Several things happen at lease signing:

The new resident pays the security deposit and pro-rated or full rent (depending upon the date the lease begins);

- The resident receives his/her keys, and information about the unit and development;
- The resident receives a copy of the lease and all the required attachments;
- The resident is informed about the PHA's move-in policies (if any);
- The property manager receives the resident's file; and
- The resident's name is removed from the waiting list.

To make sure that all these events occur in a manner that is timely and convenient for the resident, it is good practice for PHAs to try to give every applicant as much notice as possible about when and where they will be offered a unit, the amount of security deposit needed at leasing and the amount of the pro-rated or full rent owed at lease execution. This requires that the occupancy staff stay in close contact with maintenance operations staff so they will know exactly when every unit will be ready for leasing. PHAs do not want to see ready units sitting idle. This makes the units a target for vandalism and wastes money the PHA could be collecting in rent.

Generally, occupancy staff prepares the lease package, but PHAs have differing philosophies about who should execute the lease for the PHA. Some PHAs with large jurisdictions and centralized operations have occupancy staff sign for the PHA. Other PHAs believe that signing the lease has both legal and symbolic importance and want to emphasize the property manager's role. At these PHAs, the manager signs the lease for the PHA.

PHAs may decide to let applicants who would owe large security deposits pay these deposits over time after occupancy. Such a policy must be reflected in the PHA's ACOP and lease (which describes all payments due).

6.12 Pre-Occupancy Training or Orientation

Many PHAs invest some time and money-preparing applicants to be good residents. Some authorities conduct a mandatory formal training program while applicants are still on the waiting list. Topics covered might include:

- The PHA's policies and lease;
- Resident and PHA responsibilities under the lease;
- Care of the unit;
- Requesting maintenance service;

- Paying rent;
- Obtaining service in an emergency;
- Conserving utilities;
- Information about the resident council;
- Police and security services available;
- Services available near the PHA's properties; and
- Public transportation.

A number of PHAs actually conduct housekeeping training for newly forming households and "award" the graduates a bucket of cleaning supplies.

PHAs that do not have such complete training programs for applicants still often give orientation sessions for new residents that cover the basic information necessary to help the resident comply with the lease, become comfortable in the neighborhood and be successful in their public housing tenancies. Most people perform better if they clearly understand what is expected up front.

7. Verification Standards

7.0 Overview

Housing Authorities are required by HUD regulations to verify information related to income, assets, preferences, deductions, and screening on resident and applicant families. Verification ensures both the housing authority and the family that all information contained in an application, including that used to determine basic eligibility and income-based rent calculations, is accurate. Accurate calculations also help to achieve both HUD's and Congress's goal of using limited housing resources correctly and as efficiently as possible.

Verifications are the key to high quality Occupancy administration. Obtaining third-party verifications can be a time consuming process, since it relies on outside agencies to provide information. PHAs may wish to track the amount of time it takes to receive third party verifications when calculating how far in advance of a unit offer applications should be pulled from the waiting list. For annual reexaminations, a PHA needs to know how much time is needed for third-party verifications, to ensure that the reexamination can be completed in a timely manner and the resident informed of any rent increase in accordance with the lease requirements.

The PHA is the final judge of what constitutes adequate and credible documentation and verification. If staff have doubts about the veracity or reliability of information received, they should pursue alternative methods until they are satisfied that their documentation is the best available. PHA staff are not required to accept information, simply because it is offered.

Developing personal relationships at a staff level with other agencies and local employers can improve the quality and timeliness of the information received. Some PHAs meet with the staff of other agencies and employers who provide verification information in order to establish a good working relationship. It is equally important that the PHA respond quickly when other agencies request permitted verification of housing assistance.

PHA staff should be prepared to explain to outside organizations and individuals the obligations of public housing tenancy to help these verification sources provide informed references about an applicant's future ability to comply with lease requirements. This is particularly important when a PHA is verifying tenant history for an applicant who is not currently residing with a landlord. Applicants living with friends, family members, in shelters or quasi-institutional settings should not simply be rejected, but verifying ability to comply with the PHA's lease can be a challenge.

The most acceptable form of verification, which must **always** be pursued to the utmost extent, is third party written verification from a reliable source. Written verification must not be hand carried to or from the source by the family. The PHA can mail or fax the verification form to the verification source, with the release section signed by the applicable family member. When the form is completed, it can be mailed or faxed back to the PHA. Many PHAs that use mail-in verification forms provide stamped self-addressed envelopes to speed return. In addition, wage data can be checked electronically through S.W.I.C.A., the State Wage Information Collection Agency.

Some public agencies are equipped to provide electronic verification of certain benefits. When this type of verification is available, typically of welfare, social security or SSI, the PHA is permitted (indeed encouraged) to use it. Copies of electronic messages should be placed in the appropriate applicant files and, if the PHA uses them, in the applicant's electronic file.

Third party oral verification is typically used when neither the PHA nor applicant family is successful in persuading a source to return written verification forms. In this case, PHA staff telephone the verification source and obtain the necessary information by asking questions from the verification form, including the name and title of the person interviewed. The staff member conducting this third party oral verification should then sign and date the form and make a note in the file about why this method was used rather than third party written verification.

If, after a thorough attempt, neither written nor oral third party verification is successful, the PHA may rely on a review of information provided by the applicant, but must document in the applicant's file why third party verification was not obtained. When reviewing documents is not possible (e.g. when a family has just started a business), the PHA may require that the family sign a certification or notarized statement describing the relevant facts. In such a situation, the PHA

may require a reexamination of information more often than annually. For example, many PHAs require residents with highly variable income to do quarterly reexaminations.

To obtain verifications, a PHA must obtain a release of information from the family member about whom information is being requested because sources will usually not provide information without the applicant's written release. Although the HUD Form 9886 is still required, Appendix VIII contains sample verification request forms that request specific types of information from various sources. It is recommended that these types of forms be used, since many sources will not accept a generic release form and because the forms request the specific type of information needed by a PHA.

This chapter examines the types of information that must be verified, the acceptable forms of verification, the duration of an acceptable verification, file documentation and quality control.

7.1 What Must Be Verified

PHA's are required to verify information relating to eligibility, assets, income, and deductions from income, admission preferences, and compliance with applicant selection criteria. Examples include:

Eligibility for admission, such as:

- Income, assets and asset income; (24 CFR § 5.609)
- Divested assets; (24 CFR § 5.609)
- Family composition; (24 CFR § 5.403)
- Social Security numbers; (24 CFR §5.216)
- Citizenship or Eligible Immigration Status; and (24 CFR § 5.508)
- Required criminal history review. (24 CFR § 960.204)

Local or Ranking preferences, if any, such as: (24 CFR § 960.206)

- Displacement by natural disaster, governmental action, domestic violence;
- Income targeting, income tiers, deconcentration, broad range of income goals;
- Preference for workers or those attending school;
- Veteran or serviceperson status – not specified in the regulations; and
- Living, working or being hired to work in the PHA's jurisdiction.

- Deductions, such as: (24 CFR § 5.617)
- Family members (other than head or spouse) under age 18;
- Age, or disability of family head or spouse;
- Disability of family members other than head or spouse;
- Full time student status of family members other than head or spouse;
- Child care costs;
- Disability assistance expenses (working families only); and
- Unreimbursed medical costs (Elderly and Disabled Families only).

Standards for Applicant Selection Criteria, such as: (24 CFR § 960.203)

- Documented ability to abide by PHA lease requirements;
- Landlord references;
- Home visits;
- Credit checks;
- Previous history of tenancy, rent paying, caring for a home;
- Utility history; and
- Criminal history of all adult family members.

Special Program Requirements, if applicable, such as:

- Transitional Housing (some PHAs have a few transitional housing units);
- Congregate Housing; and
- Special Needs Housing.

7.2 Verifying Social Security Numbers

One of the most important tools for identification is an applicant's Social Security Number. Prior to admission (including adding a new member to the lease), each family member who has a Social Security Number and who is at least six years of age is required to verify that Social Security Number. New family members at least six years of age must provide this verification prior to being added to the lease. Children in assisted households must provide this verification at the first regular reexamination after turning six, or earlier if they are issued a number. When a family is adding a new baby to the lease, the PHA can help by providing Social Security Number application forms. Children on whose behalf welfare benefits are paid have social security numbers.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the PHA may accept letters from Social Security that establish and state the number. Documentation from other governmental agencies should also be accepted that establishes and states the number. A driver's license, military ID, passport, or other official document that establishes and states the number is also acceptable. The documents used to verify social security numbers should be copied and placed in the applicant's file.

If applicants state that they do not have Social Security Numbers, the PHA should ask if the applicants have ever worked, had a bank account, received any government benefits or attended school in the United States. All of these events require a Social Security Number. If applicants respond negatively to these questions and continue to state that they do not have a Social Security Number, they are required to sign a certification to this effect. An example of someone who might not have a social security number would be an eligible immigrant who is retired and living on a pension from their former country. The PHA may not require any individual who does not have a Social Security Number to obtain a Social Security Number. Most methods of verification require the Social Security Number, so the PHA should be familiar with how an applicant may obtain a Social Security Number locally.

If applicants indicate they have Social Security Numbers, but cannot readily verify them, the family cannot be assisted until verification is provided. Applicants who have Social Security Numbers but refuse to provide them are not eligible for public housing.

If a member of a tenant family indicates he/she has a Social Security Number, but cannot readily verify it, he or she shall be asked to certify to this fact and shall be given 60 days to provide the verification. If the individual is at least 62 years of age, may be given up to 120 days in the PHAs discretion. If the individual fails to provide the verification within the time allowed, the family should be denied public housing or should have their lease terminated.

7.3 Verifying Citizenship or Eligible Noncitizen Status

Section 214 of the Housing and Community Development Act of 1980, as amended, restricts HUD from making financial assistance available for noncitizens,

unless they meet one of the categories of eligible immigration status specified in Section 214.

The citizenship/eligible immigrant status of each family member, regardless of age must be determined. For an adult, the adult must sign the declaration. For a child, the declaration must be signed by an adult (who will be residing in the unit) who is responsible for the child. All new adult and child additions to the household also must have their status determined prior to admission to the household. Evidence of eligible immigration status is required only once during continuously assisted occupancy.

Prior to being admitted, all citizens and nationals must be required to sign a declaration of Section 214 status under penalty of perjury. They should be required to show proof of their status by such means as birth certificates, passports, and baptismal certificates, military ID or military DD 214 Form.

Prior to being admitted, all eligible noncitizens that are 62 years of age must sign a declaration of Section 214 status under penalty of perjury. They should also show proof of age.

Prior to being admitted, all eligible noncitizens younger than age 62 must sign a declaration of their status and a verification consent form and provide their original Immigration and Naturalization Service (INS) documentation. The PHA should make a copy of the individual's INS documentation and place the copy in the file. The PHA also should verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the PHA should mail information to the INS so a manual verification can be made of INS records.

7.3.1 Evidence of Citizenship or Eligible Immigration Status

For citizens, the evidence consists of a signed declaration of U.S. citizenship. The HA verifies citizenship status through a birth certificate, U.S. passport, military identification card or DD-214 form. A photo identification card (such as a driver's license, state ID, student ID, etc.) should be used to verify that the individual listed on the birth certificate is, indeed, the applicant. Copies of all documents must be retained in the tenant file.

For noncitizens, the evidence consists of the signed declaration of eligible immigration status and one of the following:

- Alien Registration Receipt Card
- Arrival-Departure Record, with one of the following annotations:
  - Admitted as Refugee Pursuant to Section 207;
  - Section 208;
  - Asylum;
  - Section 243(h);
  - Deportation stayed by Attorney General; or
  - Paroled Pursuant to Section 212(d)(5) of the INA.

- Unannotated Arrival-Departure Record, with one of the following:
  - Final court action granting asylum, if no appeal is taken;
  - Letter from INS asylum officer or district director granting asylum;
  - Court decision granting withholding of deportation; or
  - Letter from asylum officer granting withholding of deportation.

- Temporary Resident card, annotated: Section 245A" or "Section 210";
- Employment Authorization Card, annotated "Provision of Law 274a.12(11)" or "Provision of Law 274a.12";
- Receipt issued by the INS indicating that the 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.

The INS periodically publishes additional acceptable evidence in the *Federal Register*.

Family members who do not claim to be citizens, nationals or eligible immigrants, or whose status cannot be confirmed, must be listed on a statement of non-eligible members and the head of the household must sign the list.

Noncitizen students on student visas, though in the country legally, are not eligible to receive housing assistance through the public housing program, although they may be part of a "mixed" family paying a pro-rated rent if at least one family member is either a citizen or an eligible immigrant.

If no family member is determined to be either a citizen or an eligible immigrant, the family is not eligible to be admitted to public housing and must be rejected.

The family's assistance should not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, unless the family causes the delay.

If the PHA determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their unit, the family's lease should be terminated. Such family should not be eligible to be readmitted to public housing for a period of 24 months from the date of termination.

7.3.2 Verification of Eligible Immigrant Status Using the INS SAVE System

The PHA through the INS automated system, Systematic Alien Verification for Entitlements (SAVE), conducts primary verification of the immigration status of the person. The SAVE system provides the following information: Alien Registration Number, Verification Number, First Name, Last Name and Immigration Status messages.

SAVE System users can contact 1-800-467-0375 if they have any questions regarding the INS SAVE Program.

7.4 Verifying Annual Income

Verification of annual income is critical to ensure program integrity and is used to determine program eligibility, award preference (if applicable) and determine income-based rents. PHAs need a good understanding of what constitutes income (See Chapter 10, Income and Program Rents) and ensure that they are consistently asking every applicant and resident for all of the required information. It is critical that PHAs not make assumptions about whether someone may or may not have a particular type of income. For example, even if there are no children in the family, a family member may be receiving child support payments resulting from back payments owed to the family member. Likewise, even very low-income families may have asset income.

- Projections of Annual Income shall be based on the best available information, with due consideration to the past year's income, current income rate and effective date; and shall include estimates for each income recipient in the family group. (24 CFR § 960.259)

- If third party written and oral verifications of employment through an applicant or resident's employer cannot be obtained, the PHA may review (and copy) pay stubs. It is good practice to require at least three months' worth of pay stubs and more may be needed if income is very erratic or the reexamination is occurring at a slow time for the individual's seasonal employment.
- The income of irregular workers should be estimated on the basis of the best information available, with consideration to earning ability and work history. Estimating the income of irregular workers is difficult at best. Some PHAs have success in requiring the resident to report actual income quarterly and adjusting the rent to reflect that actual amount (albeit one quarter behind).
- When a resident (or applicant) reports zero income, well-managed PHAs make an appointment and visit the resident in their unit to determine the likelihood of the tenant's report. If the resident has a car, a telephone, cable television, smokes, or has other evidence of some form of income, the resident should be asked about the source of income supporting cash expenditures when zero income is reported.

In some cases, the cash expenditures can be readily explained by the presence of excluded income, such as state payments for foster children cared for by the resident. If there is no excluded income, however, the PHA must determine how the resident is maintaining the observed lifestyle in the absence of income.

Many applicants and residents (and some PHA staff) may be unaware that regular contributions (including non-cash contributions) to the household must be considered income if they are not for medical expenses. For example, if someone who is not a household member pays the telephone bill or car payment every month, or buys gas, tires and insurance for the car, these contributions would be considered income for the purposes of the public housing program. Appendix VIII contains a Zero Income Form that may be used to assist in determining the actual income of a family reporting zero income.

A family budget or statement of financial responsibility may be required from the applicant. Investigations may include ordering a credit report on the resident.

PHAs encounter a certain number of applicants claiming to have no income over a substantial period of time. This is only credible if the applicant has a very simple lifestyle. PHAs must determine the source of income when the family's regular expenditures conflict with their claim of zero income.

- Overtime income should be computed in accordance with verification obtained from the employer.
- Written third-party verification (with an appropriate release) through an employer or public agency is the first form of income verification that must be attempted. Staff may update this verification by phone, with a memo to the file.
- Oral third party verification may be used if repeated efforts to obtain written third party verifications are not successful. Staff would use the employment verification form as an interview guide, note the name and title of the person interviewed, and sign and date the form.
- PHA review of information (when neither written nor oral third party verification is successful) provided by the family such as:
  - Benefit checks or award letters, such as social security or disability award statements;
  - IRS tax forms, including Form 1099, Form 1040, Form 4506 and Form 8821;
  - W-2 forms;
  - Paycheck stubs (at least three month's worth); and
  - Child support payment cancelled checks and/or award letters.

7.5 Up-Front Income Verification Techniques

HUD has implemented the use of up-front verification techniques for applicant/resident income verification to reduce the error rate in applicant and resident income reporting, verification of information by PHAs and rent calculations. The up-front verification sources available to PHAs include:

- **Tenant Assessment Sub-System**
  TASS matches Social Security and Supplemental Security Income to HUD's MTCS and TRACS databases. Information on accessing TASS can be found at www.hud.gov/reac/products/tass/tass_guide_ssi.html.

- **State Wage Information Collection Agencies (SWICAs)**
  SWICAs (often part of the State's Department of Labor) are a source of employers and reported wages. SWICAs are required to share data with PHAs on request. SWICAs may charge a fee for providing the information and the PHA may need to enter into a Memorandum of Understanding with the

SWICA for the information. For more information, see www.loc.gov/global/state/stategov.html.

- **Credit Bureau Association (CBA) Credit Reports**
  The CBA Credit Profile comes from a consumer credit database. The credit profile contains public record information, credit relationships, inquiries and demographic information. CBA reports can be used to determine credit history and ability to pay rent. Additional information may be found at www.cbainfo.com.

- **The Work Number**
  The Work Number is an automated service that provides controlled access to a national database of almost 40 million employment and income records. The information should be provided to PHAs at no cost, but the turnaround time can be longer than the fee-for-service credit reports. Additional information may be found at www.theworknumber.com.

- **Internal Revenue Service (IRS) Letter 1722**
  The tax account listing shows the applicant/tenant filing status, exemptions claimed, adjusted gross income, taxable income, taxes paid, etc. Individuals may obtain their own listing by calling the IRS at 1-800-829-1040. PHAs can inform residents that this would be an acceptable form of third party verification.

7.6 Limitations on Verifications Related to Disabilities and Medical Information

In general, PHAs are not permitted to inquire about and should not verify detailed information related to the nature or extent of anyone's disability or medical history. The PHA is permitted to require verification of the presence of a disability that meets the Federal definitions before extending the special rights and protections guaranteed to persons with disabilities. Verified receipt of social security or SSI disability payments document the disability of a family member on whose behalf the payments are made, but persons who do not receive such payments may also qualify as persons with disabilities. A sample verification form is provided in Appendix VIII.

The rights and protections to persons with disabilities include providing units with special features or modifying units, buildings or programs to make them accessible, and providing reasonable accommodations in the way the PHA's programs are operated. Applicants or residents with disabilities have the right to withhold the fact that they have a disability, but, in this case, the PHA is not required to extend the protections available to persons with disabilities.

The PHA should inquire of **all** applicants whether a unit with special features or some other accommodation in processing is needed because of a disability. Appendix VIII contains a form the applicant may complete regarding the need for special features. In this instance, the PHA would verify the presence of a disability and whether the special unit features requested by the applicant were needed.

Similarly, if an applicant or resident requests a Disability Expense Deduction for rent computation, the PHA would verify the presence of a disability, whether the expense claimed is needed to permit a family member (including the family member with the disability) to work, and the annual amount of the deduction claimed.

When a PHA is performing screening, it typically examines the housing histories of applicants for the past three to five years. As a general rule, this is a good practice. The PHA should, however, permit applicants with disabilities who have spent some or all of the past three to five years in medical facilities receiving treatment to provide only third-party verification of the dates (beginning to end) when they were receiving treatment and were not living in housing. The term "medical facilities" means hospitals, clinics or other institutions whose primary purpose is medical or clinical care. The term does not include halfway houses, group homes, transitional living facilities, or assisted living facilities, which are primarily housing facilities that might include a service component.

Persons treated in medical facilities may not be required to document the nature of the condition for which they were being treated, nor may they be required to divulge any other medical information, including the name of the medical treatment facility.

Since medical treatment facilities are not equivalent to housing, there being no rent charged, no responsibility for unit maintenance, no opportunity to engage in

criminal conduct, and no lease in effect, the housing provider loses nothing by not being able to verify future lease compliance through medical facilities.

PHAs may require an applicant to provide other verification of ability to comply with the essential provisions of the lease, if the applicant verifies only the dates during which the applicant was in a medical facility and the period covered by the medical treatment is recent or of significant duration.

Other verification of ability to comply with the essential provisions of the lease might include proof of financial responsibility (making a regular monthly payment other than rent), some demonstration of ability to care for property or proof of training in how to care for an apartment, verification that the applicant is not engaged in criminal activity, and other documented evidence that the applicant can comply with the housing authority's lease. A PHA is not required to offer housing to an applicant who is unwilling or unable to provide documentation of ability to comply with the essential obligations of the lease.

Another instance in which verification of information related to a disability would be permitted relates to the PHA's consideration of mitigating circumstances during screening. Nothing would prohibit the PHA from seeking verification of medical information presented by an applicant with disabilities who would otherwise be unable to comply with the tenant selection criteria. Such medical information is usually offered either to explain mitigating circumstances or in seeking a reasonable accommodation.

For example, if an applicant had a poor rental history but stated that the previous history was caused by a disability that is now being successfully treated, the PHA would be permitted to verify that:

- the applicant did, in fact, have a disability; and
- the former problems were caused by the disability; and
- the present treatment can reasonably be expected to prevent the recurrence of the problems.

The PHA would neither need nor be permitted to ask for the applicant's diagnosis, description of treatment or medication or other information about the nature or extent of the disability.

If an applicant's former housing problems were due to the applicant's resisting or refusing treatment, the PHA would be justified in verifying whether the applicant would be reasonably likely to continue with the current treatment. In this instance it still would not be necessary for the PHA to obtain medical information beyond verifying the applicant's assertions about the reasons for past problems, the likelihood of continuing treatment and that the treatment will remedy the problem.

People in Recovery: A difficult issue in verification is that raised by applicants whose history suggests that they may be users of illegal drugs, but who are claiming to be in recovery or rehabilitated. No PHA may admit a current user of illegal drugs, both because the law forbids such admissions and because of the potential for attracting drug-related crime. The Fair Housing Act explicitly states that current users of illegal drugs are not a protected class and permits providers to reject such applicants.

At the same time PHAs should not engage in screening that excludes **former** users of illegal drugs (people in recovery). Former users in recovery whose housing histories reveal no problems that would point to future lease compliance problems are typically admitted to public housing because, very often, screening staff are unaware of the applicants' status as former substance abusers.

The PHA may request information from a drug abuse treatment facility only if the PHA has adopted one of the following policies:

- The PHA submits a request for information to a drug abuse treatment facility for all families before admission to pubic housing; or
- The PHA submits a request to a drug abuse treatment facility only for those applicant family members:
  - whose criminal record indicates a prior arrest 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 the destruction of property, engaged in violent activity against another person, or interfered with the right of peaceful enjoyment of the premises of other residents.

The PHA may require an applicant to document that he or she is in recovery if objective evidence (such as statements of the applicant or landlord, home visit reports, police reports, or claims by the applicant seeking consideration of

mitigating circumstances) raises a question about whether the applicant is a current user of illegal drugs. The final report of the Occupancy Task Force suggested that documentation that an applicant is not illegally using a controlled substance could include:

- Verification from a reliable drug treatment counselor or program administrator stating that the applicant is in treatment, complying with the requirements of the treatment program and not currently using a controlled substance;
- Verification from a self help program (e.g. Narcotics Anonymous) stating that the applicant is participating in their program, how long the applicant has been participating, and is not currently using a controlled substance (many chapters of Narcotics Anonymous refuse to provide verifications);
- Verification from a probation or parole officer that the applicant has met or is meeting the terms of probation or parole and with respect to illegal use of a controlled substance, since often probation or parole terms include substance abuse testing; or
- A voluntary interview with a substance-abuse screening team made up of local professionals.

If none of these types of verification produce documentation that the applicant is not a current user of illegal drugs when there is significant evidence to suggest that to be the case, the PHA must reject the application.

Alcohol Abuse and Screening: The questions about alcohol abuse and screening are different from those posed by illegal drug use. Alcohol is a legal drug, so simple use or even quiet abuse of alcohol is not grounds for rejecting an applicant unless the use or pattern of abuse of alcohol results in behavior that would interfere with the health, safety or right to peaceful enjoyment of the premises by other residents. An applicant who is an alcoholic must meet the same screening criteria as any other applicant. If an applicant's housing history demonstrates behavior that would be a lease violation, screening staff would have grounds to reject the application, whether or not the behavior were related to the applicant's alcoholism.

On the other hand, if screening revealed past tenancy problems, but the applicant asserted that those problems had been caused by alcohol abuse that was no longer occurring, staff would verify the applicant's assertions. This would entail several steps:

- first, verifying that the negative behavior was, in fact, caused by alcohol abuse;
- next, documenting (using methods similar to those described above for former users of illegal drugs) that the applicant was no longer abusing alcohol; and finally,
- examining the applicant's housing history since entering recovery to ensure that no other screening problems still exist.

The point is that the PHA examines each applicant's behavior, not his or her alcoholism. Some people who abuse alcohol damage their own health but still never engage in behavior that would violate the lease.

7.7 Verifying Applicant Selection Criteria

As described in Chapter 4, the purpose of screening is to avoid admitting an applicant who will not honor the public housing lease. Verification standards for screening are the same as those for verifying income, preferences and other aspects of qualification for public housing. That is, third party written verifications are the preferred form of verification and other methods should be used only when third party written verification cannot be obtained.

Listed below are the approaches to verifying every applicant's performance relative to various aspects of lease compliance. All the forms referenced are provided in Appendix VIII.

7.7.1 Verifying Past Performance Meeting Financial Obligations, Especially Rent and Utilities: (See 24 CFR 960.203 (c) (1))

If the applicant is currently leasing from a private landlord, this aspect of tenant history should be documented by first obtaining written third party verification from the current landlord and at least one prior landlord and utility suppliers (if applicable).

The Landlord Verification Form (Appendix VII) can be used to gather information about past performance meeting rental obligations. The Utility Verification Form (Appendix VIII) can be used to collect utility history.

- If verification of timely rental payments (and utility payments, if applicable) are received from landlord(s) and utility suppliers, no further documentation of

past performance meeting financial obligations, especially rent, need be collected.

- If the applicant has no landlord reference (e.g. because of living with friends or family or in an institution or shelter) or if the landlord reference is ambiguous, an alternative method of verifying ability to meet financial obligations is a credit check on the applicant. In addition, the PHA may check court records for evidence of evictions or judgments against the applicant. The purpose of these checks is to obtain information on the applicant's past history of meeting financial obligations and future ability to make timely rent payments.
- In the absence of credible landlord references with respect to past performance meeting rental obligations, in addition to the credit check, the PHA should contact the current housing provider with a request that someone with knowledge of the applicant's behavior and abilities complete the PHA Verification of Ability to Comply with Lease Terms Form (Appendix VIII)[32]. This form would be used only for applicants without landlords or without credible landlord references.

Staff may also use the Checklist: Ability to Comply with Lease Terms (Appendix VIII) for interviews with applicants without landlords.

If the PHA personnel have questions about information received, they may contact the former housing provider in order to get reliable and credible documentation.

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[32] This applies to applicants who are living with friends or relatives, applicants coming from institutions or shelters, and applicants with no housing at all. In order to get a complete enough picture of the applicant to make an informed decision about admission or rejection, PHA may have to ask a number of individuals or institutions about the applicant. The questions asked should all be about the applicant's past history of lease compliance and the applicant's future ability and willingness to abide by the terms of the PHA's lease. To ensure that persons contacted really understand the questions the PHA is asking, it may be necessary for PHA staff to make a one-page summary of the key aspects of the PHA's lease to share with verification sources. The PHA staff must consider the credibility of the sources. Friends, family, institutions and shelters may very well have a vested interest in seeing the applicant move to the PHA. Conversely, some institutions will underestimate applicant's abilities simply because applicant's responsibilities in the institutions are so limited.

7.7.2 Verifying Disturbance of Neighbors, Destruction of Property, or Living or Housekeeping Habits that Would Pose a Threat to Other Tenants (See 24 CFR § 960.203(c)(2))

The PHA can check for these potential problems with the current landlord and at least one former landlord using the PHA Landlord Verification Form (Appendix VIII)

- In addition to checking with landlords, many well-managed PHAs make a home visit to some or all eligible applicants to verify whether an applicant disturbs neighbors, destroys property or has living or housekeeping habits that would pose a threat to other tenants. If it is not feasible or too expensive to make home visits to all applicants[33], a cost effective approach is for the PHA to visit only applicants that have passed the criminal history check and either do not have landlord references or have incomplete or questionable landlord references (either very good or very bad landlord references would not necessarily require a home visit, since, in the former case the applicant would pass and in the latter case the applicant would fail).

To avoid possible bias, all staff performing home visits should be trained to recognize and document properly what constitutes an unacceptable condition and apply standards equitably. Staff should note the difference between damage to the current residence that has been caused by the applicant, as opposed to substandard conditions in the unit that are the responsibility of the landlord. Applicants would be notified of home visits at least two days in advance. The PHA staff may use the PHA Home Visit Form (Appendix VIII).

To help overcome individual differences in inspectors, any inspection form should ask for a description of unacceptable conditions. The inspector should give a succinct but complete report of exactly what conditions warrant an unsatisfactory rating. For example: "Dirty dishes piled on the table and counters, dirt and food on the floor, stove and refrigerator very dirty, noticeable odor and roach infestation."

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[33] If home visits are not used to screen all applicants, the PHA's ACOP should describe the policy on which applicants will be visited in order to ensure equal treatment.

If the applicant is not currently living under a lease with a landlord, the current housing provider should be asked to verify the applicant's ability to comply with PHA lease terms as it relates to this criterion. Any area for which the applicant has upkeep responsibility should be inspected.

- The PHA Police Record Verification Form (Appendix VIII) or criminal history reports from police departments may be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest.

- An applicant's behavior toward PHA staff should be considered in relation to future behavior toward neighbors. Physical or verbal abuse or threats by an applicant toward PHA staff should be noted in the file and may be the basis on which the applicant is denied housing.

7.7.3 Screening for a History of Criminal Activity on the Part of Any Applicant Family Member that Would Adversely Affect the Health, Safety or Welfare of Other Tenants (24 CFR § 960.203(c)(3))

Screening for a history of criminal activity is used for both eligibility and screening determinations. Involvement in criminal activity by any member of an applicant family that would adversely affect the health, safety or welfare of other tenants or drug related criminal activity could be verified using either the PHA Police Record Verification Form (Appendix VIII) or police reports. In addition, the current or former landlord should be asked to indicate problems in this area during the applicant's tenancy.

- The PHA is directed by 24 CFR 5.903 and 24 CFR 960.204 to check all applicants' history of criminal activity. The PHA Police Record Verification Form lists types of offenses that might be problematic in a public housing setting. To summarize, the PHA should be looking for history of crimes that would result in denial for eligibility or demonstrate lease violations if they were committed by a public housing resident. There are a wide variety of other crimes (embezzlement, for example) that cannot be claimed to adversely affect the health, safety or welfare of the PHA's residents.

The PHA Police Record Verification Form requests information about all adult family members. This is important, since it is not uncommon for the head of household to be a model citizen, but to have an adult son or daughter engaged in criminal activity.

It is important for the PHA to understand what information is provided by the local police or law enforcement jurisdiction. In some areas, city police departments do not provide information to county sheriffs and local criminal information – especially misdemeanors – may not be provided to the state or national criminal databases. PHAs should, at a minimum, obtain the criminal history from all jurisdictions where the family has lived for the past three years.

If there are any costs associated with obtaining a criminal history (or any other screening information) from local, State or Federal sources, the PHA may not pass these costs along to the applicant.

7.7.4 A Record of Eviction From Housing or Termination From Residential Programs

Staff should use PHA records, landlord records, other court records, credit checks or other record services to verify whether the applicants has been evicted from the PHA, any other assisted housing, or any other property in the period of time used for such reviews.

- In looking at past records of eviction or program termination, the PHA should carefully review the facts. An applicant evicted for non-payment of rent when his rent burden was 70 percent of income cannot necessarily be rejected, since he would better be able to pay the PHA rent, but an applicant evicted from subsidized housing for failure to pay rent may be unsuccessful in public housing, where the rent would be an equivalent percent of income.
- The PHA should ascertain the family's income and composition at the time of eviction or program termination, the grounds for evictions and the facts of the eviction itself.
- Record of termination from residential programs should be checked with police, service agencies and with any housing providers (but not strictly medical facilities) referred by the applicant.
- The PHA is advised not to assume that facts related to former tenancy apply to an applicant, individual or group, if the new lessee is someone other than the

former lessee. The PHA for the rental delinquency or other problems of the former lessee should hold the applicant accountable only if the applicant or other members of the applicant's household contributed to the cause of the involuntary termination as adults, listed on the PHA lease.

- Staff would consider the date and circumstances of any past eviction or termination in determining its relevance to PHA tenancy.

7.7.5 Ability and Willingness to Comply With the Terms of the PHA Lease

If an applicant is able to document that he or she is complying with PHA lease terms in current and former residences through a combination of landlord references and other documentation, this criterion is satisfied. Ability to comply with PHA lease terms should be checked only in the absence of satisfactory landlord's documentation.

- Some PHAs have made a practice of a separate type of check for ability to comply with lease terms for all applicants who are over 62 or have disabilities. This is neither sensible nor legal. If any applicant can demonstrate a satisfactory history of lease compliance in prior and current housing, there is no reason to assume that the applicant will suddenly lapse into habits in public housing that violate the lease. This "presumption of disability" is a way of labeling people based on their membership in a category ("the elderly", "people with disabilities") rather than on their individual attributes. Instead, the PHA should focus their efforts in this area on applicants who cannot provide standard landlord or housing provider references of satisfactory lease compliance. This group may include some applicants from institutions, but will also include applicants living with family members and friends.
- If the applicant is currently living in a setting that does not require compliance with lease terms comparable to the lease used by the PHA (e.g. a homeless shelter), staff may send the Verification of Ability to Comply with Lease Terms form (Appendix VIII) to the housing provider. Staff may also complete the Checklist: Ability to Comply with Lease Terms (Appendix VIII).

7.8 Misrepresentation of Any Information Related to Eligibility, Award of Preference for Admission, Allowances, Family Composition or Rent

If, during the course of processing an application, it becomes evident that an applicant has falsified or otherwise misrepresented any facts about his/her current situation, history, or behavior in a way that affects eligibility, preferences, applicant selection criteria qualification, allowances, or rent, the application must be rejected. This provision should not be applied to minor mistakes that produce no benefit to the applicant.

7.9 Acceptable Forms of Verification

Documentation used as part of the verification process may include:

- Checklists completed as part of the interview process signed by the applicant and interviewer that identify information that must be verified for each family;
- Verification forms or letters completed and signed by third parties and returned directly to the PHA by fax or mail;
- Reports of interviews between PHA staff and verification sources;
- Letters to the PHA from third party sources or copies of letters to the applicant or resident from the third party sources;
- Copies of documents provided by the applicant such as birth certificates, social security cards, drivers licenses or other proof of identity; and
- Notes of telephone or in-person conversations with reliable sources. At a minimum, such reports should indicate the date of the conversation, source of the information, name and job title of the individual contacted, and a written summary of the information received.

7.10 Duration of Acceptable Verification

While there is no regulatory limit on the acceptable age of verifications in the public housing program, PHAs historically use only verified information that is less than 90 days old for admissions or recertification. Verified information obtained after application intake that is less than 90 days old need not be re-

verified. Verifications may be extended for an additional 30 days with a telephone update. (A record of the update, including the name and title of the individual contacted, must be placed in the applicant's file.) Verified information not subject to change (such as a person's date and place of birth) need not be re-verified.

Information obtained that is subject to change, and for which verifications are more than 90 days old, should be re-verified. HUD requires that verification forms to support the PHA's admission decisions be placed in the applicant (and, subsequently, the tenant) files. Information that is subject to change, such as income, assets, family composition, etc. should be verified close to certification or recertification. Preferences must be verified once, just before admission. It is up to the PHA to decide the acceptable term of the verification and whether re-verifications are needed.

7.11 File Documentation

Each applicant and tenant file must contain verification of the information listed below:

- Names, relationship to head, birth date, social security number and citizenship or eligible immigrant status of all family members;
- Names, status in the household, birth date, social security number and citizenship or eligible immigrant status of Live-in Aides and foster children;
- Amount and source of income of all family members;
- Net Family Assets;
- Deductions from income (for rent computation);
- Rent computation;
- Admission preferences (if any);
- Screening information (tenant history, credit history, home visit record, verification of criminal history); and
- HUD 50058 form.

The PHA must establish a system of records management that ensure that any criminal record received by the PHA is (1) maintained confidentially; (2) not misused or improperly disseminated; and (3) destroyed once the purpose for which the record was requested has been accomplished. Criminal Records must <u>not</u> be filed in the applicant or tenant files. Instead, the file should document that a

criminal background check was conducted, that the applicant passed the check or did not pass the check, and the source of the information. Criminal background record checks should be retained separately from the applicant file for those applicants denied housing until the expiration of the period for requesting an informal hearing to challenge to the PHA's decision. The records should be destroyed at the expiration of the period or at the conclusion of the informal hearing or any litigation.

The PHA also must establish a system of records management that ensures that any information the PHA receives from a drug abuse treatment facility about a person is (1) maintained confidentially; (2) not misused or improperly disseminated; and (3) destroyed not later than 5 business days after the PHA makes the final decision to admit the person to public housing; or (4) destroyed following expiration of the period for filing a challenge to a PHA decision to deny housing or at the conclusion of litigation. These records must never be retained in the applicant or tenant file, but must be retained separately and securely.

7.12 Income Matching (Reserved)

8. Tenant Selection and Assignment Plan

8.0 Overview

The Tenant Selection and Assignment Plan, or TSAP, was established after the passage of the 1964 Civil Rights Act as a plan for selection of applicants and assignment of dwelling units to assure equal opportunity and nondiscrimination on the grounds of race, color or national origin. As civil rights protections have been expanded, the TSAP now ensures such rights to persons based on their religion, sex, disability and familial status as well.

The TSAP is the only part of the Admissions and Continued Occupancy Policy (ACOP) that requires advance HUD approval for revision. Specifically, HUD's Office of Fair Housing and Equal Opportunity must review and approve any changes to the TSAP, since this is the part of a PHA's occupancy operation most closely related to where families live. Each PHA's TSAP must address the following aspects of applicant selection and unit assignment:

- Whether the PHA will operate community-wide or site-based waiting lists or some combination of the two;
- How the PHA determines which unit to offer to an applicant when more than one unit of the right size and type is available for lease;
- How many offers of housing an applicant may refuse without good cause before being dropped from the waiting list or dropped to the bottom of the waiting list;
- The length of time an applicant is given to consider a unit offer;
- What is considered good cause for refusing a unit offer;
- How applicants may be removed from the waiting list; and
- The situations when resident transfers take priority over offers to applicants.

Although the TSAP does not contain the PHA's preference system, it requires that the PHA adhere to the duly adopted system in the offer and assignment of units. This chapter provides guidance on elements included in the PHA's TSAP.

8.1 Unit Offers to Applicants

There are two "pre-approved" approaches to unit offers – Plan A and Plan B. Plan A is a one-offer system and Plan B provides for up to three offers. There are advantages and disadvantages to both approaches.

8.1.1 Plan A: One Unit Offer

Under Plan A, the applicant first in sequence on the waiting sub-list is offered a unit of the size and type appropriate to the applicant's needs. If the applicant refuses the offer without good cause, the applicant shall either be dropped to the bottom of the waiting list or removed from the waiting list, whichever the PHA's policy requires.

8.1.2 Plan B: Two or Three Unit Offers

Under Plan B, the number and location of offers an applicant receives relates to the number of vacant units at the PHA's developments. The term *location* in this context does not necessarily mean a development. If two or more developments are adjacent or within one block of each other, they shall be considered one location for the purpose of offers under this Plan.

- If there is a suitable (right size and type) unit available at more than one location, the applicant is offered a unit at the location with the most vacancies. If the applicant refuses the first offer, the applicant is offered a unit at the location with the second greatest number of vacancies. If the applicant refuses the second offer, the applicant is offered a unit at a third location. If the applicant refuses the third offer without good cause, the applicant is dropped to the bottom of the waiting list or removed from the waiting list, whichever the PHA's policy requires. The three offers must be made in sequence and the applicant must refuse one offer before another may be made.
- If there are only two locations with suitable vacant units, the applicant is offered a unit at the location with the most vacancies. If the applicant refuses the first offer, the applicant is offered a unit at the location with the second greatest number of vacancies. If the applicant refuses the second offer without good cause, the applicant is dropped to the bottom of the waiting list or removed from the waiting list, whichever the PHA's policy requires. The two

offers must be made in sequence and the applicant must refuse one offer before another may be made.

- If there is only one location at which suitable units are available (e.g. only one development has units that are large enough), the applicant is offered a unit at that location. If the applicant refuses the offer, the applicant is offered a second unit at that location when it becomes available. If the applicant refuses the second offer without good cause, the applicant shall either be dropped to the bottom of the waiting list or removed from the waiting list, whichever the PHA's policy requires.

8.2 Comparison of Plan A and Plan B

Plan A and Plan B were developed before PHAs were permitted to operate site-based waiting lists. There is no reason for any PHA to have Plan B if they have site-based waiting lists, since applicants would only receive offers at developments where they have previously requested to be listed.

PHAs that still operate community-wide waiting lists can compare the two Plans:

- Under Plan A:
  - Each applicant gets one offer.
  - Applicants have an incentive to accept the unit offered.
  - Unless the applicant has good cause for refusing the offer, the applicant must accept it or be dropped to the bottom of or off the waiting list.
  - The amount of time spent making offers to any applicant is limited to the time it takes to make one offer.
  - The PHA's record-keeping is limited to the offer made, whether it is accepted or refused, and whether the applicant has good cause for refusal (and is entitled to another offer).
  - If PHAs have short waiting lists, applicants may refuse offers and simply wait until they arrive back at the top of the list in hopes of receiving an offer they prefer.

- Under Plan B:
  - Applicants have greater choice of units;
  - Occupancy staff must keep track of vacancies by location at all times to ensure the proper order of offers;

- This plan is less effective at very small housing authorities with few locations;
- It is very difficult to lease units at locations with high vacancies, since applicants can refuse offers of these units with impunity;
- Plan B can take three times as long as Plan A to actually lease units, since each applicant receives up to three offers, the offers must be in sequence and subsequent offers cannot be made until an applicant refuses the first and second offers;
- Plan B can permit applicant to self segregate; and
- Use of Plan B can increase a PHA's leasing time and turnaround time.

8.3 Community-Wide and Site-Based Waiting Lists

These two waiting list approaches and the requirements that must be met for HUD approval of site-based waiting lists are discussed in Chapter 3. PHAs approved for site-based lists have no need of Plan B, since applicants have full choice of locations. There are some important considerations for which a PHA must plan in the conversion to site-based operations.

- If the PHA permits applicants to choose more than one location, the PHA must make sure the applicant receives no more than one offer, not one offer at each location. A method must remove an applicant from other lists once he/she receives an offer.
- If the site-based lists are actually staffed and operated at the PHA's sites, rather than centrally, the PHA must ensure that every aspect of the process is conducted in a uniform manner to prevent disparate treatment.
- At a minimum, the criminal history screening function must continue to be centralized to comply with the records management requirements of 24 CFR § 5.903 (g);

- The management of the site-based waiting list must be fully auditable. That is, it must be possible to review the records and be certain that at every site the waiting list is ordered in accordance with the PHA's ACOP and that unit offers are made in accordance with its TSAP.

To ensure that filling vacant units occurs in a timely manner, it is necessary to have a waiting list that is complete and accurate. While it is the responsibility of each applicant to keep the PHA apprised of any changes in his/her address, phone number, family income or other family circumstances, no applicant on the waiting list, now or in the future, shall be removed from the waiting list except when one of the following situations occurs:

1. The applicant receives and accepts an offer of housing;
2. The applicant requests that his/her name be removed from the waiting list;
3. The applicant is rejected, either because he/she is ineligible for public housing at the time of examination, or because he/she fails to meet the applicant selection criteria 1; or
4. The application is withdrawn because the PHA attempted to contact the applicant for an annual waiting list update, to schedule a meeting or interview, to offer or show a unit, or for some other reason, and was unable to contact the applicant.
5. Persons who fail to respond to PHA attempts to contact them because of situations related to a disability shall be entitled to reasonable accommodation, provided that the situation can be verified to be related to a disability. In such circumstances PHA shall reinstate these individuals to their former waiting list positions.
6. Families whose applications are withdrawn or rejected as described above can only be placed on the waiting list again by applying for housing at a time that the waiting list is open. Families whose applications were withdrawn for refusing unit offers without good cause may not reapply for months. In these cases, they will have a new date and time of application.

8.4 Due Process Rights for Applicants

Applications can be removed from the waiting list only when an applicant accepts an offer of housing, the applicant asks to be removed from the list, the application is withdrawn, the applicant is rejected because the applicant is either ineligible or fails screening, or the applicant refuses a unit offer. This process is described in greater detail in Chapter 4.9. Sample wording for a TSAP is found in the box on the previous page and in the sample ACOP in Appendix III.

8.5 Good Causes for Applicant Refusal of Unit Offer

There are two types of "good cause" refusals of unit offers, under which an applicant would not be dropped to the bottom of or off the waiting list. The first example is when an applicant is willing to move but is unable to do so at the time of the unit offer (e.g. the applicant is in traction in the hospital or is serving on a sequestered jury). The second type of good cause refusal occurs when an applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. Examples of this hardship include the following:

- The unit is not ready for move-in at the time of the offer of housing. "Ready for move-in" means the unit has no Uniform Property Condition Survey deficiencies and is broom clean. If an applicant refuses a unit because it is not ready for move-in, the applicant should be offered the next unit that **is** ready for move-in;
- Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities[34], so that accepting the unit offer would require the 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 PHA's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family must offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. 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 (each 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;

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[34] If the applicant has a child participating in such a program.

- The unit has lead-based paint and the family includes children under the age of seven; or
- An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing.

The applicant must be able to document that the hardship claimed is good cause for refusing an offer of housing. If good cause is verified, the refusal of the offer shall not require that the applicant be dropped to the bottom of the waiting list or otherwise affect the family's position on the waiting list. (In effect, the family's application should remain at the top of the waiting list until the family receives an offer for which they have no good cause refusal.)

PHAs records of units offered, including location, date, and circumstances of each offer, and each acceptance or refusal, including the reason for the refusal are subject to audit.

8.6 Determining Which Unit to Offer When More Than One Is Available

The TSAP must specify which unit should be offered when there is more than one unit of the appropriate size and type available. Most PHAs offer the unit that has been ready the longest. This keeps turnaround time to a minimum, and will work regardless of whether the PHA has Plan A or Plan B, community-wide or site-based waiting lists.

8.7 UFAS Accessible or Adaptable Dwelling Units

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

- First, to a current occupant of another unit of the same development, or other public housing developments under the PHA's control, having a disability that requires the special features of the vacant unit (in effect, a transfer of the occupant with disabilities from a non-adapted unit to the vacant accessible/adapted unit).
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

- When offering an accessible/adaptable unit to a non-disabled applicant, the PHA must require the applicant to sign an agreement to move to an available non-accessible unit within 30 days when either a current resident or an applicant with a disability needs the unit. This requirement is also reflected in the lease agreement signed with the applicant.

8.8 Leasing and Occupancy of Dwelling Units

This section of the TSAP should describe the PHA's method of application processing and leasing.

Generally, PHA applications for admission and transfer are processed centrally. Initial intake, waiting list management, screening, and assigning of housing (including transfers) are made from the central office. Offers may be made in person, in writing or by phone from the central office or the development.

If the PHA intends to decentralize any aspect of occupancy operations, it should develop written standards applicable to all staff or contractors who will carry out occupancy operations. Every individual with such responsibilities must be well versed in the details of the entire Admissions and Continued Occupancy Policy and the Tenant Selection and Assignment Plan. The PHA is ultimately responsible for fair and uniform compliance with all its policies regardless of how those policies are carried out.

8.9 Transfers of Tenants

The TSAP must clearly describe the instances in which transfers of current residents will take precedence over admissions of applicants. These situations may include, for example:

- Emergencies;
- Serious problems at unit or site;
- Demolition, disposition or rehabilitation of unit;
- Reasonable accommodation;
- Occupancy Standards; and
- Incentive to residents with good tenant histories.

The specific definitions of each type of transfer are covered in Chapter 11, Transfers.

Residents on the transfer list may refuse transfer offers for the "good cause" reasons cited above without losing their position on the transfer list.

Residents who refuse a transfer offer without good cause may be removed from the transfer list and tenants whose transfers are mandatory are subject to lease termination. Residents are entitled to use the PHA Grievance Procedure if they are refused the right to transfer or if PHA is requiring them to transfer and they do not want to do so.

9. Leasing Requirements

9.0 Overview

A public housing resident may occupy a public housing unit pursuant only to a lease that meets certain requirements. The public housing lease is a legal contract between a Housing Authority and a resident. The lease establishes the PHA's obligations to its residents as well as the obligations of the residents to the Housing Authority. Much of the lease is governed by the HUD regulations at 24 CFR Part 966. In addition, PHA leases must comply with the requirements of state Landlord-Tenant law, except where HUD regulations are stricter. This chapter provides practical guidance on the various elements of the leasing process for the PHA. (See Chapter 17, General Public Housing Lease Requirements, for further guidance related to the requirements for the lease document.)

9.1 General Leasing Policy

There are several general requirements related to the leasing process, including who must sign the lease and the process of reviewing the terms of the lease with the household. The lease must be signed by the head of the household (as well as spouse, if applicable) and the Executive Director (or designee) of the housing authority prior to admission. Many PHAs require all other adult members of the family accepted as residents to execute the lease because in some states lease enforcement actions may only be brought against individuals who have signed the lease.

Before the family executes the lease, either occupancy staff or the housing manager should review the terms of the lease with the resident and answer any questions new residents may have before its execution. Staff should be sensitive to any special communications needs of new residents with disabilities. Whenever possible, all the adult members of the household should be present during the review of the lease. A copy of the signed lease must be provided to the resident and a second copy must be maintained in the resident's file.

9.2 Move-in Inspections

The lease should not be signed until the dwelling unit has been inspected and documented to be in safe, decent and sanitary condition. When an applicant accepts a unit, the PHA conducts a pre-occupancy or move-in inspection with the resident or a representative of the resident. The PHA must provide the resident with a written statement or form noting the conditions of the dwelling unit and the equipment or appliances provided with the unit. Many Housing Authorities conduct the pre-occupancy inspection using HUD's Uniform Property Condition Survey, however, PHAs may develop their own form to document the condition of the dwelling unit prior to leasing.

Any defects discovered during the move-in inspection should be corrected within 30 days of move-in. Applicants have the right to refuse a unit with serious defects as a good cause refusal (meaning that they do not lose their position on the waiting list). Once the pre-occupancy inspection is completed, the PHA and the new tenant sign the inspection form and a copy is placed in the tenant's file. Assuming the unit is accepted by the applicant, the pre-occupancy inspection form provides a written record to compare the unit's condition at the beginning of occupancy, during occupancy, and at the termination of tenancy. Some PHAs take also photographs of units just prior to move-in to provide further documentation of their condition.

9.3 Additions to the Household

Prior to leasing, families should be informed that only those persons listed on the most recent certification form and lease shall be permitted to occupy the dwelling unit. The lease must require that the family request PHA approval of additional household members other than by birth, adoption or custody of a child in which case the family must notify the PHA of this event. (See 24 CFR § 966.4)

9.4 Family Sizes and the Transfer Requirement

The lease must require the tenant to agree to transfer to an appropriate size dwelling unit based on family composition upon notice by the PHA that such a unit is available. In this situation, the PHA would provide a written notice to the

household and then transfer the household under a new lease to a different dwelling unit of the appropriate size or design.

PHAs may adopt policies that address the occupancy of public housing units by foster children or live-in aides and identify the conditions under which the PHA would approve or disapprove these requests. Examples include:

- A PHA may establish a time frame (e.g. 30 days) for the PHA to approve the resident's written request. If the PHA does not respond within the established time frame, the request is automatically approved;
- A PHA can permit an adult to join the household as a new head of household after the death or departure of the head (as long as the new head of household can pass screening requirements); and
- A PHA may charge the new head of household for any arrears incurred by the former head of household.

9.5 Visitors, Guests and Unauthorized Occupants

Residents of any public housing community have the right to receive visitors and guests at their homes if they follow the policies established by the PHA for this purpose. The head of household is responsible for the conduct of their visitors and guests just as they are for the members of their own household. This includes guests' behavior inside the unit as well as anywhere on or near the PHA's premises. Thus, a guest's behavior could, if it violated the lease, cause serious problems for a resident, up to and including eviction.

The PHA will consider unauthorized occupants to be trespassers. The family in tenancy that allows an unauthorized occupant in their unit is not in compliance with the lease and is subject to termination of tenancy. Some examples of unauthorized occupants include:

- A former resident of the PHA who has been evicted from a PHA development;
- Family members over age 17 or emancipated minors who move from the dwelling unit to establish new households;
- Persons that have joined the household without undergoing screening;
- Persons that stay in the unit beyond an authorized period;

- A person (often a relative) that came to the unit as an extended visitor because the resident needed support, for example, after a medical procedure but stayed on in the unit beyond the time needed by the resident.

10. Income and Program Rents

10.0 Overview

In the public housing program most families have historically paid a rent based on a percentage of their income. Obviously, this approach relies on a complete and correct identification of income before the rent formula is applied. The first part of this chapter presents information on annual income and adjusted income, the two types of income used to compute an income-based rent. The second part of the chapter presents information on rent, including income-based rent, minimum rent, flat rent and the earned income disallowance's effect on computing rent.

The Quality Housing Work Responsibility Act of 1998 (QHWRA) made significant changes to the income and rent policies in the public housing program. QHWRA gave residents the choice of paying either an income-based rent or a market-based "flat rent". In addition, PHAs were given more flexibility in establishing optional deductions and even changing the percentage of rent that can be charged. PHAs are permitted to establish other "reasonable rent systems to determine income-based rents", including:

- Flexibility to adopt permissive deductions from annual income to determine Adjusted Income (at the PHA's expense, since rent lost from such deductions is not compensated by increases in operating subsidy); and
- Flexibility to make revisions to the percentage of adjusted and total income paid as rent or creates some other reasonable system to determine income-based rents (so long as the resulting rent is not higher than the income-based rent using the Federal deductions and formula).

10.1 Annual Income (24 CFR § 5.609)

Annual income includes all amounts, monetary and nonmonetary[35], that go to, or on behalf of the family head or spouse (even if temporarily absent) or to any other family member or are anticipated to be received from a source outside the family in

[35] For example, regular non-cash contributions from persons not residing in the household.

the 12 months following admission or the effective date of the annual reexamination, including amounts derived from assets to which any member of the family has access that are not specifically excluded by Federal regulations.

Categories of included and excluded annual income are discussed below.

10.1.1 Amounts Included in Annual Income:

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

> PHAs must take care to verify tips, bonuses and overtime pay. The employment income verification form included in Appendix VII queries the employer about all the forms of employment income that are considered by the regulation. When a family's earned income varies significantly from one pay period to the next because of uneven numbers of hours worked or tips or overtime, many PHAs establish quarterly reexaminations of income. This approach avoids either overestimating or underestimating income.

b. 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.

> Most residents who own their own businesses keep much more detailed financial records than is otherwise typical. This can be helpful in projecting income, but newly established businesses may get off to a slow start and then produce more income in later years. PHAs should not simply review the previous year's records to document income for the coming 12 months. Changes in the local economy and many other factors may affect income from one year to the next. One way to deal with resident-owned businesses that produce irregular amounts of income is to set the family up on more frequent reexaminations than annual. If no other records are available, the business's checkbook can be used to document, for example, a quarter's income and expenses. The PHA may also be able to refer residents with businesses to free services, such as the Service Corps of Retired Executives, who can help them set up good financial records for the business.

c. 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 for straight-line depreciation. 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. If 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.

Many PHAs mistakenly do not ask about income from assets. Since banks and investment firms report this income to the IRS on 1099 forms annually, unreported asset income may result in the family's receiving a letter from HUD informing them that their income reported to the PHA does not match the income reported to the IRS. Occupancy staff needs to know how to determine 'net family assets' correctly in order to calculate income from assets correctly, including the correct application of the "cost to dispose of the assets". Net family assets are discussed in more detail below in Section 10.1.4.

d. 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 payment (except as provided in paragraph 10.1.2 under income exclusions).

This is an instance in which it is very important to know the rules. Lump-sum amounts for the delayed start of a pension or annuity are income, but the same amounts are excluded under paragraph (n) in exclusions from Annual Income, below, if they are Social Security or SSI. Note that the key to handling this provision correctly is that amounts are always included in Annual Income if they are periodic. This does not mean that they must be received every month. Some periodic income is received quarterly.

If Social Security or other periodic receipts have deductions taken out of the gross benefit (such as a garnishment of part of a social security payment), the PHA should use the gross amount of the benefit, not the net amount after the deduction.

e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided under paragraph 10.1.2 income exclusions).

This is another section that requires an appreciation of the difference between included and excluded income. Lump sum settlements from worker's compensation are excluded as income (although they are assets), while periodic payments from worker's compensation are included.

f. Welfare assistance.[36] 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:

- the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus
- 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 shall be the amount resulting from one application of the percentage.

In most states, there is no 'welfare rent', an amount specifically designated for shelter and utilities. Families simply receive a flat grant amount based on the number of family members or eligible family members. In these states, the entire welfare grant is used to compute rent. Only in 'welfare rent' states is it necessary to go through the computation of grant without housing portion plus maximum housing portion with one ratable reduction.

g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions of gifts received from organizations or from persons not residing in the dwelling.

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[36] Except see Chapter 13.5 for treatment of welfare income when a resident is sanctioned by the welfare agency for welfare fraud or failure to comply with economic self-sufficiency requirements.

Of all the forms of income that should be included in Annual Income, this one is the most often missed. One reason is that PHA staff often does not question families closely enough about periodic contributions they receive. Further, some PHAs don't understand that if a contribution is regular, it does not have to be cash. For example, if the children's grandmother (who does not live in the household) pays her daughter's telephone and cable TV bills directly to the phone and cable companies, it is income to the household. It is a regular contribution and can also be easily verified. Families who claim to have zero income (rather than having real excluded income, such as from foster care) but who have cars, cable TV, telephones, smoke cigarettes, etc. have some source of income, and the PHA should attempt to establish its value.

h. All regular pay, special pay and allowances of a member of the Armed Forces (except for hostile fire pay, which is excluded below).

Unless a member of the armed services intends to return to the public housing unit and live full-time with the family, this provision encourages them to remove themselves from the lease. Otherwise all of the service person's income is counted, not just the allotment that is sent home.

10.1.2 Amounts Excluded from Annual Income

The lists of types of income that are excluded when determining Annual Income are included below. If PHA staff are not familiar with this list and do not update it periodically, they may inadvertently include in Annual Income some type of excluded income, overcharging the resident who opts for income-based rent.

a. Income from employment of children (including foster children) under the age of 18 years;

Note that income from the employment of the family head or spouse is always included, regardless of their ages, and that the income of children excluded here is earned income. Welfare assistance or SSI paid to children is always included in Annual Income.

b. 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);

In some states, persons are not required to have other types of income to qualify as foster parents. In such a situation, it is possible that the family's entire income would be excluded, since it is for the care of foster children.

c. 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 (e) above);

This section differentiates amounts received in lump sums (which are assets and **excluded** from income) from such amounts received as periodic payments (which are **included** in Annual Income).

d. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;

Note that this exclusion is not limited to elderly and disabled families, the only families that qualify for the unreimbursed medical expense deduction from income.

e. Income of a live-in aide, as defined in section 2.2.1 on Family;

f. The full amount of student financial assistance paid directly to the student or to the educational institution;

Note that this exclusion applies to all students, not just those eligible for the dependent deduction, and that it applies not just to assistance for tuition, books or fees.

g. the special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

This is the only component of income earned by service persons on the lease that is not included in Annual Income.

h. (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 the purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Achieve Self Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-or-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.

> These exclusions are generally related to participation by resident family members in training or economic self-sufficiency programs. Note that if a resident receives a stipend in excess of $200 per month, the entire amount received is included in Annual Income.
>
> In subparagraph (v) above, the "incremental earnings" are earnings that exceed the income of the training participant before the earnings associated with the training began.

i. Temporary, nonrecurring, or sporadic income (including gifts);

> The key element that causes the exclusion of this income is that it is neither reliable nor periodic.

j. 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.

Note that some people were persecuted by the Nazis when they were children.

k. Earnings in excess of $480 for each full-time student 18 years of age or older (excluding the head of household and spouse);

Since full-time students other than the head or spouse are defined as dependents for the purposes of granting the $480 dependent deduction, this exclusion effectively eliminates earned income of such students from consideration as Annual Income.

l. Adoption assistance payments in excess of $480 per adopted child.

As with the preceding exclusion, the effect of the adoption assistance exclusion, combined with the $480 deduction, is to eliminate from Annual Income all adoption assistance.

m. Reserved

n. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts; a lump sum payment covering the period from application to determination of eligibility.

This exclusion very specifically exempts from Annual Income certain delayed benefits from social security and supplemental security income. While not Income, these lump sums are additions to assets. Includes under SSI lump sum payment from application to determination of eligibility.

o. 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;

This exclusion would apply to State homestead exemptions, for example.

p. 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

The State funds alluded to in this paragraph are paid to prevent the institutionalization of a family member.

q. 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 the above list of excluded income apply. The following list of benefits is excluded income:

- The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 [7 USC 2017 (h)];
- Payments to volunteers under the Domestic Volunteer Service Act of 1973 [42 USC 5044 (g), 5088]; Examples of programs under this Act include but are not limited to:

  the Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;

  National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs;
- Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE);
- Payments received under the Alaska Native Claims Settlement Act [43 USC.1626 (a)];
- Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes [(25 USC. 459e];
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program [42 USC 8624 (f)];
- Payments received under programs funded in whole or in part under the Job Training Partnership Act [29 USC 1552 (b)] ;
- Income derived from the disposition of funds of the Grand River Band of Ottawa Indians [Pub. L. 94-540, 90 State 2503-04];
- The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 USC 1407-08), or from funds held in trust for an Indian Tribe by the Secretary of Interior [25 USC 117b, 1407]; and

- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs [20 USC 1087 uu]. Examples of Title IV programs include but are not limited to:
- Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.
- Payments received from programs funded under Title V of the Older Americans Act of 1965 [42 USC 3056 (f)]: Examples of programs under this act include but are not limited to:
  - Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayors, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.
- Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation;
- Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 94 Stat. 1785);
- 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 USC 9858q);
- Earned income tax credit refund payments received on or after 1/1/91 (26 USC 32 (j));
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- Any allowance paid under the provisions of 38 USC 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- 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;

- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998.

10.1.3 Treatment of Assets and Determining Income from Assets

The public housing program does not have a dollar limit on the amount of assets a family can possess and still be eligible for the program, but the income produced by net family assets is counted as part of Annual Income.

10.1.4 Definition of Net Family Assets

Net family assets are the 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 lands, equity accounts in HUD homeownership programs, and necessary items of personal property such as furniture and automobiles.

Certain lump sums a family receives, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses are excluded from Annual Income but are expressly identified as additions to family assets.

> When determining the value of net family assets, do not forget to deduct the cost of disposing of the asset. If an asset is an Individual Retirement Account, for example, there will be income tax and interest penalties due in the case of early withdrawal. Likewise, if a family sells stocks or bonds, they would typically have a broker's commission to pay. Certificates of deposit have penalties for early withdrawal. Sale of real estate will typically involve a commission to the real estate agent plus various sellers' settlement costs (which will vary from state to state). If a resident has to hire an attorney to obtain, for example, an insurance settlement, the lawyer's fee would be deducted to determine the net cash value.

If a family permanently transfers assets to an irrevocable trust not under the control of any family member, the value of the trust is not included as part of the Net Family Assets. Income distributed from the trust is included in Annual Income.

An example of the above situation would be a resident family whose relatives established an irrevocable trust for the education of the children with the requirements that the funds not be used until the children each turned 18, and then only for educational purposes. If the children were under the age of eighteen when the PHA is admitting them, the funds in this sort of trust would not be considered as part of the family's net family assets.

When a family has divested assets, it is very important that the PHA take into account any costs of divestiture and keep track of the date of divestiture, since these divested assets will no longer be included in determining Annual Income two years from the date of divestiture.

If a family disposes of business or family assets for less than fair market value (including into a non-revocable trust) the PHA is required to consider the net value of those assets for two years following the date of divestiture for less than fair market value. This provision does not apply to assets divested in a foreclosure, bankruptcy, or in a divorce or separation settlement when the applicant or tenant family received some important consideration not measurable in dollar terms.

If the value of net family assets is greater than $5,000, the amount of income from assets used in determining Annual Income is the greater of

- actual income from the assets; or
- a percentage of the value of the assets based on the passbook savings rate[37] times the value of the net family assets.

A checklist is included in Appendix VIII to assist with identifying net family assets. PHAs that do not inquire about all possible assets should not be surprised if families do not understand what is included and what excluded.

10.2 Adjusted Income – Statutory Deductions

Income-based rents are calculated using adjusted income. After determining the annual income of the household a set of mandatory statutory deductions is applied.

[37] HUD Field Offices will survey local banks to determine the average passbook savings rate and will provide it to PHAs in their jurisdiction.

The statutory deductions are:

- $480 for each dependent;
- $400 for each elderly or disabled family;
- Any reasonable child care expenses necessary to enable a family member to be employed or to further his or her education; and

The sum of following items, to the extent that the sum exceeds 3 percent of Annual Income:

- unreimbursed medical expenses for any elderly or disabled family; and
- unreimbursed reasonable attendant and auxiliary apparatus expenses for each member of the family who is a person with a disability needed to enable an adult family member (including the member who is a person with disabilities) to work, but this allowance may not exceed the earned income of the family members age 18 and over who are able to work because of such attendant care of apparatus.

Each of the statutory deductions is discussed below.

10.2.1 Dependent Deduction

This $480 annual deduction is available for a member of the family (except live-in aides, foster children and foster adults who may be household members but are not family members) other than the family head or spouse, who is under 18 years of age, is a person with a disability, or is a full-time student.

There is no maximum age limit for who may qualify as a full-time student.

10.2.2 Elderly and Disabled Family Deduction

This $400 annual deduction is available to families whose head, spouse or sole member is either 62 years of age or older (elderly families), or a person with a disability (disabled families), and may include two or more such persons living together or one or more such persons living with a live-in aide.

10.2.3 Child Care Deduction

Childcare expenses are defined as the unreimbursed amounts anticipated to be paid by the family for the care of children less than 13 years of age during the period for which annual income is computed. (See 24 CFR § 5.603)

Such amounts are deductible from annual income only when the care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education.

The amount deducted must reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted may not exceed the amount of employment income that is included in annual income.

The PHA is charged with determining what is a reasonable amount, especially when the care is provided to further a family member's education. Unlike the employment related portion of the deduction, childcare costs for education purposes are not "capped" by the amount earned.

Surveying the cost of childcare in the community is a good method to determine when the PHA should cap the deduction. The survey would gather information on the cost per hour or per day per child, when daily care is needed (before school, all day, after school), whether care is available all year round, and any age limits imposed by the provider. Monthly costs can then be estimated, which are helpful in computing any cap to the annual amount of the deduction.

> If a resident claims to be paying for child care provided by an extended family member (who is not a public housing resident), the PHA may wish to verify that the child care provider is actually receiving payments by asking to review the child care provider's income tax return or cancelled checks. This prevents the resident from claiming more than is actually paid.

10.2.4 Disability Expense Deduction

This deduction covers unreimbursed costs for attendant care or auxiliary apparatus for a disabled family member. The deduction must be applied as follows:

- The reasonable attendant and auxiliary apparatus expenses must enable an adult member of the family to be employed (including the person with disabilities);
- The deduction may not exceed the earned income received by adult family members who are able to work because of the care or auxiliary apparatus;

When imposing the employment income ceiling, consider:

- If the assistance enables more than one person to be employed, the PHA must combine the incomes of those persons to determine the ceiling.
- If an auxiliary apparatus enables the person with a disability to be employed and frees another person to be employed, the allowance cannot exceed the combined incomes of those two people.

The care and apparatus deduction includes, but is not limited to, the costs associated with:

- Attendant Care: For example, in-home care, adult day care, nursing, housekeeping, personal care, and errand services, an interpreter for persons who are hearing impaired, or a reader for persons with visual disabilities.
- 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.

When calculating the amount of the deduction, include payments on a specially-equipped van to the extent they exceed the payments that would be required on a car purchased for transportation of a person who does not have a disability.

These are items that are paid for by the applicant/tenant.

Include the cost of maintenance and upkeep of any auxiliary apparatus (e.g., the veterinarian, grooming and food costs for a service animal; the cost of maintaining the equipment that is added to a car but not the cost of maintaining the entire car).

If the apparatus is NOT used exclusively by the person with a disability, the PHA may prorate the total cost and allow a specific amount to be applied toward this deduction.

If both child care **and** a disability expense are needed to enable a person(s) in the family to work, the employment income used to justify the child care allowance for employment purposes may NOT be used to also justify disability assistance allowance.

Example -- The family pays:

Child care	$100/week
Disability assistance	$100/week
Total	$200/week
The combined care enables an adult to work and earn	$150/week

The total for BOTH the disability assistance allowance and the childcare allowance for employment purposes may not exceed $150/week.

10.2.5 Unreimbursed Medical Expense Costs

This deduction is granted only to elderly or disabled families (See the definition at 10.2.2).

A wide range of unreimbursed medical expenses and services can be claimed, including, but not limited to the following, to the extent that the total medical expenses exceed 3 percent of annual income:

- Services of health care professionals and health care facilities (doctors, nurses, practical nurses, therapists, hospitals, clinics, etc.);
- Laboratory fees, X-rays and diagnostic tests, costs for blood, and oxygen;
- Medical insurance premiums (including Medicare) and the insurance deductible;
- Prescription and non-prescription medicines;
- Transportation to/from treatment including the actual cost (e.g., bus fare) or if driving by car, a mileage rate based on IRS rules or other accepted standard;
- Medical care of a permanently institutionalized family member IF his/her income is included in annual income;
- Dental treatment including fees paid to the dentist for cleaning, fluoride treatments, sealants, x-rays; fillings, braces, extractions, dentures;
- Eyeglasses and contact lenses;

- Hearing aid and batteries, wheelchair, walker, scooter, artificial limbs;
- Attendant care or periodic attendant care;
- Payments on accumulated medical bills (that will be due in the year for which annual income is computed) for the services of physicians, nurses, dentists, opticians, mental health practitioners, chiropractors Hospitals, health maintenance organizations (HMO's), out-patient medical facilities, and clinics;
- Expenses paid to an HMO;
- Purchase or rental and upkeep of equipment (e.g., where there are tenant paid utilities, the additional utility costs to the tenant because of an oxygen machine);
- Skilled, semi-skilled and unskilled nursing services;
- An assistive animal and the upkeep and care of the animal; and
- Any other medically necessary service, apparatus or medication, as documented by third party verification.

10.2.6 The 3 Percent "Deductible" for Disability and Medical Deductions

When only one deduction is present, the 3 percent is applied to that deduction.

Example: Medical only – Elderly family with no dependents.

Annual Income =	**$15,500**
3 percent of A.I. =	**$ 465**
Anticipated medical costs =	**$ 400**

$400 is less than $465, so this family receives no medical deduction. (Note: The family would receive the $400 deduction for being an elderly household.)

Example: Attendant care/apparatus only – Single person with a disability, no dependents.

This family receives a deduction of $1,935 for the assistive animal ($2,400 - $465). In addition the family will also receive the $400 deduction for being a household headed by a person with a disability.

Annual Income =	**$15,500**
3 Percent of A.I. =	**$ 465**
Assistive animal care costs =	**$ 2,400**
$2,400 is greater than	**$ 465**
Deduction =	**$ 1,935**

10.2.7 The 3 Percent "Deductible" with Both Unreimbursed Medical and Disability Expense Deductions

Families with a head or spouse who is elderly or a person with a disability may (potentially) receive both the unreimbursed medical and disability expense deductions.

Families with a member other than the head or spouse who is a person with a disability will only qualify for the disability expense deduction (and only if there is an adult member who is working).

Example: Head of household is a senior with a disability who works part time.

Annual Income =	**$15,500**
Income from employment =	**$ 6,600**
Anticipated medical costs =	**$ 400**
Assistive animal care costs =	**$ 3,000**
Total =	**$ 3,400**
The total allowed deduction =	**$2,935 ($3,400 - $465).**

This family will also receive the $400 deduction for being a household headed by a person with a disability.

Note: If there is also a dependent and childcare is needed for the head of house to work, the family will also qualify for the childcare deduction.

10.3 Adjusted Income – Permissive Deductions

Permissive Deductions (see 24 CFR § 5.611) are defined as additional, optional deductions that may be applied to annual income. If the PHA opts to use permissive deductions, it must have a written policy guiding their administration, and the deductions must be applied consistently. PHAs considering the use of

permissive deductions should apply the following considerations when developing a new deduction.

- Permissive deductions must be included in the PHA's ACOP and granted to all families that qualify for them.
- Permissive deductions should "fill in" or complement existing income exclusions and deductions.

Example: the net income of a business operation is counted in annual income. A PHA could elect to reward a family member who is starting a business and provide a deduction of $500 (or more) from the net income of any new business operation. (Such a deduction could be directly linked to Section 3 businesses.)

Permissive (and mandatory) deductions can be thought of in two ways: deductions based on need or family circumstance and deductions designed to encourage self-sufficiency or other economic purpose.

Example: Although reasonable child care expenses are already deducted from annual income when work or school are involved, a PHA could establish a permissive deduction that covers reasonable transportation cost to the child care site, or transportation cost to the site, and then to work or school.

Example: A PHA establishes a deduction for the reasonable cost of looking for work. (Self-sufficiency)

Example: A PHA could establish a deduction for a secondary wage earner.

- The financial impact of implementing the permissive deductions must be carefully evaluated prior to adoption of any policy. PHAs must be able to "afford" the deduction. The loss of rental income is NOT compensated by an increase in operating subsidy. A PHA would be wise to determine the impact on the agency's operating budget prior to any change in policy.

Example: A PHA establishes a medical deduction for families (not elderly or disabled) with extremely low incomes. (Need)

- PHAs should review the definitions of Annual Income and the statutory deductions used to calculate Adjusted Income. Does the proposed permissive deduction duplicate an income exclusion or mandatory deduction already addressed in the definitions of Annual or Adjusted Income? There is no reason to create such an unneeded deduction.

Example: A permissive deduction to exclude the amounts received for the reimbursement of medical expenses or the earned income of a full time student are of no value to the family, such amounts are already excluded from annual income.

Example: A permissive deduction for household members who are going to school or vocational training on a part-time basis is more useful. Such a deduction will offset any earned income of the part-time student whose income is otherwise counted.

The same caution on the use of permissive deductions with respect to Annual Income applies to Adjusted Income. Establishing a permissive deduction for the cost of medical insurance premiums paid by elderly or disabled families does nothing to help the family, since such costs are part of the mandatory deductions discussed earlier in this section.

10.3.1 How Deductions Affect Rent

Following is a rent calculation example for a family of five, with a head of household, spouse, and three dependents.

One dependent is a person with a disability who requires care. Two dependents are in day care. Both the head and spouse are working part time. In addition to the mandatory deductions, the PHA has instituted an optional secondary wage earner deduction of $400.

The following example is provided to illustrate the permissive deduction:

COMPONENTS OF INCOME AND RENT	Family with standard rent calculation	Same Family with permissive deduction
Annual Income: No income disallowance	$12,000	$12,000
Adjusted Income: Statutory deductions • $480/dependent X 3 • $400 does not apply • Attendant $4,000 /yr, • 3% of annual income $360 • Child care is $3,600/year	$1,440 $3,640 $3,600	$1,440 $3,640 $3,600
Initial Adjusted Income	$3,320	$3,320
Permissive deductions Secondary wage earner deduction of $400	NOT APPLIED	$400
Final Adjusted Income	$3,320	$2,920
Income-based rent @ 30%	$83.00	$73.00
Minimum Rent	$50.00	$50.00
Rent Charged	$83.00	$73.00

The above example illustrates some key points about a permissive deduction's value to family and its impact on rent:

- If rent is calculated at 30 percent of monthly-adjusted income, every $40 dollar decrease in annual income results in a $1 decrease in rent.
- The $400 permissive deduction in the above example yields a $10 decrease in rent. (At 25 percent of monthly-adjusted income, every $48 dollar decreases in annual income results in a $1 decrease in rent. See discussion below on income-based rents.)

10.3.2 Impact on PHA Operating budget

The ratios listed above are important. They can be used to isolate the impact of the deduction and then estimate the financial implications apart from any other deductions that the family may qualify for.

If the PHA has 30 families who qualify for the secondary wage earner deduction, set at $400, the cost of that deduction in terms of rent forgone is $300 per month

($10 decrease X 30 families). If this is a larger PHA with 300 families qualifying, the cost of the deduction in terms of rent forgone is $3,000 per month ($10 decrease X 300 families).

Other Considerations:

- No matter how many permissive deductions are applied, families are still required to pay the minimum rent established by the PHA.
- For higher income families who may be paying flat rent, adding permissive deductions will make the income-based rent lower and therefore more attractive as a rent choice.

Example: At $7,000 in annual income a 1 percent reduction in the percentage reduces rent from $175/month to $169/month, a $6.00 reduction.

To achieve this same reduction in rent using a fixed permissive deduction, a PHA would need to "value" the deduction at $240.

Example: At $15,000 in adjusted income, the same 1 percent reduction reduces rent from $375/month to $362/month, a $13 reduction.

The $240 deduction does not go as far for this family and produces only $6 reduction, or $369/month rent.

For this higher income family, the deduction needs to be valued at $520 to achieve the $13 reduction.

- As adjusted income increases, reducing the percentage of income charged is a more efficient way to reduce rents. A fixed deduction loses its value to the family as income increases.

10.4 Income-Based Rent and Minimum Rent

The federal formula for income-based rents provides that a family's Total Tenant Payment is the highest of:

- 10 percent of monthly income; or
- 30 percent of adjusted monthly income; or

- Welfare Rent (in States where the welfare payment includes a designated portion for housing costs)[38].

But never less than the:

- Minimum Rent.

With the exception of the minimum rent provision, this formula has been in place for nearly twenty years. Many PHA staff in non-Welfare rent states is used to assuming that thirty percent of adjusted income is the income-based rent, but for families with extremely low incomes combined with high deductions, the ten percent of monthly income rent may, in fact be higher. Most automated rent calculation programs make this comparison automatically. Appendix VIII contains a rent calculation worksheet that can be used for this purpose.

PHAs may establish a minimum rent (by Board resolution) in any amount between $0 and $50 per month. See Chapter 13 for a discussion of hardship exemptions from minimum rents.

10.4.1 How Optional Changes to Income-Based Rents Work

QHWRA has given PHAs 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 total tenant payment and statutory deductions.

- PHAs can now adjust the percentage of income used to calculate rent, it is no longer fixed at 30 percent of monthly adjusted, or 10 percent of monthly;
- PHAs can develop other reasonable systems to determine income-based rents (e.g. use of a rent schedule or sliding scale for rent based on income ranges);
- Rents calculated using different percentages or other "reasonable" systems cannot exceed total tenant payment under the regulatory formula;
- No matter what system or percentage is used, the PHA's minimum rent policy and rent choice still apply to affected families;

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38 If the family is receiving payments for welfare assistance from a public agency and part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated to meet the family's housing costs, the portion of those payments that is so designated, and, if ratably reduced from the standard of need by applying a percentage, the amount resulting from one application of the percentage.

- Once a year families can opt out of the income-based rent and pay a flat rent, or they can switch back to an income-based rent at any time under the regulation;
- Utility allowances are applied to PHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.
- Rent policies may now specify what percentage a PHA will use to determine rent or PHAs may develop other reasonable systems to determine income-based rents.
- Income-based rents are charged when minimum rents do not apply and the family does not choose flat rent.
- At the discretion of the PHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.
- Keep in mind that the PHA will not receive any additional operating subsidy to make up for deductions greater than the regulatory deductions less than total tenant payment. Before adopting optional deductions it would be wise for a PHA to see how many current residents and applicants would qualify and estimate the amount of rent lost over the course of the fiscal year.
- Rental income for purposes of operating subsidy will be based on the existing regulatory formula. This requires PHAs to assess the financial impact of any new rent policy carefully. Further, rents for any affected families must be calculated twice, once under the PHA's new policy to determine the rent charged and again to estimate rental income for operating subsidy and reporting purposes.

The following table summarizes the various components of income and rent.

THE COMPONENTS OF INCOME AND RENT

COMPONENTS	COMMENTS	CFR REFERENCE	APPLIES TO
ANNUAL INCOME (Gross income less exclusions)	Items included in income. Items excluded from annual income Disallowance (exclusion) from annual income of certain increases in earned income	**24 CFR 5.609(a) & (b)** **24 CFR 5.609 (c)** **24 CFR 960.255**	Family eligibility and rent calculations at time of admission Applies only to rent calculations for existing public housing residents
ADJUSTED INCOME	Mandatory deductions Permissive Deductions	**24 CFR 5.611 (a)** **24 CFR 5.611 (b)**	Applies to all families for rent calculations at admission and continued occupancy Applies to all or selected families per PHA policy for rent calculations
RENT CHOICE	See below	**24 CFR 960.253**	Applies to all families
INCOME-BASED RENT	Percentage of income paid, the greater of:30% of monthly adjusted 10% of monthly Welfare rent (if applicable)	**24 CFR 5.628**	Applies to all families for rent calculations Applies to all or selected families per PHA policy for rent calculations. May be modified by PHA policy
MINIMUM RENT	For public housing a minimum rent between $0 and $50 may be established	**24 CFR 5.630**	Applies to all families, amount set by PHA policy
FLAT RENTS	Based on the market rent for comparable units	**24 CFR 960.253 (b)**	Applies to all units
CEILING RENTS	Optional: Minimum is based on % of monthly operating cost	**24 CFR 960.253 (d)**	Applies to specific units, must have been in place 10/1/99 (ends in 3 years)

10.4.2 Optional Changes in the Percentage of Rent Paid

The table below shows some adjusted incomes with changes in the percentage paid for rent and the rent produced by each percentage change.

Percent of Adjusted Income Charged	Adjusted Income $7,000	Adjusted Income $10,000	Adjusted Income $15,000
30%	$175	$250	$375
29%	$169	$242	$362
28%	$163	$233	$350
27%	$157	$225	$337
26%	$152	$217	$325
25%	$146	$208	$312

Here are some examples of how a PHA policy might alter the percentage of rent paid:

Example: Extremely low-income families (30% or less of AMI) are charged a lower percentage of rent.

Example: Higher income families are charged a lower percentage of rent.

Both are examples of rent skewing by income but with very different purposes. The first example is a needs-based policy choice while the second encourages self-sufficiency efforts and income mixing.

10.4.3 Other Reasonable Systems

The choices here are limited only by the requirement that the method used not produce a tenant rent greater than the old formula amount and that the PHA can afford the reduction in operating income produced by a rent policy choices that generate less rental income.

Example: A PHA can now opt to establish rent schedules by property or agency-wide. As long as the rents produced do not exceed the tenant rent produced under the old formula. Schedules could apply to certain income ranges, be based on adjustments to the flat rents for the property, or a combination.

Note: Under any system, proposed minimum rents and rent choice still apply.

10.5 Ceiling Rents

Ceiling rents, which capped income-based rents, have been optional rather than required. Those PHAs with ceiling rents in effect at the time flat rents went into effect (October 1, 1999) were permitted to use the ceiling rents as a substitute for flat rents until September 30, 2002. The PHA policies on the use of ceiling rents were required to be established in writing in the ACOP. The institution of flat rents (under QHWRA), has changed the future function and usefulness of ceiling rents.

Some general principles concerning ceiling rents include:

- Ceiling rents could be assigned by property or agency-wide for units of certain bedroom sizes;
- PHAs that did not have ceiling rents in effect on October 1, 1999 may not implement them now;
- PHAs with ceiling rents may discontinue them at any time after providing notice to residents;
- Ceiling rents could have been based on:
  - Section 8 Fair Market Rents
  - Comparable non-assisted rental units in the community (established by doing a survey) This should be equivalent to a flat rent, plus utilities.
  - 70 percent of the cost of any remaining debt service (which will vary by development) and the operating expenses associated with the unit expressed as The Average Monthly Amount (TAMA) for family developments and 100 percent of this cost for elderly or mixed population developments.
- With ceiling rents, utility allowances were retained;
- Ceiling rents were reinstated because they fostered upward mobility and income mixing. Increases in income did not affect the family since the rent was capped;
- Ceiling rents are typically "internal" to the PHA, since, absent any market survey, they do not include factors such as location and amenities, which are always considered when apartment rents are established in the private market;
- Once the PHA has established flat rents, ceiling rents should be set at the same level (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities).

At this point the function of the ceiling rent is to assist flat rent families whose incomes are reduced, causing the families to be placed on income-based rents. If their incomes increase before the annual reexamination date the families cannot be placed back on flat rents until the reexamination, but if the PHA has ceiling rents, the family can be placed on a ceiling rent (of exactly the same amount as the flat rent) until the annual reexamination.

10.6 Flat Rents

10.6.1 Overview

Flat rents are based on the market value of public housing units in the private unassisted rental market. Flat rent is the unsubsidized amount any landlord could charge and lease the unit promptly after preparation for occupancy.

10.6.2 Setting Flat Rents Properly

To calculate a flat rent, PHAs are required to take into consideration the following for each property:

- Location (this will include the value and quality of neighboring housing);
- Quality (need for rehabilitation);
- Unit size (both number of bedrooms and square footage);
- Unit type (Generally single family units are valued the highest, with semi-detached and town home next, then walk-up or garden-type apartments. Elevator buildings are usually considered a negative for family housing, although that is not necessarily the case in mixed population housing.);
- Age of property;
- Amenities at the property and in immediate neighborhood (e.g. laundry facilities, child care, recreation room, play areas, open space, parking, public transportation, schools, shopping, etc.);
- Housing services provided;
- Maintenance provided by the PHA; and
- Utilities provided by the PHA.

The above list looks familiar because it is identical to the criteria used to determine rent reasonableness in the Housing Choice Voucher Program. Under that program, PHA's are required to "…determine whether the rent to owner is a reasonable rent

in comparison to other comparable unassisted units." (24 CFR § 982.507 (b)) To make the rent reasonableness determination the PHA must consider the same factors as those listed for the flat rents.

- PHAs may use rent reasonableness data to establish flat rents for their units if they have Section 8 units located in the same neighborhoods as their public housing properties and they adjust for differences between the units.
- PHAs might also choose to have the rents established through other forms of market analysis using census data, surveys, and the expertise of market analysts or appraisers.
- Documentation on the method used to determine flat rents must be retained by the PHA.
- Flat rents that are appropriately set can help rent an otherwise hard to rent property.
- There is no utility allowance or reimbursement with flat rents. Instead, the PHA takes the utility payment into consideration in setting the flat rents. In two otherwise identical properties, the flat rent would be higher for the property with PHA supplied utilities and lower for the property with tenant-paid utilities.

10.6.3 Rent Choice

Once each year (and only once each year) the PHA must offer families the choice between a flat rent or an income-based rent. The PHA must provide sufficient information for families to make an informed choice. This information must include the PHA's policy (stated in its Admissions and Continued Occupancy Policy, ACOP) on switching due to financial hardship and the dollar amount of the rent under each option.

10.6.4 Reexamination

If a family chooses a flat rent, the PHA is required to conduct a reexamination of income at least once every three years, although the PHA may opt to do so more often.

- PHAs must conduct annual reexaminations of family composition, community service, self-sufficiency, and other criteria related to continued occupancy.

- PHA's are required to provide an income-based rent amount only in the year that a reexamination is conducted or if the family specifically requests it and submits updated income information.

10.6.5 Switching From Flat Rent to Income-Based Rent Because of Hardship

At any time families experiencing financial hardship and unable to pay flat rents because their situations have changed can opt to switch to an income-based rent.

- The PHA must adopt written policies on switching from one type of rent to another.
- If the PHA determines that a financial hardship exists, the PHA must immediately allow the requested switch.
- The time period for the PHA to determine that a hardship exists should be spelled out in the ACOP.
- PHA policies on hardship must include, but are not limited to, the following changes in circumstance:
  - Decreases in income including
  - Loss or reduction of employment
  - Death in the family
  - Reduction or loss of earnings or other assistance

- Increase in expenses including
  - Medical costs
  - Childcare
  - Transportation
  - Education

- Other situations determined by the PHA (Many PHAs are permitting families to switch whenever the income-based rent would be lower than the flat rent, on the theory that they would rather not lose the family.)

10.6.6 Annual Review of Flat Rents

At least once each year the PHA is required to review flat rent levels and make adjustments as needed to ensure that flat rents continue to mirror market rent values. In some PHA neighborhoods, where private disinvestments are occurring, this could result in a reduction of flat rents. Conversely, f public and private

investment were increasing rental values near a public housing property, flat rents would rise.

Residents paying flat rents would not have their flat rents adjusted (up or down) until their annual reexamination.

10.7 Relationship Between Rents and Utility Allowances

Utility allowances are provided to families paying income-based or ceiling rents when the cost of utilities is not included in the rent. Utility Allowances should not be confused with excess utility charges. (See Chapter 14 for a discussion of utilities.)

- Utilities include gas, electricity, fuel for heating, water or sewerage and solid waste disposal for an assisted unit. In addition, if the PHA does not furnish a range and refrigerator, the resident must be granted a utility allowance for the range and refrigerator they provide.
- Telephone and cable television are not considered utilities.
- The amount of the utility allowance is equal to the estimate of the monthly cost of the reasonable consumption of utilities and other services for the unit by an energy-conservative household of modest circumstances.
- Utility allowance amounts will vary by the rates in effect, size and type of unit (single family, duplex, row, town home), 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.
- The allowance amount must be sufficient to maintain the requirements of a safe, sanitary, and healthful living environment.

10.8 Utility Reimbursement

The amount, if any, by which the utility allowance for a unit exceeds the total tenant payment for the family occupying the unit must be provided as a utility reimbursement, either directly to the family or to the utility supplier on the family's behalf each month. (This definition is not used in the Housing Choice Voucher Program, or for a public housing family that is paying a flat rent.)

Example 1: No Reimbursement	
Total Tenant Payment =	$120
Utility Allowance =	-$75
Rent paid to the PHA =	$45

Example 2: Utility Reimbursement	
Total Tenant Payment =	$120
Utility Allowance =	$130
Utility Reimbursement =	$ 10

10.9 Earned Income Disallowance

10.9.1 Overview

The earned income disallowance, established by QHWRA, encourages resident self-sufficiency by rewarding certain residents who go to work or have increased earnings. The earned income disallowance is applicable to an adult resident who either begins earning income or, in certain circumstances earns additional income. The disallowance functions as an income exclusion – that is, certain amounts of qualifying adults' verified income are not counted toward rent for a specified period. For a qualified resident, increases in income due to earnings are completely excluded in calculating rent for 12 months after which half the increased earnings are excluded for the following 12 months. The exclusion period can be interrupted, but in no case may the total number of months between the beginning of the exclusion and the final month of exclusion exceed 48 months. Therefore, applicants cannot receive the earned income disallowance, including for purposes of admission, rent and income targeting.

10.9.2 Terminology

Income exclusion, income disregard and income disallowance all mean the same thing: income that the individual receives that is not counted as part of their annual income for rent computation.

10.9.3 Qualifying for a Disallowance

Only adults can qualify for the earned income disallowance (because the earnings of family members other than the head or spouse are excluded if the family member is under age 18). Each person can receive only one disallowance during his or her residency in public housing. There are three categories of individuals who qualify for the earned income disallowance:

- **A person whose annual income increases because of employment after having been unemployed for at least 12 months**. A person is considered to have been unemployed if he or she has earned less money in the previous 12 months than would have been earned working 10 hours per week at minimum wage. (The minimum wage to be used is that applicable to the locality in which the determination is made). The majority of families who qualify for earned income disallowances are likely to do so under this category.

Students who are just completing their education and starting their first jobs would qualify under this category if they had minimal earnings while in school fulltime or if they had just turned age 18.

An elderly individual on social security decides to go back to work after not working for over a year.

An individual who was unemployed for some period of time before becoming a public housing resident or who earned so little in the previous period to be considered unemployed could qualify under this category, so long as there is a 12 month period of unemployment.

- A person whose annual income increases because of new or increased earnings during participation in an economic self-sufficiency or other job-training program. This requirement is not the same as the previous income disregard. The key concept in this eligibility category is that the individual receives the new or additional earned income while he or she is involved in economic self-sufficiency or job training, not after the completion of such training.

A common example of this category of qualification occurs when people are studying for a variety of medical professions. Typically, classroom work is followed by a 'practicum' in a doctor's office, hospital or clinic, during which the individual is paid.

A former welfare recipient who is still receiving subsidized childcare from the welfare agency is working in a fast food restaurant. The quality of her work and her attendance and attitude bring her to the attention of the restaurant's management who nominate her for the 'management track'.

She is selected, trained, and receives a substantial increase in her hourly rate. Because she is receiving childcare subsidy from the welfare agency worth $300 per month, the increase in her earnings will qualify her for the earned income disallowance.

- A person whose annual income increases because of new or increased earnings, during or within six months after receiving assistance, benefits or services from a program funded by any state program for temporary assistance to needy families funded under Part A of Title VI of the Social Security Act[39]. The assistance is not limited to income maintenance, but also includes benefits and services such as child care and transportation subsidies and one-time payments, wage subsidies and other amounts and services as long as the value of such benefits or services over a six month period is at least $500. This is the only eligibility category that relates to the type of income received before the earned income. Only persons who have received either cash grant or services worth $500 from a qualified welfare program in the past six months qualify under this category. Note, also that persons who are already employed but who receive increases in income may qualify under this category if they have received welfare income or services in the previous six months.

10.9.4 Disallowance Amounts

In the first 12 months, the amount excluded from income is the amount by which the new earned income exceeds the former income[40]. If a resident has taken a job that pays only slightly more than the resident's previous income, the disallowance

Receipt of Medicaid does not qualify under this category, although there are a wide range of services and programs that do qualify. A PHA should check with the agency that administers welfare programs to determine the source of funding.

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39 As determined by the PHA in consultation with the local agencies administering Temporary Assistance to Needy Families (TANF) and welfare to work programs.

40 In determining "former income", the PHA is permitted to calculate the average income for the 12 months preceding the income disallowance if the resident's income during that period has been irregular or uneven.

amount would be very small. On the other hand, if a resident's child were taking her first job after finishing college, she might qualify for the disallowance of the entire amount of her earnings, since she might very well have had no income prior to her new employment.

After the first 12 months, the disallowance amount is fifty percent of the amount by which new earned income exceeds the former income (before the disallowance began). Thus, if a resident received a raise during the first 12 months of working, or changed to a job that paid more than the initial job, the amount disallowed during the first 12 months is the entire amount by which earnings exceed the former income. At the end of the first 12 months, the disallowance amount would be based on fifty percent of the increased earned income.

Example:

- Sandra Marshall was unemployed for 25 months.
- Her TANF income was $540 per month
- She received a position on the assembly line at the local automobile plant, earning $1100 per month
- The amount of her first 12 month disallowance is $560 per month ($1,100 in new earnings - $540 in TANF)
- In the ninth month of her first year, Sandra receives a raise to $1,200 per month. This does not affect her disallowance during the first 12 months.
- After 12 months, her disallowance will be reduced to $330 per month (50% of her new earned income of $1,200 less her original TANF income of $540)

10.9.5 Disallowance Periods

Every resident that qualifies for a disallowance receives two different disallowance periods: 12 months of full disallowance and 12 months of fifty percent disallowance. For the 12 months following the new or increased earned income, the full disallowance is in effect and the amount disallowed is the difference between the resident's old income and the new income. After the first 12 months, the disallowance continues in effect for an additional 12 months, but the amount of the disallowance is reduced to fifty percent of the difference between the earned amount and the former income.

Note that the disallowance amount computation is specific to the individual resident and not to the entire family. If a family consisted of a head who was receiving welfare income, and her children, one of whom is finishing high school and turning 18, the disallowance for the head would be the earnings less the welfare income. For the 18 year old, however, the disallowance would be the entire amount earned because this family member had no income previously.

10.9.6 Maximum Disallowance Period

One aspect of the earned income disallowance that makes the program particularly useful to families moving from welfare to work is that the disallowance periods are only in effect when the family is actually earning income. The disallowance period is suspended if the resident is laid off or stops work for some other reason. Eligibility for the disallowance can be spread over a maximum of 48 months.

Many residents find the road from welfare to work very bumpy and cycle in and out of work. Residents should be counseled to report to the PHA when they stop working and when they start working again, so the PHA can keep track of exactly how many months are remaining for their disallowance period.

While this program detail is of benefit to families, it makes the program more difficult for PHAs to administer correctly. PHAs must track each resident's disallowance periods carefully, both to ensure that every resident gets the 12 months of full disallowance and 12 months of fifty percent disallowance to which they are entitled and to avoid granting any resident a disallowance that extends beyond the 48 month maximum.

One effect of the earned income disallowance is to eliminate some situations in which the PHA would otherwise be making retroactive charges to residents. For example, if a resident gets a job and does not report in a timely manner, the resident might[1] be subject to a retroactive charge of the difference between the amount he paid and the amount his rent should have been. If the resident qualified for a disallowance, however, when the PHA finds out about the job, the resident would be deemed to have already received the number of months of disallowance from the point when he would have qualified for the disallowance. In other words, the disallowance does not start when the PHA discovers the additional earned income or when the resident gets around to reporting it – the disallowance starts when the additional employment income starts.

10.9.7 Earned Income Disallowance Example

The example below builds on the earlier example, which is repeated to tell the whole story:

Example:

- Sandra Marshall was unemployed for 25 months.
- Her TANF income was $540 per month
- She received a position on the assembly line at the local automobile plant, earning $1100 per month starting work on June 1, 2000 and reported to the PHA immediately. The PHA noted that her maximum disallowance period would expire on May 31, 2004.
- The amount of her disallowance was $560 per month ($1,100 in new earnings - $540 in TANF) beginning June 1, 2000
- Sandra's rent continued to be based on her previous TANF income of $540 per month
- Sandra was laid off effective September 1, 2000 and reported to the PHA immediately.
- The PHA noted that Sandra still has 9 months of full disallowance left and 12 months of 50% disallowance left.
- Sandra went back on TANF at $540 per month from September 1, 2000 until January 1, 2001, when she was called back to work at the plant at her previous $1,100 per month salary. Sandra reported to the PHA immediately.
- In the ninth month of her first year, Sandra receives a raise to $1,200 per month. This does not affect her disallowance during the first 12 months.
- Sandra's rent was based on $540 until August 31, 2001 (which completed the 9 months of full disallowance that were remaining).
- After 12 months, her disallowance was reduced to $330 per month (50% of her new earned income of $1,200 less her original TANF income of $540)
- Effective September 1, 2001 Sandra's rent was increased because she was now in the beginning of her 12 months of 50% disallowance. Her rent will be based on $870 per month ($540 of base income plus $330, 50% of the new earned income amount)
- Sandra is not laid off again and continues to work at the plant.
- On August 31, 2002 Sandra completes the 12 months of 50% disallowance.
- Beginning September 1, 2002 Sandra's rent is based on her full income of $1,200 per month.

10.9.8 Imputed Welfare Income and Earned Income Disallowance

Occasionally an individual who is under an imputed welfare income sanction will go to work and qualify for an earned income disallowance. In this instance, the base rent, before the disallowance, includes the imputed welfare income. See Chapter 13 for further discussion of imputed welfare income.

10.9.9 Individual Savings Account

PHAs have the choice to implement Individual Savings Accounts (ISAs) as an alternative to the earned income disallowance. While there are some ways in which the ISA is similar to an escrow account under the Family Self-Sufficiency (FSS) program, there are also some significant differences.

Even if a PHA opts to implement ISAs, the family has a choice of either depositing to an ISA or taking the earned income disallowance. The PHA may not require families to use ISAs.

The amount to be deposited into the ISA is computed in the same manner as an FSS escrow account, that is, the difference between the family's original rent and what the rent would be if the new earned income were included. In the Sandra Marshall example above, Sandra's ISA deposit would be the difference between her rent based on her former $540 per month welfare income and the rent based on the $1,100 per month automobile plant job.

Amounts deposited to ISAs may only be withdrawn for the following reasons:

- Because the family is purchasing a home;
- To pay education costs of family members;
- Because the family is moving out of public or other assisted housing; or
- To pay any other expenses the PHA authorizes to promote economic self-sufficiency.

The PHA is required to maintain ISAs in interest bearing accounts, for which the family is credited with interest earned. The PHA may not charge the family a fee for maintaining the account.

At least once each year the PHA must provide each family with an ISA a statement of the balance in their account (including any interest earned, if required by state law).

If the family moves out of public housing, the PHA must return the balance in the family's ISA, less any amounts the family owes the PHA.

11. Transfers

11.0 Overview

Every PHA encounters situations in which it is necessary to move residents from one unit to another. The PHA's Admissions and Continued Occupancy Policy (and Tenant Selection and Assignment Plan) should provide policy for the staff that makes clear:

- The types of transfers recognized by the PHA;
- The priority among types of transfers;
- When transfers take precedence over waiting list admissions;
- Which transfers are mandatory and which are optional;
- Whether the PHA makes "split family" transfers;
- Eligibility requirements for transfers;
- When the costs of transfers are borne by the PHA and when the resident pays transfer costs; and
- Whether transfers will be processed centrally (by the Admissions office) or at the sites.

11.1 Types of Transfers

Most PHAs recognize several types of transfers. Some types of transfers are considered mandatory by HUD, while others are optional. Further discussion of mandatory versus optional transfers is found in Section 11.5. The most common types of transfers are described below:

- **Emergency**: Conditions in the resident's unit, building or at the site pose an immediate, verifiable threat to the life, health or safety of the resident or family members. Examples of such unit or building conditions would include for example: a gas leak; no heat in the building during the winter; no water; toxic contamination; and serious water leaks. For the PHA to remain compliant with its lease obligations, any condition that would produce an emergency work order, as defined under the Public Housing Assessment System (PHAS)

Management Assessment Subsystem, would qualify a resident for an emergency transfer if the PHA were unable to make repairs in less than 24 hours.

In addition, a family might qualify for an emergency transfer to alleviate a verified medical condition of a life-threatening nature or, based on a threat assessment by a law enforcement professional, to protect members of the household from attack by criminal elements at the property or neighborhood. PHAs must make these transfers when needed.

- Serious problem at unit or site: These transfers respond to situations that are less critical than emergencies, but still require moving the resident. For example, this category would include transfers to remove residents who are witnesses to crimes and may face reprisals (as documented by a law enforcement agency); provide housing options to residents who are victims of hate crimes or extreme harassment; and alleviate verified medical problems of a serious (but not life-threatening) nature. Like emergency transfers, PHAs must make these transfers when they are warranted.
- Reasonable Accommodation: These transfers are made when resident requests features in the unit because of the resident's disability that cannot be provided without undue financial and administrative burden to the PHA, and the features needed are already available at another PHA unit. When a family is living in an accessible unit does not need the features of that unit and another resident or an applicant does need a unit with those features, PHAs are required to make these transfers.
- Demolition, Disposition, Revitalization or Rehabilitation: These transfers permit the PHA to demolish, sell or do major revitalization or rehabilitation work at a building or site.
- Occupancy Standards: These transfers are made when resident's family size has changed and the resident's family is now too large or too small for the unit occupied. PHAs are required to make these transfers.
- Split Family Transfers: Not all PHAs make these transfers, which permit very large families that have two adults to split into two households and be transferred to two units. A split family transfer is a type of Occupancy Standards transfer.
- Incentive: These transfers to new or rehabilitated units can be made for residents with excellent residency histories. These transfers are not required.
- Resident-initiated: A resident wants but does not require a transfer to a different unit. PHAs may establish a policy not to grant such transfers.

11.2 Priorities Among Types of Transfers

Transfers are prioritized according to standards established by the lease. Emergency transfers are of the highest priority because failure to make them puts the PHA in violation of its responsibilities under the lease. Many PHAs combine various categories of transfers into categories to make priorities clear and manageable. Presented below is an example of how transfers could be prioritized. Also see the transfer policy in the sample ACOP in Appendix III.

Emergency
Serious problem
Reasonable Accommodation
Demolition, disposition, revitalization or rehabilitation
Occupancy Standards
Split family
Incentive
Resident-initiated

11.3 When Transfers Take Precedence Over Waiting List Admissions

Generally emergencies or serious problems, reasonable accommodations, demolition/disposition/revitalization/rehabilitation, incentive and certain occupancy standards transfers take precedence over waiting list admissions. The PHA's list of transfers that take priority over admissions must be listed in the Tenant Selection and Assignment Plan (TSAP). The distinction between occupancy standards transfers is presented below:

- High priority: In some cases, the family is so overcrowded that the number of people in the unit exceeds two persons per bedroom or the local housing code, or so over housed there are fewer family members than bedrooms. These transfers generally occur before new admissions.
- Lower priority: Other occupancy standard transfers deal with situations in which the age, generation or sex of family members makes them eligible for a

transfer, but they are not as overcrowded or over housed as families described above. PHAs often alternate these transfers with admissions.

- Most TSAPs state that resident-initiated transfers do not take precedence over admissions or mandatory transfers.

11.4 Mandatory and Optional Transfers

Emergency, serious problem, demolition/disposition/revitalization/ rehabilitation and high priority occupancy standards transfers are mandatory for the resident. Reasonable accommodation, incentive, lower priority occupancy standards and resident-initiated transfers are optional[41].

The PHA must ensure that its lease makes clear that certain types of transfers are mandatory. Residents who wish to dispute mandatory transfers are expressly permitted to use the PHA's grievance procedure.

The PHA ACOP should describe the number of transfer units a resident will be offered. Residents are entitled to reject transfer offers for the "good cause" reasons listed in the TSAP.

11.5 Split Family Transfers

A PHA's ACOP describes the requirements for qualification for a split family transfer if the PHA opts to grant such a transfer. The ACOP would include the following requirements, for example:

- The persons who would be the family heads (original head and new head) must both be listed on the most recent lease and recertification (which prohibits individuals from extending their "visits" to the family to obtain a unit);
- The family must be overcrowded according to the PHA's occupancy standards;
- Both heads must be legally capable of executing a lease; and
- The reason for the family split must be the addition of children through birth, adoption or court-awarded custody.

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[41] Residents with disabilities are not compelled to accept transfer offers related to reasonable accommodations.

11.6 Eligibility for Transfers

PHAs are permitted to establish requirements for transfers that residents are seeking (incentive transfers or moving overcrowded families to larger units), but they must not impose such requirements in emergency or serious situations. Further, PHAs usually waive the requirements when the transfers are necessary but unpopular with residents (e.g. moving empty-nesters to smaller units). For example, some PHAs require that residents who are transferring:

- 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; and
- Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities).

11.7 Cost of Transfers

PHAs must bear the reasonable costs of transfers they initiate (for demolition, disposition, revitalization or rehabilitation), transfers required because the PHA lease obligations are not being met (building system failures, other emergency conditions the PHA is unable to repair within 24 hours), as well as the cost of all transfers to provide residents with disabilities with accessible units. Residents typically must bear the costs associated with occupancy transfers (although some PHAs pay for moving residents to smaller units, since this is so rarely desired by residents), incentive transfers, and all resident-initiated transfers.

The reasonable cost of transfers includes not just the cost of packing, moving, and unloading, but also the cost of disconnecting and reconnecting any existing resident-paid services such as telephone and cable television.

11.8 Processing Transfers

PHAs with few developments may be able to process transfers at the sites, but larger PHAs will usually need to maintain a central transfer waiting list to ensure that transfers are processed in the correct order and that procedures are uniform across all properties. Further, since some transfers have a higher priority than

admissions, coordination with the Occupancy function is essential. The ACOP should describe the PHA's approach to transfer processing, although detailed information can be handled through procedures. The transfer process must be auditable to ensure that residents do not experience disparate treatment.

It is not reasonable to expect that all transfers could be handled within one site at a large PHA, since in an emergency the site with a resident needing to be transferred might not have a vacant unit. In PHAs subject to deconcentration requirements, transfers may be a tool needed to achieve income deconcentration. Such transfers will, by definition, be across properties.

11.9 Sample Transfer Policy

A sample transfer policy is contained in the sample ACOP in Appendix III.

12. Annual Reexamination of Income and Family Circumstances

12.0 Overview

After a family is admitted to public housing, they must comply with HUD's and the PHA's rules on continued occupancy (as expressed in the PHA's lease) to remain as tenants in good standing. The Admission and Continued Occupancy Policy as well as the lease should clearly state the criteria that would qualify a resident for continued occupancy. This chapter provides guidance on the criteria for continued occupancy of public housing residents.

12.1 Qualification for Continued Occupancy

Residents who meet the following criteria are eligible for continued occupancy:
Qualify as a family: Remaining family members qualify as a family so long as at least one of them is of legal age to execute a lease. Remaining family members can also include court recognized emancipated minors under the age of 18.

Are in full compliance with the resident obligations as described in the dwelling lease: Except for failing to comply with Community Service requirements (described in Chapter 15), public housing authorities cannot refuse to renew their residents' leases. Leases can only be terminated for serious or repeated violation of the material terms of the lease.

Whose family members, age 6 and older, each have Social Security numbers or have certifications on file indicating they have no Social Security number: At the annual reexamination residents should document the social security numbers of children born, adopted or placed in the family by Court-awarded custody since the admission or the previous reexamination.

Who meet HUD standards on citizenship or immigration status or are paying a pro-rated rent: (See 24 CFR § 5.500) As with Social Security numbers, residents would document the citizenship or eligible immigrant status of children born, adopted, or

placed in the family by Court-awarded custody since admission or previous reexamination.

Who are in compliance with the PHA's 8 hour per month community service requirements. This requirement is applicable to certain adults who are neither elderly, person with a disability, already working or otherwise exempt. (See Chapter 15).

12.2 Annual Reexamination

At least annually, the resident is required to provide the PHA with accurate and current information on the following, as stipulated in the lease (24 CFR § 966.4):

- Family composition;
- Age of family members;
- Annual income and sources of income of all family members[42];
- Deductions for computing adjusted income;
- Assets;
- Community Service and economic self-sufficiency activities and exempt status of all family members over age 18;
- Social security numbers for any new family members; and
- Citizenship or eligible immigrant status of any new family members.

To ensure uniformity and compliance with HUD regulations and Civil Rights Laws, PHAs must establish reexamination procedures to be followed by Occupancy Staff that reflect their Admission and Continued Occupancy Policy. It is not possible to perform an adequate reexamination without interviewing the family. The following procedures are essential to the reexamination process:

- Many PHAs require adult members of the household to sign an application for continued occupancy and other forms required by HUD. [43]

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[42] The exception is PHAs may require that families paying Flat Rent need only provide income information every three years.

[43] In certain states it is possible to bring legal action against anyone who signs a lease. In other states only the head of household may be subject to lease enforcement.

- Employment, income, allowances, Social Security numbers, and such other data appropriate for the family's circumstances must be verified, and all verified findings must be documented and filed in the resident's folder. A credit check may be run on each family at the time of reexamination to help detect any unreported income, family members not reported on the lease, etc. (24 CFR § 960.259)
- Verified information is to be analyzed and a determination must be made with respect to:
  - Eligibility of the resident as a family or as the remaining member of a family;
  - Unit size required for the family (using the Occupancy standard established by PHA in the ACOP); and
  - Income-based rent the family would pay (although all residents will be given the choice of paying income-based or flat rent).

- Residents with a history of employment whose regular reexamination takes place at a time when they are not employed must have their income calculated based on their past and anticipated employment. Residents with seasonal or part-time employment of a cyclical nature must be asked for third party documentation of the circumstances of their employment including starting and ending dates.
- Income shall be computed in accordance with the definitions and procedures set forth in HUD regulations. (See 24 CFR Part 5)
- Families failing to respond to the initial reexamination appointment are usually issued a final appointment within the same month. If the family fails to respond to the final request they will be sent a notice of lease violation and referred to the Housing Manager for failure to comply with the terms and conditions of the lease. Failure to comply must result in termination of the lease. (See 24 CFR § 966.4 (c)(2))
- Third party verifications must be obtained and documented for annual income, net family assets, deductions from annual income and any other factor that could affect the adjusted income or income based rent of the family undergoing reexamination. The PHA must also document if third party verifications are not available.

- Criminal Background checks may be conducted for all household members age 18 and over[44].

Chapter 7 of this Guidebook provides further guidance on verifications standards.

12.2.1 Reexamination of Income (24 CFR § 960.257)

PHAs are required to reexamine the incomes of all residents who have chosen to pay income-based rent at least annually[45] after which, if appropriate, their rents will be adjusted.

To facilitate the reexamination process, a PHA must provide each resident reasonable written notice of what actions the resident must take and the timeframe for those actions, before the process starts. This stipulation should be included in the PHA's lease.

The annual reexamination of income is equivalent to that at admission: the PHA must obtain acceptable verifications (see Chapter 7) of every type of income included in Annual Income (see Chapter 10) received by each family member. Then, if income has changed, rent will be recomputed. State laws require differing amounts of notice of rent increases, so the PHA must begin the reexamination process early enough to complete verifications and provide the requisite amount of notice that will permit rent to be adjusted at the beginning of the next twelve month lease term. Most PHAs begin the reexamination process one hundred twenty to ninety days before lease expiration.

PHAs are permitted to reexamine the incomes of residents who have opted to pay flat rent as infrequently as every three years.

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[44] Increasing numbers of PHAs are conducting criminal history checks at annual reexaminations, although this is not a HUD requirement.

[45] Many PHAs set certain categories of residents up on more frequent reexamination schedules. Examples of families to whom this might apply would include families who report zero income, or those whose incomes are too unstable to determine for twelve months.

12.2.2 Reexamination of Family Composition

PHAs are required to reexamine the family composition of both families paying income-based rent and flat rent annually. The purpose of this reexamination is to ensure that the size and type of unit in which the family is living is appropriate for the family's size and needs. Unless the family has requested an interim occupancy transfer, the annual reexamination is the point at which the PHA makes determination about a resident's eligibility or requirement to transfer[46]. As with rent adjustments, the lease stipulates the amount of notice required for transfers, so PHAs must schedule reexaminations far enough in advance that transfers can be effectuated concurrent with the execution of new annual leases. Transfers are covered in more detail in 12.7 below.

Verification requirements related to family composition (see Chapter 7) must be followed for all new family members added to a tenant's lease at reexamination.

PHAs are required to add to the lease and certification form children added to the household by birth, adoption or Court-awarded custody. If the PHA's lease requires residents to report the addition of such children when they actually join the household, the verification requirements may already be complete at the annual reexamination.

The PHA's lease describes its policies with respect to adding adults to the lease. Generally, PHAs should not add adults to a lease unless the PHA has screened them (using the PHA's standard applicant selection criteria) and given the tenant written permission to add the adults.

12.2.3 Choice of Rent

During the reexamination process, the PHA must give each resident the choice between income-based or flat rent. The annual reexamination is the only time a resident can change from income-based to flat rent. Chapter 10 of this guidebook further describes the different types of Program Rents.

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[46] Some PHA's leases and ACOPs provide that occupancy transfers will only take place at annual reexaminations.

12.2.4 Community Service/Economic Self-Sufficiency Requirement

The Quality Housing and Work Responsibility Act of 1998 introduced the Community Service and Economic Self-Sufficiency requirement, under which each PHA must adequately document whether its non-exempt residents are complying with their community service or economic self-sufficiency responsibilities. This requirement relates directly to lease renewal, because the PHA is not permitted to renew the lease at the end of the twelve (12) month period if non-exempt family members fail to comply with the service requirement. The Community Service and Economic Self-Sufficiency requirement is discussed in Chapter 15.

12.3 Remaining Family Members and Prior Debt

If the head of household dies or leaves the dwelling unit permanently for any reason, the remaining family members may continue to occupy the unit if there is at least one household member (not a live-in aide) of legal age and capacity to execute the lease living in the household. A new lease must be signed to correct the family's composition in the tenant file.

A PHA may permit an adult not on the lease, to be a new head of household after the death or departure of the original head of household. This would usually occur when the only family members remaining in the unit are children, who otherwise would have to leave the unit. The PHA should consider whether there are any remaining family members capable of executing a lease before permitting a new head of household in the unit.

In either case, the new head of household would be charged for any outstanding debt incurred by the former head or spouse. The PHA may establish a payment plan with the new head of household, especially in the case where there could be an eviction due to delinquent amounts incurred by the former head.

A PHA shall not hold remaining family members under age 18 responsible for the rent arrearages incurred by the former head of household, nor for any amounts incurred before a new head of household attained age 18.

12.4 Change in Reexamination Date

If a family begins working and their incremental earned income is excluded in accordance with HUD requirements on the Earned Income Disallowance, the date for their next regular reexamination may be permanently adjusted to be 12 months following the date that the income disallowance began.

12.5 Zero Income Families

When families report zero income, and have no income excluded for rent computation, PHAs have an obligation to pursue verification of income that reflects the family's lifestyle. One method is to examine the family's circumstances every 60 to 90 days until they have a stable income. It is recommended that PHAs request zero income families to complete a zero income form (see Appendix VIII). The form asks residents to estimate how much they spend on: telephone, cable TV, food, clothing, transportation, health care, child care, debts, household items, etc. and whether any of these costs are being paid by an individual outside the family. If any such payments are received they are to be considered income.

12.6 Special Reexaminations

If the PHA cannot estimate anticipated annual income based on the available information with any degree of accuracy at the time of admission or regular reexamination, a temporary determination must be made with respect to income and a special reexamination scheduled every 60 or 120 days (as stated in the PHA's ACOP) until a reasonably accurate estimate of income can be made. The resident must be notified in advance of the date for the special reexamination(s). Special reexaminations shall also be conducted when there is a change in the head of household that requires a remaining family member to take on the responsibilities of a leaseholder.

12.7 Determination of Need for Transfer

If the reexamination conducted by the PHA determines that any change in the unit size or unit type is required, the resident must be placed on a transfer list in accordance with the PHA's transfer criteria specified in the Admission and

Continued Occupancy Policy and moved to an appropriate unit that conforms with the size and design required by the family, when one becomes available. (24 CFR § 966.4 (c)(3)). The transfer requirement must reflect the minimum and maximum number of persons per unit standards established by the PHA in its Admission and Continued Occupancy Policy.

After discussing with the resident the need for the transfer during the reexamination process, the PHA must provide the resident with a written notice indicating the reasons for the transfer and the approximate date, if known, for the move. The PHA must conform to the notice required in the lease.

Involuntary transfers are considered adverse actions and, as such, are subject to the PHA's Grievance Procedures. The transfer cannot be processed until the time to request a grievance hearing has expired or the procedure has been completed. (See Chapter 11 for further discussion of Transfers.)

13. Interim Rent Adjustments

13.0 Overview

Interim rent adjustments are made as a result of changes in family income or changes in family composition between annual reexaminations. Housing Authorities are required to decrease rent in certain instances (described below), but they have options regarding changes or activities that will trigger interim rent increases. The options an authority chooses must be detailed in its Admissions and Continued Occupancy Policy (ACOP) and outlined in its annual PHA Plan.

13.1 Required Interim Rent Reductions

There are several instances in which a reduction in a family's income or other change in their circumstances might require a PHA to make an interim reduction in their rent, as described below:

13.1.1 Minimum Rent Hardship Exemption

If a PHA has adopted a minimum rent greater than $0 per month, and a resident is paying the minimum rent, there are certain instances in which the PHA is required to suspend the minimum rent: (24 CFR § 5.630)

- When the family has lost eligibility for or is awaiting an eligibility determination for a government assistance program;
- When the family would be evicted because it is unable to pay the minimum rent;
- When the income of the family has decreased because of changed circumstances including loss of employment;
- When a death has occurred in the family; and
- Other circumstances determined by the PHA or HUD (currently none are required).

If a family paying minimum rent requests a hardship exemption, the PHA must suspend the minimum rent, effective the following month. The PHA may not evict

the family for non-payment of the minimum rent for 90 days following the request for the hardship exemption.

The suspension of minimum rent continues until the PHA determines whether or not the hardship is temporary or long term.

If the hardship is verified to be temporary (lasting less than 90 days), the family must repay the minimum rent that was suspended and the PHA is required to grant the family a reasonable repayment agreement.

If the hardship is verified to be long-term (lasting more than 90 days), the minimum rent must be suspended until the hardship ceases. The family may not be evicted for failing to pay the minimum rent while the hardship is occurring.

If a PHA denies a resident the minimum rent hardship exemption, the resident is entitled to file a grievance and the PHA may not require the resident to make an escrow deposit to obtain the grievance hearing.

Even if the minimum rent is suspended for a long period, it does not necessarily mean that the resident will pay no rent. If the PHA is using the statutory rent formula (rather than a PHA rent formula), residents pay the greater of 30 percent of monthly-adjusted income or 10 percent of monthly income, but never less than the minimum rent. If the minimum rent were suspended, residents would still pay the lower of 30 percent of monthly-adjusted income or 10 percent of monthly income as rent.

13.1.2 Decrease in Income of Families Paying Income-Based Rent

If a family is paying income-based rent and experiences a reduction in income that is verified to last more than thirty days, the PHA must adjust the family's rent to correspond to the new verified income, effective the first of the month following the month in which the decrease in income was reported[47]. The reduction in income might occur because of a job lay-off or cutback in hours worked, or from some sort of reduction in unearned income.

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[47] If the reduction in income were reported after the PHA's cut-off date for the following month's rent set-up, this might mean the PHA would charge the resident the former, higher rent, subject to a credit when the circumstances of the reduction were verified.

Remember that reductions in welfare payments due to welfare fraud or failure to comply with economic self-sufficiency requirements are not eligible for rent reductions. (see Section13.5 below)

13.1.3 Change in Circumstances (Increase in Eligible Deductions) of Families Paying Income-Based Rent

Occasionally families paying income based rent experience a verified change in their circumstances that would qualify them for a reduction in income-based rent even though their incomes have not decreased. These circumstances would increase the family's deductions and thus reduce their adjusted income. Examples include:

- When families gains an additional dependent;
- When a family's child care costs increase with no increase in income;
- When an elderly or disabled family's unreimbursed medical costs increase;
- When a family that was not an elderly or disabled family becomes an elderly or disabled family; and
- When a family's disability expense allowance increases.

13.1.4 Hardship of Families Paying Flat Rent (960.253 (F))

When families who have elected to pay flat rent experience certain hardships they are eligible for a reduction of rent to an income-based rent. PHAs are permitted to adjust a family's rent from flat rent to income-based rent any time the income-based rent would be lower, but they are required to adjust the rent in the following circumstances:

- The family has experienced a verified loss in income because of changed circumstances, including loss of reduction of employment, death in the family, or reduction in or loss of earnings or other assistance;
- The family has experienced a verified increase in expenses because of changed circumstances such as increased medical costs, childcare, transportation, education or similar items.

13.2 Approaches to Interim Rent Increases

Unlike the rules related to interim reductions in rent, PHAs are not required to increase rent between annual reexaminations except when it is determined that the resident misrepresented income or expenses at the annual reexamination. The three main approaches to Interim Rent Adjustments are Fixed Rent System, Variable Rent System, and the Hybrid Rent System. The PHA's approach to interim rent increases must be set forth in writing in the PHA's ACOP and lease.

13.2.1 Fixed Rent System

Many housing authorities have discovered that the increase in rental income resulting from processing interim rent increases is less than the cost of processing the changes. In a "Fixed Rent System," increases in family income between reexaminations will not result in a rent increases until the next annual reexamination. This can serve as an incentive for families to improve their economic circumstances. Examples of income changes and resulting PHA actions are below:

CHANGE	PHA ACTION
(a) Increase in earned income from the employment of a current family member.	PHA will grant earned income disallowance if family member qualifies, or will defer the increase to the next regular reexamination.
(b) Increase in unearned income (e.g. COLA adjustment for social security).	PHA will defer the increase to the next regular reexamination.
(c) Increase in income because a person with income (from any source) is approved by the PHA to join the household.	PHA will defer the increase to the next regular reexamination.

13.2.2 Interim Rent System

Under an "Interim Rent System," the PHA processes interim increases in the rent for every interim increase in income. All changes in income must be reported to the PHA, within the time period specified in the ACOP. A rent change is processed for each change, even if the increase would only be one dollar per month. Unlike the Fixed Rent System, there are no changes that are delayed until the next annual reexamination. The Interim Rent System can be extremely staff

intensive, requiring that staff obtain third-party verifications on many small changes in income as well as processing the change in rent.

13.2.3 Hybrid Rent System

Housing authorities that implement a "Hybrid Rent System" establish a benchmark in the lease and ACOP for the types of increases in income that would result in a change in rent. Examples of benchmarks that PHAs may use in a Hybrid Rent System include:

- family has income after having reported zero income;
- increases in income of a specified percentage;
- increases in income of a specified amount;
- increases in income resulting from changes in employers;
- increases in income resulting from someone with income joining the family (with the PHA's permission);
- increases in income that occur after the PHA has granted an interim decrease in rent; and
- increases in unearned income resulting something other than from annual Cost of Living Increases.

While the Hybrid Rent System may decrease the number of changes in rent, depending on the types of increases that will trigger a rent change, it can be complex for housing authority staff to determine when to process rent changes resulting from increases in income.

It is recommended that a PHA using the Hybrid Rent System include a detailed description in its ACOP and lease describing the events that trigger the change in rent. For example, if a PHA chooses an increase in income of a specified percentage, the PHA's ACOP states what that percentage is and how that percentage is computed (i.e., percentage of that source of income or percentage of the total income of the family).

13.3 Effective Date of Adjustments

PHAs must notify residents in writing of any rent adjustment and the notice must state the effective date of the adjustment. Rent **decreases** usually go into effect the first of the month following the reported change. Income decreases reported and

verified before the tenant accounting cut-off date will be effective the first of the following month. Income decreases reported or verified after the tenant accounting cut-off date will be effective the first of the second month with a credit retroactive to the first month. The PHA may adopt a policy that states that decrease that are verified to last less than 30 days will not be processed.

Rent **increases** (except those due to misrepresentation) require the same notice as other rent increases (established in state law) and become effective as stated in the lease.

13.4 Timely Reporting of Accurate Information

A PHA must include in its ACOP resident requirements (if any) for reporting changes in income. Even if the PHA is using the Fixed Rent System, the PHA still may require the resident to report all changes with a set time period of the change occurring. Since the Fixed Rent System does not require that a rent change occur with every increase in rent, the PHA will file the changes in the tenant file, without verification. Verifications will be performed at the time of the next annual reexamination. PHAs may also choose not to require residents to report income increases if it will not change rent until the annual reexamination.

If it is found the resident has misrepresented or failed to report to the PHA the facts upon which his/her rent is based so that the rent being paid is less than what should have been charged, then the increase in rent will be made retroactive. Failure to report accurate information is also grounds for initiating eviction proceedings in accordance with PHA's dwelling lease. (24 CFR § 966.4)

The PHA will always process an interim increase in rent if it is found that the resident at an annual or interim reexamination has misrepresented the facts upon which the rent is based so that the rent the resident is paying is less than the rent that he/she should have been charged. PHA will apply any increase in rent retroactive to the first of the month following the month in which the misrepresentation occurred.

Failure to report within the timeframe specified in the ACOP and lease may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report income decreases promptly.

Residents may also be required to report interim increases in income if they have been granted interim rent reductions.

Complete verification of the circumstances applicable to rent adjustments must be documented.

13.5 Imputed Welfare Income (24 CFR § 5.615)

13.5.0 Overview

In 1998, with the passage of QHWRA, Congress linked welfare reform and housing reform. To give public housing residents and housing choice voucher participants a greater incentive to comply with welfare requirements that participants move toward economic independence, the law established two situations in which PHAs are **not permitted** to reduce rents, even though resident families have reduced incomes. Instead of reducing rent, the PHA must "impute" welfare income to the family in an amount equal to the reduction in benefits.

13.5.1 Economic Self-Sufficiency Requirements

The imputed income provisions apply only to residents who receive welfare assistance from a government program that requires a family member to participate in an economic self-sufficiency program as a condition for receipt of the assistance. In other words, imputed welfare income rules are not applicable to social security benefits, SSI, or general assistance. In most states, the programs to which the imputed welfare income rules apply are funded under the federal program of Temporary Assistance to Needy Families (TANF), although some state and local programs also have similar economic self-sufficiency requirements.

24 CFR § 5.603 (b) defines economic self-sufficiency program as

"Any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program) or other work activities."

Also included would be General Equivalency Diploma programs, certain higher education, and work readiness programs. Economic self-sufficiency requirements are generally tailored to each welfare recipient's situation, so the same programs will not be required for every resident.

13.5.2 When The PHA Must Not Reduce Rent

There are two situations in which a PHA is not permitted to reduce rent, even though the family has experienced a reduction in benefits:

- When welfare benefits are verified to have been reduced because of welfare fraud; or
- When welfare benefits are verified to have been reduced because of noncompliance with economic self-sufficiency requirements

These are the only situations in which welfare income is imputed.

13.5.3 When the PHA Must Reduce Rent

Any other time a resident's welfare grant is reduced or terminated, the PHA must reduce rent in accordance with the ACOP. Examples include:

- at expiration of lifetime or other time limit on the payment of welfare benefits;
- if a family member cannot find a job, even though he or she has completed all the required economic self-sufficiency requirements;
- because the family's welfare grant was reduced for noncompliance with some other welfare agency requirement; or
- because of an earlier inadvertent overpayment.

This is not an all-inclusive list of situations in which welfare benefits might be reduced and a PHA would reduce rent.

> An example of a situation in which welfare benefits are cut and rent would be reduced is that of states that immediately terminate welfare grant if a recipient misses an appointment (for any reason) and reinstate the grant only when a subsequent appointment is made and kept.

13.5.4 Verification Standards

Before a PHA can make a determination about whether or not to grant a rent reduction, or, conversely, impute welfare income, the PHA must obtain written verification from the welfare agency of the dollar amount of welfare reduction, the term of the reduction, and the reason for the reduction. With this information, the PHA can make a determination about whether or not to impute welfare income. PHAs are expressly permitted to rely on the welfare agency's verification. If a resident wishes to dispute the welfare agency's allegations about welfare fraud or failure to comply with economic self-sufficiency requirements, the resident must appeal through the welfare program's channels. PHAs are permitted, but not required, to delay imputing welfare income until such appeals are exhausted.

13.5.5 Method for Imputing Welfare Income

After the PHA receives verification that it is appropriate to impute welfare income, the PHA can determine the imputed welfare amount: simply, it is the amount by which the welfare grant has been reduced. The amount of time during which welfare income will be imputed is the term of the welfare benefit reduction. Another way of expressing this concept is to say that the PHA is required to compute rent exactly as if the welfare benefit reduction had not occurred until either the benefit reduction ceases, or the resident obtains some additional type of income.

13.5.6 Offsetting Imputed Welfare Income With Additional Income

If a PHA is imputing welfare income in computing a resident's rent and the resident's income increases for any reason (e.g. earned or unearned income), the new income is not added to the former income (which includes the imputed welfare income). Instead, the new income takes the place of the imputed welfare income. Thus, when a resident with imputed welfare income obtains any additional income, it is not added to the overall income until it exceeds the amount of the welfare sanction amount.

13.5.7 Imputed Welfare Income Example

Provided below is an example of imputed welfare income, and what happens when a resident with imputed welfare income obtains additional income.

Meet Monica Smith. Monica's welfare grant is being reduced because of failure to comply with economic self-sufficiency requirements. The PHA has written verification that Monica's former monthly grant of $500 is going to be reduced to $300 per month for six months.

Previous welfare grant	$500 per month
Amount of welfare benefit reduction	$200 per month
New welfare income (next six months)	$300 per month
PHA's imputed welfare income amount (Same as the welfare benefit reduction)	$200 per month
New monthly income for rent	$500 per month

(includes $300 welfare income + $200 imputed welfare income)

Even though Monica's actual cash income has been reduced by forty percent, the PHA is required to impute welfare income and use $500 in computing her rent.

If Monica gets a job to make up for the reduction in her welfare grant it will be applied as follows:

If she earns $200 per month, her rent will be based on ($300 in welfare, $200 in earnings, offsetting the imputed welfare income)	$500 per month
If she earns $250 per month, her rent will be based on ($300 in welfare, $250 in earnings, offsetting the imputed welfare income)	$550 per month
If she earns $150 per month, her rent will be based on ($300 in welfare, $150 in earnings, $50 in imputed welfare income)	$500 per month

Under no circumstances will a resident who is under an imputed welfare income sanction pay less rent than the share of rent based on the former welfare income.

13.5.8 Imputed Welfare Income and Earned Income Disallowance

Occasionally a resident who is having welfare income imputed will go to work and qualify for an earned income disallowance, described below. Note that the baseline income for such a resident will include the imputed welfare income, rather than being based on the actual cash welfare income. In the Monica Smith example above, if Monica got a very good job paying $1,000 per month, her $500 income (based on actual and imputed welfare income), would be the income used to compute the rent she would pay, not the rent based on her $300 cash welfare income. See the discussion in Chapter 10 on earned income disallowance

14. Utilities

14.0 Overview

There are two approaches to payment of utilities in public housing: PHA-paid and resident-paid. Generally PHA-paid utilities are master metered, but the regulations at 24 CFR Part 965, Subpart D require PHAs to convert to individually metered utilities, by having residents' individual units in master metered developments check metered or converting the entire master metered system to one with retail service between each resident and the utility company. If a PHA has check meters, residents receive a utility allowance based on usage and are charged (at the PHA's rate) for any use that exceeds the usage allowance. In developments with direct retail service, residents receive a cash-based utility allowance that is deducted from their total tenant payment.

The regulations permit PHAs to retain master metered systems if it is impractical to convert (e.g. in a centrally heated high-rise building) or not financially beneficial to the PHA (e.g. the rate for master metered utilities is so much lower than the rate for individual utilities and the cost for upgrading the utility distribution network is so high that it is less expensive to retain the master metered system).

At least every five years, PHAs with master metered developments that are not check metered are required to perform a cost/benefit analysis at each master-metered development to determine whether conversion to individual service with either check meters or direct retail service would be financially beneficial to the authority. PHAs that have units, such as scattered site homes, that is already individually metered and paid by the PHA are required to convert to retail service (See 24 CFR § 965.404)

Any conversion from a PHA-paid system requires that the PHA work closely with residents to plan the conversion, explain how it will affect individual residents, and describe methods of utility conservation. When check meters are being installed, PHAs are required to run the system for at least six months during which residents receive a copy of what their bills would be without having to pay them. In developing both consumption allowances for a check metered system or cash

allowances for a retail system, the PHA must be mindful of any residents with disabilities who use greater than normal amounts of utilities because of their disability. Such residents must be provided with an adjusted allowance to account for the higher usage. For example, if a PHA had a resident who used a lung machine 24 hours per day, the family would be entitled to a higher than usual utility allowance.

When comparing check metering to direct retail service between the utility provider and the resident, many PHAs have opted for resident-paid utilities because it provides an incentive for the residents to save on energy consumption. It is also easier for a PHA to administer (no PHA meter readers, no computation of individual bills for excess usage to residents, no additional collection requirements). Both residents and PHAs have responsibilities under each system. PHAs must provide residents with the utilities that are required for safe and sanitary housing, and residents must pay their utilities in a timely manner.

This chapter provides guidance on the following topics:

- Resident-paid utilities;
- PHA-paid utilities;
- Utility allowances and reimbursement; and
- Excess utility charges.

14.1 Resident-Paid Utilities

Under a resident-paid utility system, residents pay the cost of designated utilities directly to the utilities supplier. In those cases, the resident rent is reduced by an allowance for utilities developed by the PHA in accordance with the regulations under 24 CFR Part 965. The resident lease must state the utilities, services and equipment that will be supplied by the PHA without any additional cost, the utilities and appliances that will be paid or supplied directly by the resident, and the allowance for resident paid or supplied utilities and appliances.

The following requirements are suggested additions to an ACOP for residents living in or applicants being admitted to developments with resident-paid utilities:

- No applicant can be admitted nor tenant transferred to a development with resident-paid utilities unless he or she can obtain utility service;
- In developments with resident-paid utilities, each resident receives a monthly utility allowance that reflects a reasonable amount of utilities for the specific size and type of unit occupied;
- When a resident's Total Tenant Payment is less than the utility allowance, the PHA will pay a monthly utility reimbursement, equal to the difference between one month's total tenant payment and the utility allowance, either to the resident or to the utility company on the resident's behalf;
- When the supplier of utilities offers a "Budget" or level payment plan, it shall be suggested to the resident to pay his/her bills according to this plan. This protects the resident from large seasonal fluctuations in utility bills and ensures adequate heat in the winter;
- When a resident makes application for utility service in his/her own name, he or she shall sign a third-party notification agreement so that the PHA should be notified if the resident fails to pay the utility bill;
- Paying the utility bill is the resident's obligation under the PHA's lease. Failure to pay utilities is grounds for eviction; and
- Some PHAs pay residents' overdue utility bills and have service switched to the PHA account to avoid having utilities disconnected. Typically, this is a short term arrangement since the resident will have violated the lease and may be involved in eviction proceedings, but it will prevent the pipes in the unit from freezing or, much worse, a fire caused by some makeshift arrangement to keep the unit warm.

14.2 PHA-Paid Utilities

In some public housing developments, it is not practical to convert to individually metered utilities. These developments have PHA-paid utilities. Even at these sites, residents are expected to conserve utilities and to pay for excess usage. For example, the PHA may charge residents for excess utility usage based on resident-provided equipment such as freezers, washing machines, air conditioners, or extra refrigerators. The PHA typically will establish a monthly charge for each type of appliance and cite these in the lease. HUD regulations at 24 CFR § 990.102 define the required utilities as: water; electricity; gas; other heating, refrigeration and cooking fuels; trash collection; and sewerage services. Telephone service and cable TV are not considered utilities and therefore not calculated with the utility allowance.

14.3 Utility Allowances

The PHA must establish fair and reasonable utility allowances for individually metered utilities. The objective in establishing an allowance is to estimate as closely as possible a reasonable consumption of utilities by an energy-conscious household. The utility allowance is generally determined by or in consultation with the supplier of utilities following an energy audit.

In check-metered developments, where utility allowances are based on usage, the PHA will generally read the meters on a quarterly or monthly basis. This meter reading helps overcome any single month's fluctuations in usage. The resident is then charged for any use above the allowance at the rate paid by the PHA.

In developments with retail service between the resident and the utility company, the utility allowance is a cash allowance. The PHA may either establish a flat, monthly allowance by unit size and type (which works effectively if residents are on a budget billing system with the utility company) or can adjust the utility allowances seasonally.

If residents use more utilities than the amount covered by the allowance, the resident must pay the higher amount. On the other hand, if residents use less than the allowance, they receive the benefit of their conservation.

PHAs are required to review their schedule of utility allowances annually, revise them if needed, as discussed below, and make them available for inspection by the residents. According to the regulations at 24 CFR § 965.502, no later than 60 days before the proposed effective date of the revision, the PHA must inform the residents of the planned allowances, surcharges and revisions. Residents must be provided with an opportunity to make comments during a period no longer than 30 days before the proposed effective date of the revised schedule. The schedule of allowances or surcharges is not subject to HUD approval before becoming effective by the PHA.

PHAs are required to revise their schedule of allowances before the end of the year if there is a change in the utility rate of 10 percent or more from the rate on which the allowance was based. A PHA would then be required to readjust the resident payment retroactive to the first day of the month following the month in which the

last rate change taken into account became effective. This type of rate change is not subject to the 60-day notice requirement. (See 24 CFR § 965.507(b))

14.4 Utility Reimbursement

When a resident's Total Tenant Payment (TTP) is less than the utility allowance, the PHA must make a monthly utility reimbursement equal to the difference between the TTP and the utility allowance. In the Public Housing program, a PHA may pay utility reimbursement either to the family or directly to the utility supplier on behalf of the family. Payment of utility reimbursements directly to the utility company involves considerably less bookkeeping for the PHA. Typically, the PHA sends a check to the utility company each month with a list of the residents by address and utility account number on whose behalf reimbursements are being paid. The PHA pays early enough in the month that the resident's utility bill would reflect the PHA's payment.

Residents paying an income-based rent are eligible for a utility reimbursement, while residents who choose a flat rent are not eligible for a utility reimbursement.

14.5 Reasonable Accommodation of Residents With Disabilities

On request from a family that includes a person with disabilities, the PHA must approve a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR Part 8 to make the program accessible to and usable by the family with a disability. (See 24 CFR § 965.508)

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.

Please Note: The Department of Veteran Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 2002, at Section 432, provides that: "None of the funds made available by this Act may be used to implement or enforce the requirement … relating to community service, except with respect to any resident of a public housing project funded with any amount provided under section 24 of the United States Housing Act of 1937, as amended, or any predecessor program for the revitalization of severely distressed public housing (HOPE VI)." (Pub. L 107-73, sec.432, 115 Stat. 651).

Under this new provision, Public Housing Authorities (PHAs) generally are precluded from implementing or enforcing community service requirements in non-HOPE VI developments using FY 2002 funds. FY 2002 funds will be considered to be in use for the time period HUD provides Federal FY 2002 operating funds to a PHA. (i.e., the PHA's fiscal year commencing: January 1, 2002, April 1, 2002, July 1, 2002 or October 1, 2002).

Only residents that reside in a HOPE VI housing development are required to comply with the community service requirements during the applicable time period. A HOPE VI housing development is any public housing development that is or was funded with any amount of HOPE VI funding, or any predecessor program for the revitalization of severely distressed public housing.

A PHA may continue implementing or enforcing current community service requirements until its 2002 fiscal year commences. However, if a PHA chooses, it may suspend enforcement of the requirements for non-HOPE VI funded programs immediately in recognition that the non-HOPE VI programs will no longer be enforceable during its 2002 fiscal year. This will not affect any voluntary community service program a PHA may have outside of section 12 of the United States Housing Act of 1937.

PHAs must provide written notice of these changes to all affected residents as soon as feasible, generally 30 days before the beginning of its 2002 fiscal year. The notice must include language stating that the PHA will not implement or enforce the community service requirement provision of the lease during the applicable fiscal year, except for HOPE VI funded projects.

The following chapter and sample Community Service Policy (Appendix VI) therefore apply only to HOPE VI-funded projects for FY 2002.

15. Community Service and Economic Self-Sufficiency

15.0 Overview

Community Service is defined as "the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community". Community Service is not employment and may not include political activities. (See 24 CFR § 960.601)

The Community Service and Economic Self-Sufficiency requirements mandate that each non-exempt adult household member[48] shall either contribute eight hours per month of community service within their community, or participate in an Economic Self-Sufficiency program for eight hours per month. The requirements can also be met by a combination of eight hours of Community Service and participation in an Economic Self-Sufficiency Program. This chapter provides guidance on administration of this requirement.

15.1 How PHAs Can Administer Community Service/Self-sufficiency Programs

PHAs must develop a local policy for administration of the community service/self-sufficiency program for public housing residents. The policy should contain a number of elements, including for example: PHA responsibilities in administering the requirement; eligible activities; exemptions from the requirement; and review of compliance. These elements are described further below. See Appendix VI for a Sample Community Service Policy.

PHAs may administer qualifying community service and self-sufficiency activities directly or make the activities available to residents through a contractor or partnership with qualifying organizations (including resident organizations), community agencies, or institutions.

[48] 18 years or older

In administering the community service/self-sufficiency program, a PHA should, to the extent possible, provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations. A person with disability who can otherwise be gainfully employed is not exempt from the community service requirement. The PHA should also provide referrals for volunteer work or self-sufficiency programs.

15.2 Eligible Community Service Activities

Eligible community service activities that can be performed include, but are not limited to:

- Work at a local public or non-profit institution, including but not limited to: school, Head start, other before or after school program, child care center, hospital, clinic, hospice, nursing home, recreation center, senior center, adult day care program, homeless shelter, feeding program, food bank (distributing either donated or commodity foods), or clothes closet (distributing donated clothing), etc.;
- Work with a non-profit organization that serves PHA residents or their children, including but not limited to: Boy Scouts, Girl Scouts, Boys or Girls Club, 4-H Club, PAL, other children's recreation, mentoring, or education programs, Big Brothers or Big Sisters, Garden Center, Community clean-up programs, Beautification programs, etc.;
- Work with any program funded under the Older Americans Act, including but not limited to: Green Thumb, Service Corps of Retired Executives, Senior meals programs, Senior Center, Meals on Wheels, etc.;
- Work with any other public or non-profit youth or senior organizations;
- Work as an officer of a development or citywide resident organization;
- Work as a member of the Resident Advisory Committee;
- Work at the Authority to help improve physical conditions (for example as a floor, grounds or building captain);
- Work at the Authority to help with children's programs;
- Work at the Authority to help with senior programs;
- Helping neighborhood groups with special projects;
- Working through a resident organization to help other residents with problems, serving as an officer in a Resident Organization, serving on the Resident Advisory Board; and

- Caring for the children of other residents so they may volunteer.

PHAs should notify their insurance companies if residents will be serving at the PHA.

15.3 Eligible Self-sufficiency Activities

Eligible self-sufficiency activities in which residents may engage include, but are not limited to:

- Job readiness programs;
- Job training programs;
- Skills training programs;
- Higher education (Junior college or college);
- GED classes;
- Apprenticeships (formal or informal);
- Substance abuse or mental health counseling;
- English proficiency or literacy (reading) classes;
- English as a second language classes;
- Budgeting and credit counseling; and
- Carrying out any activity required by the Department of Public Assistance as part of welfare reform.

15.4 Exempt Residents

A PHA must identify in the community service/self-sufficiency policy the residents that are exempt from the program work/self-sufficiency requirement, including persons who are:

- 62 years or older;
- Blind or person with disabilities and who certifies that, based on the disability, he or she cannot comply with the requirement;
- Caretakers of a blind person or person with disability who has certified that based on the disability, he or she cannot comply the requirement;
- Currently working at least 20 hours per week;

- Certified as exempt from work activities under a State Programs as stated by the Social Security Act or any other welfare state program; and
- Members of a family receiving benefits from a State Welfare Program in compliance with the program's requirements.

The PHA should describe in the Community Service Policy the process it will follow to determine which family members are exempt from the requirement as well as the process for determining any changes to the exempt status of the family member. The PHA's must provide the family with exemption verification forms, Recording/Certification documentation forms, and a copy of the Policy at initial application and at lease execution. The PHA makes the final determination whether or not grant the exemption from the community service requirement. If a Resident does not agree with the PHA's determination, he/she can dispute the decision through the PHA's Grievance Procedures.

15.5 Noncompliant Residents

An exemption to the requirement must be verified annually by the PHA. At least sixty days before the annual re-examination and/or lease expiration, the PHA must begin reviewing the exempt or non-exempt status and compliance of family members. If the PHA finds a family member to be noncompliant, the PHA must enter into an agreement with the noncompliant member and the Head of Household to make up the deficient hours over the next twelve (12) month period. If, at the next annual re-examination, the family member still is not compliant, the PHA is not permitted to renew the lease and the entire family will have to vacate, unless the noncompliant member agrees to move out of the unit. The family may use the Authority's Grievance Procedure to protest the lease termination.

15.6 Other HUD Requirements

A PHA policy must also state the following requirements:

- The eight (8) hours per month may be either volunteer work or self-sufficiency program activity or a combination of the two.
- 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 it. The Authority will make the determination of whether to permit a deviation from the schedule.

- Activities must be performed within the community and not outside the jurisdictional area of the PHA.

15.7 Resident Responsibilities

At lease execution or re-examination after the effective date of the adopted policy, all adult members (18 or older) of a public housing resident family must:

- Provide documentation that they qualify for an exemption, if they claim to be exempt from Community Service requirement, and
- Sign a certification that they have received and read the policy and understand that if they are not exempt, failure to comply with the Community Service requirement will result in non-renewal of their lease.

At each annual re-examination, non-exempt family members must present a completed documentation form (PHA Form) of activities performed over the previous twelve (12) months. This form will include places for signatures of supervisors, instructors, or counselors certifying to the number of hours contributed. See Appendix VI for a sample form.

If a family member is found to be noncompliant at re-examination, the member and the Head of Household will sign an agreement with the Authority to make up the deficient hours over the next twelve-month period.

15.8 Change in Exempt Status

When an adult resident's exempt status changes during the year:

- If, during the twelve-month period, a non-exempt person becomes exempt, it is his/her responsibility to report this to the Authority and provide documentation.
- If, during the twelve-month period, an exempt person becomes non-exempt, it is his/her responsibility to report this to the Authority. The Authority will provide the person with the Recording/Certification documentation form and a list of agencies in the community that provide volunteer and/or training opportunities.

15.9 No Substitution of Community Service Workers for PHA Employees

No PHA may substitute any community service activity performed by a resident for work ordinarily performed by a PHA employee.

16. Pet Policies/Assistance Animals

16.0 Overview

Residents who live in public housing developments are permitted to own pets, subject to the requirements of two different laws. Residents in general occupancy developments are now permitted to own pets (see Section 31 of the United States Housing Act and 24 CFR § 960.701–707). Residents in elderly/disabled (mixed population) developments have been permitted to own pets for some time (see Section 227 of the Housing and Urban-Rural Recovery Act of 1983 and 24 CFR § 5.300-5.327 and 5.380). This chapter provides guidance on pet ownership in public housing.

16.1 Non-Applicability of Pet Policies to Assistance Animals

Assistance animals that are needed as a reasonable accommodation for persons with disabilities are not considered pets, and thus, is not subject to PHA pet policies.

Assistance animals are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or animals that provides emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals – often referred to as “service animals,” "assistive animals," “support animals,” or “therapy animals” – perform many disability-related functions, including but not limited to the following:

- guiding individuals who are blind or have low vision;
- alerting individuals who are deaf or hard of hearing to sounds;
- providing minimal protection or rescue assistance;
- pulling a wheelchair;
- fetching items;
- alerting persons to impending seizures; or

- providing emotional support to persons with disabilities who have a disability-related need for such support.

A PHA 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.

A PHA's refusal to modify or provide an exception to a "no pets" rule or policy to permit a person with a disability to use and live with an assistance animal would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless:

- the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation;
- the animal would cause substantial physical damage to the property of others;
- the presence of the assistance animal would pose an undue financial and administrative burden to the provider; or
- the presence of the assistance animal would fundamentally alter the nature of the provider's services.

The fact that a person has a disability does not automatically entitle him or her to an assistance animal. There must be a relationship between the person's disability and his or her need for the animal. The PHA would be permitted to verify that the individual requesting the assistance animal is a person with a disability and that the animal is needed to assist with the disability. As with all other disability-related inquiries, the PHA may not ask about the nature or extent of the resident's disability.

16.2 Comparison of Pet Policy Requirements for Elderly and General Occupancy Developments

The table below lists the components of pet policies that are covered for both elderly and general occupancy developments. Both rules grant each PHA significant discretion in establishing pet policies appropriate for their local

situation. Both rules emphasize that policies must be reasonable. Thus, PHAs may fashion similar pet policies for both types of developments.

However, some requirements are different for each type of development. Pet policies for general occupancy developments are covered by the PHA Plan, thus resident participation is obtained from the Resident Advisory Board. In addition, the pet deposit requirements are different for each type of development.

For practicable purposes, many PHAs may choose to follow the more detailed Part 5 requirements in developing their pet policies. It should be noted that the pet rules for elderly/disabled projects that are found in 24 CFR Part 5 apply both to HUD's public housing and assisted housing programs. Only sections specifically applicable to public housing apply to public housing elderly developments. Assisted housing's requirements are more prescriptive than public housing's under the Part 5 rule.

Pet Policies	Elderly/Mixed Population Developments	General Occupancy Developments
1. Definition of common household pet	The pet rules may contain a reasonable definition of common household pet. **§5.306(b)** and **§5.318(a)**	A resident may own one or more common household pets or have one or more present in the unit, subject to the reason-able requirements of the PHA. **§960.707(a)**
2. Resident participation	The PHA must notify all tenants in writing during development of pet rules. The PHA must develop specific procedures governing tenant consultation. Procedures must give tenants adequate opportunity for review and comment before pet rules are issued for effect. **§5.312 and §5.380**	Resident input is obtained from the Resident Advisory Board, as part of an agency's PHA Plan **§960.707(e)**
3. Consistency with State and local laws	The pet rules adopted must not conflict with applicable State or local law or regulations. **§5.315(d)**	Reasonable limitations may include prohibitions on types of animals that the PHA classifies as dangerous, if such classifications are consistent with applicable State and local law. **§960.707(b)(3)**
4. Limitations on number of pets in a unit	Pet rules may consider tenant and pet density and may place reasonable limitations on the number of common household pets allowed in each dwelling unit. **§5.318(b)**	Reasonable requirements may include limitations on the number of animals in a unit, based on unit size. **§960.707(b)(2)**

Pet Policies	Elderly/Mixed Population Developments	General Occupancy Developments
5. Limitations on the number of pets in a development	The pet rules may place reasonable limitations on the size, weight, and type of common household pets allowed in the development. **§5.318(c)**	Reasonable requirements may include restrictions or prohibitions based on size and type of building/project, or other relevant conditions. **§960.707(b)(4)**
6. Pet deposits	Pet rules may require tenants who own or keep pets in their units to pay a refundable pet deposit. PHA may use the pet deposit only to pay reasonable expenses attributable to pet in the project, including but not limited to cost of repairs and replacements to and fumigation of tenant's dwelling unit. PHA must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves out or no longer owns or keeps a pet in the unit. Maximum pet deposit charged by PHA, on a per unit basis, must not exceed the higher of the total tenant payment or a reasonable fixed amount as PHA may require. Pet rule may permit gradual accumulation of pet deposit by the owner. **§ 5.318(d)(1) and (3**)	Reasonable requirements may include requiring payment of a non-refundable nominal fee to cover the reasonable operating costs to the property relating to presence of pets, a refundable pet deposit to cover additional costs attributable to pet and not otherwise covered, or both. A PHA 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 State or local law has no requirements regarding pet deposits, for rental security deposits, if applicable. PHA must comply with such applicable law on retention of the deposit, interest, and return of the deposit or portion thereof to the resident, and any other applicable requirements. **§960.707(b)(1) and (d)**
7. Protecting the health and safety of pets and residents	Pet rules may prescribe standards of pet care and handling, but must be limited to those needed to protect condition of tenant's unit and the general condition of the project premises, or to protect health or safety of present tenants, PHA employees, and the public. **§5.318(e)**	The resident must maintain each pet in accordance with applicable State and local public health, animal control, and animal anti-cruelty laws and regulations. **§960.707(a)(2)**
8. Pet registration	Pet rules may require pet owners to license their pets in accordance with applicable State and local laws and regulations. **§5.318(f)**	Reasonable requirements may include registration of the pet with the PHA. **§960.707(b)(5)** Also, see number 7.
9. Forbidding removal of any pet's vocal chords	Pet rules may not require pet owners to have any pet's vocal chords removed. **§5.318(e)**	PHA may not require pet owners to have any pet's vocal chords removed. **§960.707(c)**
10. PHA Plan	No requirement.	Annual Plans are required to contain information about the PHA's pet policy. **§960.707(e)**

Pet Policies	Elderly/Mixed Population Developments	General Occupancy Developments
11. Designated pet areas	PHAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Also, pet rules may designate buildings, floors, or sections of buildings for residency generally by pet-owning tenants. PHAs may direct initial tenant moves as may be needed to establish pet and no-pet areas. PHA may not refuse to admit (or delay admitting) an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. PHA may adjust pet and no-pet areas or direct such additional moves as may be necessary (or both) to accommodate such applicants or meet changing needs of existing tenants. **$5.318(g)**	See number 5.
12. Temporary pets	Pet rules may exclude pets not owned by a tenant to be kept temporarily on the project premises. Pets are "kept temporarily" if they are kept in the tenant's dwelling unit for less than 14 consecutive days and nights. HUD encourages PHAs to permit the use of a visiting pet program sponsored by the humane society. **§5.318(h)**	See number 1.
13. Lease Provisions	PHA lease must state that tenants are permitted to keep common household pets in their units, subject to the PHA's Pet rule, made a part of the lease by reference. Tenant agrees to comply with pet rules and violation of pet rules may be grounds for removal of pet, termination of pet owner's tenancy or both. **§5.321**	
Miscellaneous rules	PHA may bar pets from specified common areas (e.g. lobbies, laundry rooms, social rooms) so long as pet owners can get in and out of building. PHA may require owner to control pet noise and odor. PHA may require dogs and cats to be neutered or spayed. PHAs may choose not to issue pet rules, but any rules issued must follow PHA's lease, **§5.3 rule**, and state and local law.	

16.3 PHA Pet Policy Practices

Although the regulations grant PHAs much discretion in establishing pet policies, below are some sample reasonable practices from PHAs who have established successful policies for general occupancy developments. It is important to note, however, that different or varying guidelines may be locally appropriate and that pet policies must comport with applicable local laws.

- Common household pets most often include domesticated animals, such as cats, dogs, fish, and birds that are traditionally kept in the home for pleasure rather than for commercial purposes. Many PHAs do not permit reptiles, rodents, insects (e.g. ant farms) or arachnids (tarantulas) as common household pets.
- PHA pet policies may distinguish between the numbers and types of pets permitted at developments that have high densities (and, often, little open space) and those with more room both in units and on the grounds.
- It may be reasonable to place strict limits on the sizes of dogs and cats permitted at a very high-density site where residents do not have private yards and there is little open space for pets to be exercised. The same limitation would not necessarily be reasonable at a site with plenty of open space that could be devoted to pets, while still permitting resident's outdoor space for recreation.
- Most PHAs require residents to register their pet with the housing authority. Registration often includes the certification from a licensed veterinarian of required pet inoculations, information to identify the pet; and the name and address of the pet owner and the name and address of a responsible party to care for the pet if the owner is unable to. This information would be updated annually as part of the reexamination process.

The amount of a pet deposit typically takes into account the size, potential damage by and activity of the pet. For example, owners of hamsters would not be charged the same fee as a dog or cat owner.

- Dogs must be kept on a leash and controlled by a responsible individual when taken outside.
- Establishing pet areas and no-pet areas within their developments may be an excellent way for the PHA to deal with issues such as individuals who have severe allergies to pets or who will be bothered by even reasonable levels of noise that pets create.

17. General Public Housing Lease Requirements

17.0 Overview

HUD rules establish both required and prohibited provisions for public housing leases. In addition, PHAs are permitted to add other provisions as long as they are considered reasonable. The requirements for public housing leases are detailed in 24 CFR Part 966 Subpart A: Dwelling Leases, Procedures and Requirements. These rules are specific and unique to the public housing industry[49].

In addition to HUD's requirements for lease language, PHAs are bound by state and local landlord-tenant laws. Although a number of states have based their landlord-tenant law on either the Uniform Residential Landlord Tenant Act (URLTA) or the Model Residential Landlord-Tenant Code, statutes are not consistent between states. Beyond the public housing program requirements, federal regulations require specific language to prevent discrimination, and some leases may contain further court-ordered wording to provide corrective action based on previous court settlements.

Public housing leases establish the basis of the legal relationship between the PHA and tenant. The landlord-tenant relationship is founded on duties prescribed by regulation, statutory law, common law, and the individual lease. To ensure compliance with state and local requirements, each PHA should request that its Legal Counsel review the lease form for compliance with state and local requirements.

Many PHAs have developed and continue to use lease provisions from previous lease forms or have modified leases used by PHAs in other jurisdictions that may

[49] For example, tenants and tenant organizations must be given a 30 day opportunity to review and make written comment on any changes to the lease before adoption by the PHA. Comments submitted must be considered by the PHA before adoption of any new lease form (24 CFR § 966.3)

not be appropriate to or even legal in their jurisdiction. PHAs may be held legally accountable for any illegal or unenforceable clauses in their lease, regardless of their origin. Generally, any reasonable terms and conditions not prohibited by law can be included in a rental agreement, if they are fairly applied.

This chapter of the Guidebook covers the following topics:

- Lease changes mandated by the Quality Housing and Work Responsibility Act of 1998;
- Prohibited lease provisions;
- Optional provisions: reasonableness test;
- Relationship of the lease to occupancy policies;
- Relationship for the lease to state law; and
- Public Housing Lease Requirements.

17.1 Required lease provisions: Changes mandated by the Quality Housing and Work Responsibility Act of 1998

The provisions that must be included in all public housing leases are described under 24 CFR § 966.4, and are discussed below in Section 17.6. In general, the most significant changes required by QHWRA in PHA policies are those needed in the ACOP, but a few changes must also be made in PHA leases:

- The lease must state that additions to a tenant household other than births, adoption, or court-awarded custody require the family to request PHA permission prior to permitting anyone not listed on the lease to occupy the unit (24 CFR § 966.4 (a)(v)).
- The lease term must be one year, renewable for subsequent one year terms (many PHAs had month-to-month leases or month-to-month renewals) (24 CFR § 966.4 (2)(i)).
- The lease must contain a clause stating that PHA may not renew the lease if the family has violated the requirements to perform community service or economic self-sufficiency activities (24 CFR § 966.4 (2)(ii)).
- Although it is for one year, the lease may be modified at anytime by written agreement of the tenant and the PHA (24 CFR § 966.4 (3)). Failure by a tenant

to accept a lease revision is grounds for termination of tenancy (24 CFR § 966.4 (l)(2)(i)).

- The PHA must waive the escrow deposit for a grievance hearing if it is requested in connection with a minimum rent hardship exemption (24 CFR § 966.55 (e)(2)).
- The prohibition (in many PHA leases) against pets in family developments must be revised to permit pets, in compliance with the PHA's pet policy. (See Chapter 16)
- The lease should reference any changes in annual and interim re-examinations contained in the ACOP.
- The PHA lease language has been strengthened and made more explicit on termination of tenancy of criminal activity or alcohol abuse.

17.2 Prohibited Provisions

Lease clauses of the nature described in 24 CFR § 966.6 may not be included in new leases between a PHA and a tenant, and are required to be deleted from existing leases, either by amendment or execution of a new lease. Note that this section of the regulations is not all-inclusive, rather, it is illustrative. The specific prohibited lease provisions include:

- Confession of judgment;
- Distraint for rent or other charges - agreement by tenant that landlord is authorized to take property of the tenant and hold it as a pledge until the tenant performs the obligation which the landlord has determined the tenant has failed to perform;
- Exculpatory clauses - agreement by the tenant not to hold the landlord or landlord's agent liable for any acts or omissions whether intentional or negligent on the part of the landlord or the landlord's authorized representatives or agents;
- Waiver of legal notice by tenant prior to actions for eviction or money judgments;
- Waiver of legal proceedings- authorization to the landlord to evict the tenant or hold or sell tenant's possessions whether the landlord determines that a breach or default has occurred without notice to the tenant or any determination by a court of the rights and liabilities of the parties;
- Waiver of jury trial - HUD has issued recent determinations that no form of jury trial waiver is permissible in a PHA lease;

- Waiver of right to appeal judicial error in legal proceeding; and
- Tenant chargeable with cost of legal actions regardless of outcome.

Beyond the prohibited provisions established by 24 CFR § 966.6, State and local landlord-tenant statutes may establish additional prohibited provisions[50].

Other state laws may prohibit other types of lease clauses. These often include but are not limited to:

- separation of right to collect rent from the landlord's obligations regarding the property and its maintenance and operations;
- a provision designed to limit the liability of the owner, including waiver of liability;
- any agreement to a confession of judgment on behalf of the tenant;
- any agreement to the recovery of attorney fees in an amount greater than that allowed by Code;
- the landlord's collection of a security deposit (including all other deposits) greater than one month's rent;
- the landlord's retention of a security deposit longer than 14 days after termination of the rental agreement, without appropriate justification;
- unfair enforcement of house rules by the landlord; and
- denying the landlord the right to reasonable access to dwelling units.

In addition, most states prohibit unlawful removal or exclusion from a unit (lockout). For example, if the landlord excludes the tenant from the premises without a court order (a lockout) then the tenant may recover possession or terminate the rental agreement. In either case, the tenant may be able to recover an amount equal to free rent or free occupancy for two months, and the costs of suit, including reasonable attorney fees.

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50 For example, in Rhode Island, no rental agreement can make a tenant agree to a waiver of rights or remedies provided by law, or allow the landlord to waive or limit legal responsibilities. Since illegal clauses are unenforceable, they should be deleted from contractual agreements to avoid giving tenants a misleading impression of their responsibilities. If a landlord deliberately uses a rental agreement containing provisions that are known to be prohibited, the tenant may go to court to recover actual damages, an amount equal to three times the rent, and attorney fees.

Lease clauses allowing retaliatory evictions are also strictly prohibited. Further, leases generally cannot allow actions for recovery of possession by turning off utilities.

17.3 Optional Provisions: Reasonableness Tests

Historically, many PHAs have adopted late payment penalties and security deposits and now consider these provisions to be requirements. However, these terms are considered optional under the lease requirements of 24 CFR § 966.4. The lease may require payment penalties for late payment. Likewise the lease may require security deposits not exceeding one month's rent or such reasonable fixed amount set by the PHA. PHAs may permit security deposits to be gradually accumulated by the tenant. Subject to state and local laws, interest earned on security deposits may be refunded to the tenant on vacation of the dwelling unit or used for tenant services or activities. Optional provisions included in many PHA leases relate to a wide range of topics including for example: use or possession of weapons or illegal drugs in a PHA unit; specific responsibilities for tenant maintenance of a unit or yard; permissible tenant-initiated improvements to premises; and locations where tenant-owned vehicles may and may not be parked.

Lease provisions, taken as a whole, must be "reasonable" according to their plain meaning.

17.4 Reasonableness Test

Since the landlord drafts and establishes the lease document, the terms are always subject to the reasonableness test. The lease terms are subject to court review when an action proceeds to court, such as in a lease termination.

The important point to remember is that courts have perceived landlords to have a greater bargaining strength than tenants have, and therefore are subject to a higher standard for errors and misinterpretations of the lease since they are the drafter of the document. If a term is found to be unfair then that term will not be binding on the party to whom it applies.

17.5 Relationship of the Public Housing Lease to Occupancy Policies

Housing authorities must ensure that the occupancy policies and dwelling lease are consistent. The occupancy policy defines and establishes policies related to annual income, rents, the waiting list, reexaminations, occupancy standards, transfers, rent adjustments, utilities, or other provisions that are enforced through the lease. For example, if the housing authority ACOP has a fixed rent policy, only requiring an annual reexamination of income and no rent increases between reexaminations except for fraudulent activity, the housing authority would have no basis for increasing the rent between reexaminations.

The lease also incorporates many items by reference such as the schedule for charges in addition to rent, schedule for flat rents, house rules or other regulations that the housing authority has approved and implemented. The schedules and reference documents must be publicly posted in a conspicuous manner in each development office and furnished to applicants and tenants upon request in accordance with 24 CFR § 966.5. Some housing authorities as a general practice provide these to each tenant at move-in.

Making schedules, rules and regulations a part of the lease by reference means their modification is subject to the 30 day comment period required for lease changes: at least 30-day written notice to each affected tenant containing the proposed modification, reasons for the modification, and providing the tenant and tenant council an opportunity to present written comments that shall be taken into consideration by the PHA prior to the proposed modifications becoming effective. A copy of the notice shall be:

- delivered directly or mailed to each tenant; or
- posted in at least three (3) 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 each project.

Another example where the lease and admission and occupancy policies interface is the community service requirements. The lease contains specific language and terms on the nonrenewable clause of the lease should the tenant fail to perform the required community service. However, the housing authority must also establish policies and procedures on the implementation of the community service requirement. If the housing authority has failed to provide the policies and

procedures enacting the community service requirement, the housing authority would not be able to proceed with the enforcement of this particular lease provision.

17.6 Public Housing Lease Requirements

HUD prescribes provisions that must be incorporated in leases by PHAs for dwelling units assisted under the U.S. Housing Act of 1937 in projects owned by or leased to PHAs and leased or subleased by PHAs to the tenants. The specific provisions are detailed in accordance with 24 CFR § 966.4.

17.6.1 Required Provisions

Lease requirements contain specific provisions described under in accordance with 24 CFR § 966.4. In this section, the Guidebook presents these mandatory provisions. Specific sections and provisions required by HUD are included (the appropriate section of 24 CFR § 966.4 is noted).

17.6.1.1 Parties, dwelling unit and term (24 CFR § 966.4(a))

The lease must identify the Housing Authority (the landlord) and name the head or co-heads who will be the "tenant" as described under state law. The specific address of the unit leased must be indicated.

It is a responsibility of the tenant to inform the PHA promptly of the birth, adoption or court-awarded custody of a child, to ensure that the family lives in the correct size dwelling unit. Depending on the PHA's lease and ACOP, the PHA may transfer a family on an interim basis (between annual reexaminations) or may make occupancy standards transfers only at the annual reexamination.
Tenants must obtain written approval from the PHA for any other addition to their household, including a foster child or children or a Live-in Aide. Permission to add Live-in Aides and foster children shall not be unreasonably refused by a PHA, if a unit of the appropriate size is available.
Tenants are required to wait for a PHA's approval before allowing additional persons to move into the premises. Failure on the part of tenant to comply with this provision is a serious violation of the terms of the lease, for which a PHA may terminate the lease.

Many PHAs also indicate the unit's number (from their computer system) and the tenant's account number in this section of the lease.

- The lease term must be one year, renewable for subsequent one year terms (many PHAs had month-to-month leases or month-to-month renewals) (24 CFR § 966.4 (2)(i)).
- The lease must contain a clause stating that PHA may not renew the lease if the family has violated the requirements to perform community service or economic self-sufficiency activities (24 CFR § 966.4 (2)(ii)).

> PHAs must determine whether a tenant has complied with the agency's community work requirement (or the work requirement established under the state welfare reform plan) at least 30 days prior to the end of the lease. If the PHA determines that the tenant has not complied with the applicable work requirement, the PHA may not renew the lease. However, tenants must be advised of their right to due process if the lease is not renewed.

17.6.1.2 Payments due under the lease (24 CFR § 966.4 (b))

The lease must specify the amount of tenant rent, both for a full month and the pro-rated amount for the initial partial month (if applicable). In addition, if the tenant will be paying any utilities directly to the utility supplier, the PHA must grant the tenant a Utility Allowance. The amount of the utility allowance will be specified in this section. Finally, if the tenant's income-based rent is less than the utility

> PHAs may modify their leases to indicate whether the tenant has chosen to pay flat rent or income-based rent. Tenant has yearly right to choose.

allowance, the tenant will be entitled to a utility reimbursement[51]. Both the full month and pro-rated month's utility reimbursement (if applicable) will be specified here.

All charges in addition to rent must be listed in the lease. If the PHA charges a security deposit or late charges for unpaid rent, the lease must indicate these here. The PHA's approach to excess utility charges should be described in this section. Finally, the maintenance charges to tenants for damage to units, common areas or grounds caused by tenant action or neglect would be detailed here, as well as the basis for such charges.

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[51] Tenants paying flat rents do not receive utility reimbursements. Rather, the PHA should take into account any tenant-paid utilities in establishing the amount of the flat rent.

Typically, common maintenance charges (e.g. broken windows, lock replacements) are listed on a Schedule of Charges in addition to rent. Work that is not covered on the schedule should be charged to the tenant based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

In an effort to improve their chances of collecting delinquent charges in addition to rent many PHAs have written their leases in such a way that the charges, if not paid timely, are called delinquent rent**. This is not permitted under the regulation**. First, such charges are not rent and, if they were rent, would result in overcharging families paying income-based rent, since rent would then exceed the prescribed percentage of income under the statute. In addition, there are different notice requirements for non-payment of rent and other forms of lease termination. Finally, many state statutes draw a distinction between lease termination and eviction actions for non-payment of rent and such actions for "other good cause". While PHAs may certainly terminate leases under Federal law for failure to pay charges in addition to rent, such lease terminations are "good cause" terminations, not non-payment terminations.

17.6.1.3 Redetermination of Rent and Family Composition (24 CFR § 966.4 (c))

This section of the lease describes the PHA's policy on annual and interim reexaminations. The right of tenants paying income-based rent to have their rent reduced, if their income is verified to have decreased should be detailed, as well as situations in which tenants are required to report increases in income and changes in family composition. Further, this section of the lease must indicate if and when the PHA will increase rents between regular reexaminations. Finally, the PHA must ensure that the policy set forth in the lease is precisely the same as that in the Admissions and Continued Occupancy Policy.

Even at PHAs with "fixed" rent policies, rents can be increased retroactively if it is found that a tenant has misrepresented the facts upon which rent was based. (24 CFR § 5.569)

Besides the information described above, the lease should make clear that the tenant agrees to provide timely and accurate information regarding income and family composition, and agrees to transfer to a different unit if the PHA finds the current unit to be the wrong size for the tenant's family.

Finally, this section of the lease must note that the family is entitled to an explanation of the PHA's determination of rent or the family's obligation to

The rule provides guidance in both the amount of security deposit that may be charged (one month's rent or such reasonable fixed amount as may be required by the PHA). Note that the amount of the security deposit is to be "fixed", and not to move with income-based rent.

transfer, and that the tenant may request a hearing under the PHA's Grievance Procedure if he or she disagrees with the PHA's determination or proposed course of action. Note that the right to a grievance hearing applies whether a tenant's rent is increased or decreased.

17.6.1.4 Tenant's Right to Use and Occupancy (24 CFR § 966.4 (d))

The lease must state 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, including reasonable visits by their guests. The term guest means a person in the leased unit with the consent of a household member, and is defined in both regulations and the PHA's ACOP.

PHA's establish their own policies about the number of guests permitted at one time, the maximum time a guest may visit during the year, and the procedure tenants should use if they want a guest to stay longer than is normally permitted under the lease (e.g. A tenant has a son who is not on the lease and who is in the military with an assignment in Germany. The tenant might request and the PHA grant permission for the son to visit longer than usual).

If the PHA permits tenants to carry out profitmaking activities in their units (which is permitted under the regulation), this section of the lease should describe the PHA's policies on obtaining permission for such activities and where tenants may review the PHA's policy on the subject.

It is wise for PHAs to have written policies on the types of legal profit making activities that are permitted and prohibited in public housing units. PHAs usually permit activities that will not disturb neighbors, increase traffic, or result in a significant increase in the use of PHA supplied utilities. Most PHAs require tenants to demonstrate that they have the insurance and any necessary permits or licenses to carry out their proposed businesses.

The PHA's policy on occupancy in the dwelling unit of foster children and live-in aides should be detailed in this section of the lease. The PHA may require that the

addition of foster children should not necessitate a transfer to a larger unit, but, because of its obligations to provide reasonable accommodations to persons with disabilities, cannot similarly limit its approval of occupancy by a live-in aide.

> Many PHAs require that individuals who are proposed as Live-in Aides be subject to the criminal history check that is performed on all other adult applicants. This is permitted.

Finally, this section of the lease is where the modified pet provisions will be found.

> Some PHAs include language in this section of the lease relating to how the PHA will handle a situation in which the tenant becomes unable to comply with the lease. Note that if the inability to comply is related to a disability, the tenant must be offered a reasonable accommodation if requested (for example, a tenant whose vision became too poor for the tenant to keep the apartment clean could be referred to a low-cost or subsidized chore service). When a reasonable accommodation is not possible or when it will not result in lease compliance, the PHA may take appropriate actions to terminate the lease. Some PHAs actually work closely with tenants in this situation to help them find more appropriate housing.

17.6.1.5 The PHA's Obligations (24 CFR § 966.4 (e))

The PHA's lease must state its responsibilities towards the tenants, confirming its commitment in providing housing that is decent, safe and sanitary. The following is a list of the minimum PHA obligations from the 24 CFR Part 966.

- To maintain the dwelling unit and the project in decent, safe and sanitary condition;

> This obligation is also stated in the PHA's Annual Contributions Contract. PHAs that have been placed in receivership have generally breached this requirement. The obligations listed below expand on this most basic obligation.

- To comply with the requirements of applicable building codes, housing codes, and HUD regulations materially affecting health and safety;
- To make necessary repairs to the dwelling unit;
- To keep project building, facilities, and common areas, not otherwise assigned to tenant for maintenance and upkeep, in a clean and safe condition;

- To maintain in good and safe working order and condition electrical, plumbing, sanitary, heating, ventilating, and other facilities and appliances, including elevators, supplied or required to be supplied by the PHA;
- To provide and maintain appropriate receptacles and facilities (except container for the exclusive use of an individual tenant family) for the deposit of ashes, garbage, rubbish, and other waste removed from the dwelling unit by the tenant in accordance with 24 CFR § 966.4 (f)(7);
- To supply running water and reasonable amounts of hot water and reasonable amount of heat at appropriate times of the year according to local custom and usage; except where the building that includes the dwelling unit is not required to be equipped for that purpose, or where heat or hot water is generated by an installation within the exclusive control of the tenant and supplied by a direct utility connection;
- To notify the tenants of the specific grounds for any proposed adverse action by PHA. (Such adverse action includes, but is not limited to: a proposed lease termination, transfer of the tenant to another unit, change in amount of rent, or imposition of charges for maintenance and repair, or for excess consumption of utilities.) When the PHA is required to afford the tenant the opportunity for a hearing under the PHA grievance procedure for a grievance concerning a proposed adverse action:
  - The notice of the proposed adverse action shall inform the tenant of the right to request such hearing. In the case of lease termination, a notice of lease termination that complies with 24 CFR § 966.4(l)(3) shall constitute adequate notice of proposed adverse action.
  - In the case of a proposed adverse action other than a proposed lease termination, the PHA shall not take the proposed action until the time to request such a hearing has expired or (if hearing was timely requested) the grievance process has been completed.

17.6.1.6 Tenant's Obligations (24 CFR § 966.4 (f))

The tenant's obligations, as stated in 24 CFR Part 966 are:

- Not to assign the Lease, or sublet the dwelling unit.
- Not to provide accommodation to boarders or lodgers;

Not to be confused with visitors and guests, roomers and lodgers shall neither be permitted to occupy a dwelling unit, nor shall they be permitted to move in with any family occupying a dwelling unit. Violation of this provision is ground for termination of the lease.

- To use the dwelling unit solely as a private dwelling for tenant and tenant's household as identified in the Lease, and not to use or permit its use for any other purpose.

Visitors may be permitted in a dwelling unit as long as they have no previous history of behavior on PHA premises that would be a lease violation. PHAs must adopt reasonable provisions regarding visitors and guests as part of their lease. The length of time for any person to be in a unit as a visitor or as a guest must be specified in the lease. In establishing an acceptable period for the visits, a PHA may, for example, stipulate that within a twelve-month period;

Visits of less than three days need not be reported to or approved by the Manager;

Visits of more than three and less than fourteen days may be permitted, provided they are reported to the Manager within 72 hours and authorized by the Manager;

Visits of more than fourteen calendar days need to be authorized only by the PHA Executive Director with advance documentation of extenuating circumstances.

PHAs should take into consideration the type of development in their inventory, (Family or Senior) in establishing the length of time to be approved for guests or visitors. Many PHAs limit visits in a senior building (where space is more limited and facilities for children are not present) be limited to no more than 7 consecutive days, except for extenuating circumstances and only after written approval by the PHA.

- To abide by necessary and reasonable regulations promulgated by the PHA for the benefit and well being of the housing project and tenants. These regulations shall be posted in a conspicuous manner in the project office and incorporated by reference in the residential Lease.
- To comply with the requirements of applicable state and local building or housing codes, imposed on tenants materially affecting health and safety.
- To keep the dwelling unit and other such 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 reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appurtenances including elevators.
- To refrain from, and to cause household and guests to refrain from destroying, defacing, damaging, or removing any part of dwelling unit or project.
- To pay reasonable charges (other than for wear and tear) for the repair of damages to the dwelling unit, project buildings, facilities, or common areas caused by the tenant, household members or guests.

- To act, and cause household members or guests to act in a manner that will not disturb other tenants' peaceful enjoyment of their accommodations; and will be conducive to maintaining all PHA's projects in a decent, safe, and sanitary condition.
- To assure that no tenant, no member of the tenant's household, or guest, engages in:
- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, or;
- Any drug-related criminal activity on or off the premises; or
- To assure that no other person under the tenant's control engages in:
- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, or;
- Any drug-related criminal activity on or off the premises;
- To assure that no member of the household engages in abuse or pattern of abuse of alcohol that affects the health, safety, or the right to peaceful enjoyment of the premises by other tenants.

Members of a household must make certain that their visitors or guests do not engage in criminal activity that threatens the health, safety or the right of the tenants to peaceful enjoyment of the premises of other tenants or PHA staff, or drug-related criminal activity. Visitors/guests' involvement in any of the above activities may be cause for termination of the lease for the family in tenancy.

For the purposes of subparts A and B of this part, the term drug-related criminal activity means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in section 102 of the Controlled Substance Act).

These are the only tenant obligations that are included in the Part 966 rules. In addition, many PHA leases include provisions relating to the following tenant obligations:

Remember that any additional provisions must be "reasonable" as described above, and what is considered reasonable in one jurisdiction may not be considered reasonable in another. Local practice should be taken into account in establishing additional lease provisions. Many of the provisions below have been developed in response to serious safety problems that have arisen and should be explained in that context.

- To make no alterations or repairs or redecorations to the interior of the dwelling unit or its equipment, nor to install additional equipment or major appliances without the prior written consent of the PHA. To make no changes to locks or install new locks on exterior doors without the PHA's prior written approval. To use no nails, tacks, screws, brackets or fasteners on any part of the dwelling unit except a reasonable number of picture hangers.

> Some PHAs expressly ban the use of contact paper or adhesive-backed mirrors because they damage the wall when removed.

- To give prompt prior notice to the PHA of tenant's leaving the dwelling unit unoccupied for any period exceeding ___ days.

> This prevents the PHA from assuming a unit is abandoned when a tenant is simply visiting friends.

- To act in a cooperative manner with neighbors and PHA staff. To refrain from and cause members of tenant's household and guests to refrain from acting or speaking in an abusive or threatening manner toward neighbors and PHA staff.
- Not to display, use or possess or allow members of tenant's household or guests to display, use or possess any illegal firearms (operable or inoperable) or other illegal weapons as defined by the laws and courts of the State of _____ anywhere on the property of the PHA.

> It is always permissible to ban illegal weapons. Some PHAs ban the use and possession of legal firearms on the PHA's property, while others require any firearms to be stored in locked gun cabinets or to have trigger locks. The PHA must be guided by its Board and state law in this question.

- To take reasonable precautions to prevent fires and to avoid storing or keeping highly flammable or volatile materials upon the premises.

> A PHA discovered that a tenant was storing his motorbike and the gasoline for it inside his unit and a lease violation notice was sent.

- To avoid obstructing sidewalks, areaways, galleries, passages, elevators or stairs, and to avoid using these areas for purposes other than entering and leaving the apartment.

This section is particularly important in an apartment building with a central hallway. Trying to evacuate such a building during a fire is made much more difficult and dangerous if the hall is not clear.

- To refrain from erecting or hanging radio or television antennas on or from any part of the dwelling unit, except that roof antennas and satellite dishes may be installed in accordance with the policies set forth by the PHA with the prior written approval of the PHA.
- To refrain from placing signs of any type in or outside the dwelling unit except those allowed under applicable ordinances and then only after having received the prior written approval of the PHA.
- To refrain from, and cause household members to refrain from keeping, harboring, maintaining or boarding any animal of any nature in the dwelling unit or yard (if any) of the unit, except in accordance with the PHA's pet policy, unless a verified disability warrants the possession of a service or companion animal. The pet policy requires prior written approval by the PHA before bringing an animal on the PHA's property.
- To remove from PHA property any vehicles without valid registration and inspection stickers. To refrain from parking any vehicles in any right-of-way or firelane designated and marked by the PHA. Any inoperable or unlicensed vehicles as described above will be removed from PHA property at tenant expense. Automobile repairs are not permitted on PHA property.

Many PHAs have very narrow streets and limited parking areas. In such situations it makes sense to assure access by emergency vehicles and to preserve the parking available for tenants.

- To remove any personal property left on the PHA's property when the tenant leaves, abandons, or surrenders the dwelling unit. Property left for more than ____ days shall be considered abandoned and shall be disposed of by the PHA. Costs for storage or removal shall be assessed against the former tenant.

Some state laws address the rights of landlords with respect to abandoned property.

- To use reasonable care to keep the dwelling unit in such condition as to ensure proper health and sanitation standards for tenant, household members and neighbors. Tenants shall notify PHA promptly of any known need for repairs

to the dwelling unit. Tenants failure to report the need for repairs in a timely manner shall be considered to contribute to any damage that occurs.

- Not to commit any fraud in connection with any Federal housing assistance program and not to receive assistance for occupancy of any other unit assisted under any Federal housing assistance program during the term of the lease.
- To pay promptly any utility bills for utilities supplied to tenant by a direct connection to the utility company, and to avoid disconnection of service for such utilities.
- To perform and cause each household member age 18 or older to perform at least 8 hours per month of qualifying community service or economic self sufficiency activity unless the requirement is waived by the PHA in writing due to a tenant's age, disability, employment status, or other situation.

17.6.1.7 Tenant Maintenance (24 CFR § 966.4 (g))

The PHA should indicate any maintenance tasks that will be performed by the tenant. The PHA may not shift its maintenance responsibilities to tenants, but if customary in the PHA's locality, it is reasonable to expect able-bodied tenants to keep grass mowed, rake leaves or shovel snow. PHAs are required to exempt tenants who are unable to perform such tasks because of age or disability.

> Some PHAs have tried to charge tenants who cannot perform tasks listed on the lease when PHA staff perform the tasks. If the tenants are exempt because of age or disability, the PHA may not charge them for performing this work.

17.6.1.8 Defects hazardous to life, health or safety (24 CFR § 966.4 (h))

Even before the Public Housing Management Assessment Program (PHMAP) or the Public Housing Assessment System (PHAS) were instituted, housing authorities had an obligation to deal immediately with any defects in their housing that were hazardous to tenant life, health or safety. PHAs are required to either make repairs to such conditions within a reasonable period of time or to abate the situation (usually by moving the tenant's family). If the tenant caused the defect, the tenant may be charged for the cost of the repairs.

If the PHA cannot make repairs quickly (because, for example, a part is needed that the PHA cannot obtain), the PHA must offer the tenant a "replacement dwelling unit", if available. In some situations the defect to the premises is so serious that the

replacement dwelling unit is a Section 8 voucher or a motel unit. In this section of the lease, the tenant agrees to accept any replacement unit offered by the PHA.

If the PHA can neither repair the defect nor offer alternative housing, the PHA must abate the rent for the unit in proportion to the seriousness of the damage and loss in value as a dwelling. The PHA need not offer rent abatement if the tenant has refused alternative housing or caused the damage. (24 CFR § 966.4 (h)(4))

Finally, if the danger caused by the unit's condition is severe, the PHA cannot repair it and the alternative accommodations are not provided, the lease is terminated and any rent paid for the month is returned to the tenant, except no abatement if tenant rejects alternating accommodations or if the damage was caused by tenant, household or quests.

17.6.1.9 Pre-occupancy and Pre-termination Inspections (24 CFR § 966.4 (i))

The HUD rules require every PHA to inspect a unit prior to at move-in and at move-out. The PHA must give the tenant a written statement of the condition of the dwelling unit and its equipment, which must be signed by the PHA and tenant and placed in the tenant's file. The tenant must be permitted to participate in the move-out inspection if he/she wishes, unless the tenant has already moved (or "skipped") out. The difference between the condition of the unit at move-in and at 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.

> Many PHAs take photographs of every room during the move-in inspection and file the photos along with the inspection report.

17.6.1.10 Entry of Dwelling Unit During Tenancy (24 CFR § 966.4 (j))

Public housing tenants have the same privacy rights as tenants of other housing. The PHA cannot enter a tenant's unit except for specific reasons (described in the lease) and, except for emergencies, the PHA must give at least two days' notice. The Part 966 rule expressly permits PHAs to enter tenants' units (after giving notice) to:

- Perform routine inspections and maintenance;
- Make improvements or repairs; or
- Show the unit for re-leasing.

The PHA may enter a unit at any time without notice if there is reasonable cause to believe an emergency exists (e.g. smell of gas, or water running out from under the door).

> Note that this section of the rule does not authorize PHAs or police departments to enter units for security purposes unless the police department has a search warrant or they are in hot pursuit of a suspect who has run into the unit. Tenants cannot be asked to waive their Fourth Amendment rights.

If no adult members of a tenant's household are at home when PHA staff enter a unit, staff must leave a notification for the tenant about the date, time and purpose of the entry.

> Many PHAs have a clause in their leases that "request for maintenance constitutes permission to enter the unit". This simplifies maintenance delivery and reduces lost staff time in trying to connect with tenants who are in and out.

17.6.1.11 Notice procedures (24 CFR § 966.4 (k))

The lease must specify the methods to be used for PHA-tenant communications. Typically, mail sent prepaid by first class is acceptable, although many PHAs use certified mail for certain communications in order to have a receipt to demonstrate proof of attempted service. In addition, if permitted under state law, PHAs may post notices on tenants' front doors, or deliver written notices, in person, to an adult household member.

If the tenant is visually impaired, all notices must be in an accessible format.

Termination of tenancy and eviction (24 CFR § 966.4 (l)) Grounds for Termination:

The PHA may terminate the tenancy only for serious or repeated violation of material terms of the lease, such as the following:

- failure to make payments due under the lease;
- failure to fulfill household obligations as described in 24 CFR § 966.4(f);
- other good cause; Other good cause includes but is not limited to criminal activity or alcohol abuse as provided below:
  - discovery after admission of facts that made the tenant ineligible;

- discovery of material false statements or fraud by the tenant in connection with an application for assistance or with reexamination of income;
- failure of a family member to comply with community service requirement provisions (this is grounds for nonrenewal of the lease and termination of tenancy only at the end of the twelve-month lease); and
- failure to accept the PHA's offer of a lease revision to an existing lease (so long as the revision is on a form adopted by the PHA in accordance with regulation, with written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect and with the offer specifying a reasonable time limit within the period for acceptance by the family).

- PHA termination of tenancy for criminal activity or alcohol abuse:
  - the PHA must immediately terminate the tenant if the PHA determines that any household member has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing (lease termination is required by HUD);
  - The lease must provide that drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, or other person under the tenant's control is grounds for the PHA to terminate tenancy.
  - The lease must provide that the PHA may evict a family when the PHA determines that a household member is illegally using a drug or when a pattern of illegal drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other tenants;
  - The lease must provide that criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including PHA management staff residing on the premises) or threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises is grounds for termination of tenancy.

- The PHA must establish standards that allow termination of tenancy if the PHA determines that a household member has:

- Engaged in alcohol abuse or a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of the premises by other tenants; or
- furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The lease may provide that the PHA may terminate the lease if:

- a tenant is fleeing to avoid prosecution, or custody or confinement after conviction for a felony (or, in New Jersey, a high misdemeanor) or a violating a condition of probation or parole imposed under State or Federal law; or
- the PHA determines that the covered person has engaged in the criminal activity regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction.

Lease termination notice: The lease must describe the procedures used by the PHA and the tenant to terminate tenancy. The PHA must give written notice of lease termination of:

- 14 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 days) if the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or if any member of the household has engaged in any drug-related criminal activity or violent criminal activity; or if any member of the household has been convicted of a felony;
- 30 days in any other case, except that if the State or local law allows for a shorter notice period, such shorter period shall apply.

This is the notice requirement that would apply to lease termination for such lease violations as failure to comply with reexamination requirements, refusal to accept a mandatory transfer, or failure to pay charges in addition to rent.

The PHA's notice of lease termination must inform the tenant of the specific grounds for lease termination (citing the specific lease provision violated and the manner in which the tenant violated it). Further, the notice must inform the tenant

of the tenant's right to make a reply to the lease termination notice, and to examine any documents directly relevant to the lease termination or eviction.

> There may be additional requirements for a Lease Termination Notice or Notice to Vacate under the state's landlord-tenant law, in addition to these requirements.

If the tenant is entitled to a grievance hearing, the lease termination notice must say so. 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.

If the tenant is permitted to request a grievance hearing, the PHA may not terminate the lease until the time period to request such a hearing has expired, or, if the grievance hearing is requested in a timely manner, until the grievance process has been completed.

If the tenant is not eligible for a grievance hearing (in a due process state where the PHA has elected to exclude from the grievance procedure grievances related to lease terminations for criminal activity or drug-related criminal activity), the notice of lease termination must state that the tenant is not entitled to a grievance hearing, specify the judicial eviction procedure the PHA will use, state that HUD has determined that this judicial procedure complies with the basic elements of due process, and state the grounds for lease termination under which the grievance process is denied.

The PHA may evict the tenant by judicial action for criminal activity in accordance 24 CFR § 966.4 if the PHA determines that a covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for criminal conviction.

<u>How a tenant is evicted</u>: A PHA may evict a tenant from the unit either by:

- Bringing a court action; or
- Bringing an administrative action if the jurisdiction permits eviction by administrative action, but only after the tenant is afforded a pre-eviction hearing in accordance with the PHA's grievance procedure.

- A PHA may evict for criminal activity by judicial action if the PHA determines that the covered person has engaged in criminal activity, regardless of whether the person has been arrested or convicted of criminal activity and without satisfying the standard of proof used for a criminal conviction.

> For a criminal conviction the standard of proof is "beyond a reasonable doubt", while for civil cases, such as evictions, the standard of proof is based on "the preponderance of the evidence". Note that a PHA cannot simply allege that criminal activity has occurred, however. Some sort of evidence will be required. For example, if the PHA claims that drug-related criminal activity has occurred, proof that illegal drugs were involved will be needed (typically testimony by a medical examiner or forensic laboratory), as well as some proof tying the sale, possession, use, manufacture etc. of the drugs to the tenant being evicted.

PHA discretion to consider circumstances: When deciding whom to evict for criminal activity PHAs have the choice to consider (or not) all the circumstances of a case, including the seriousness of the offense, whether family members knew or participated in the offense, and the effect the eviction will have on family members not involved in criminal activity. The PHA may require a tenant to exclude a member as a condition of continuing to remain in the unit. The PHA may also require a member who faces termination for illegal drug use to demonstrate that he/she has been rehabilitated.

> Note that the discretion to consider circumstances does not impose a new procedure on PHAs. They may or may not choose to consider circumstances.

Notice to Post Office: Whenever a PHA evicts an individual or family from public housing for criminal activity or drug-related criminal activity, the PHA is required to notify the local post office serving the dwelling unit, that the person is no longer residing in the unit.

> The purpose of this provision is to avoid giving an evicted family an excuse for being back on the property.

Use of criminal record: If the PHA, in terminating a lease for criminal activity, relies on a criminal record, the PHA must notify the tenant of the proposed action, and must provide the tenant and the subject of the record with a copy of the criminal record before a PHA grievance hearing or court trial. The tenant must be

given the opportunity to dispute the accuracy and relevance of that record in the grievance hearing or court trial.

Cost of obtaining criminal record: The PHA may not pass along to the tenant the cost of a criminal records check.

PHA actions, generally: The PHA should document its activity and take into account the importance of eviction of tenants involved in criminal activity to public housing communities and program integrity, and the demand for assisted housing by families who would adhere to a lease responsibilities.

17.6.1.13 Eviction: Right to Examine PHA Documents Before Hearing or Trial (24 CFR § 966.4 (m))

As mentioned above, a lease termination notice must inform the tenant that he has the right, before a grievance hearing or trial, to review and copy (at his expense) any documents or regulations upon which the PHA is relying that are directly relevant to the lease termination or eviction.

17.6.1.4 Grievance Procedures (24 CFR § 966.4 (n))

The lease must state that any disputes between the PHA and the tenant about the obligations of the tenant or the PHA shall be resolved in accordance with the PHA's Grievance Procedure. The Grievance Procedure must conform to the requirements of Subpart B of Part 966.

17.6.1.5 Provision for lease modification (24 CFR § 966.4 (o))

Modifications to the lease require a written rider signed by the PHA and tenant except for Notifications of Rent Adjustment pursuant to annual or interim reexaminations or charges in addition to rent and other charges on posted schedules.

17.6.1.6 Signature Clause

The lease should provide a signature clause for execution by the PHA and tenant.

> Many PHAs require all adult household members to execute, or sign, the lease.

17.7 Posting of Policies, Rules and Regulations

All schedules of charges in addition to rent, rules and regulations (e.g. house rules, maintenance charges, lock-out charges, utility allowances, excess utility charges, etc.) must be posted in a conspicuous location in each development office.

These schedules may be revised from time to time. Because they are made a part of the lease by reference, when revised they must be provided to tenants and tenant organizations for thirty days for comment before adoption. The PHA must notify tenants before such a revision, explain the reason for the revision and inform tenants that they have thirty days to make written comments. The PHA may either deliver or mail the notice to each tenant or post it at least three conspicuous places in each structure or building and development office.

17.8 Accommodation of Persons with Disabilities

A PHA must provide reasonable accommodations to applicants and tenants with disabilities in every aspect of occupancy, as needed to ensure that every tenant has an equal opportunity to use and occupy the property.

Further, the PHA must notify tenants that they may, at any time during their tenancy, request a reasonable accommodation of a household member with a disability, including a reasonable accommodation to enable the tenant or household member to comply with the lease.

> Another way to think of this requirement is to consider whether some reasonable accommodation would make it possible for a tenant with a disability to be lease compliant when issues of lease violations arise. For example, if a visually impaired tenant has difficulty keeping her unit as clean as is needed for health and sanitation, the PHA may discuss the matter with the tenant and then make a referral to a Chore Service, mention the problem to the tenant's designated contact, or contact a social service agency before initiating lease enforcement.

18. The Grievance Procedure

18.0 Overview

The grievance procedure is an administrative method prescribed by HUD to deal with resident complaints. PHAs are required to have grievance procedures that meet the regulatory requirements set forth in 24 CFR § 966.50-57. The grievance procedure is a part of the PHA's lease, by reference. This chapter provides guidance on the elements of the grievance process and what should be included in a PHA's grievance procedure.

A grievance is any dispute that a tenant may have with respect to PHA action or failure to act in accordance with the lease or regulations that adversely affects the individual tenant's rights, duties, welfare or status. Thus, potential grievances could address most aspects of a PHA's operation, and each PHA must be familiar with the grievance rules and the PHA's own grievance procedure.

Appendix V contains a sample grievance procedure.

18.1 Applicability

The grievance procedure must contain a statement of applicability, in which the PHA describes the situations for which the grievance procedure is not applicable. The grievance procedure is applicable only to individual tenant issues relating to the PHA. 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 PHA.

If HUD has issued a due process determination and the PHA is terminating the lease through the judicial eviction procedures for which HUD has issued the due process determination, there are three types of terminations that are not subject to the grievance procedure. These are terminations for:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the PHA;

- Any violent or drug-related criminal activity on or off such premises; or
- Any criminal activity that resulted in felony conviction of a household member

In states without due process determinations, PHAs may use expedited grievance procedures[52] to deal with the above three categories of lease terminations.

18.2 Due Process Determinations by HUD

A judicial eviction or lease termination process in a state or local court shall be considered to include the elements of due process if the following procedural safeguards are required:

- Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction;
- Right of the tenant to be represented by counsel;
- Opportunity for the tenant to refute the evidence presented by the PHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense that the tenant may have; and
- A decision on the merits.

18.3 Informal Settlement

The first step in the grievance process (other than an expedited grievance procedure as described above) is to attempt an informal settlement. Grievances always originate with a resident, who may present the grievance initially either orally or in writing. The grievance procedure must state where grievances will be accepted (central office or site office or both) and should state how long after the grievable event the tenant has to file the grievance (usually ten working days).

At the informal stage, the grievance first should be reviewed to ensure that the grievance is not a matter excluded from the grievance process. Then the grievance may be referred to the department or office responsible for the activity being grieved. The tenant should be contacted and a meeting arranged at a mutually agreeable time.

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[52] Expedited grievance procedures typically eliminate the informal hearing and compress all dates (e.g. from ten working days to three working days)

The grievance procedure should state how long the PHA and tenant have to set the meeting (usually ten working days). At the informal hearing, the tenant will present the grievance and the PHA staff person responsible for the area will attempt to settle the grievance.

Within a reasonable amount of time specified in the grievance procedure (usually five working days) the PHA must provide the tenant with a written summary of the informal hearing. The summary must include the names of the participants, the date(s) of the meeting(s), the nature of and the reasons for the proposed disposition, and the procedures for obtaining a formal hearing if the complainant is not satisfied. A copy of the summary must be placed in the tenant's file.

Some PHAs have different methods for handling informal hearings that involve allegations of discrimination or harassment than for disputes about PHA operations.

18.4 Formal Grievance Hearing

The PHA's grievance procedure must state that if the complainant (the tenant filing the grievance) is not satisfied with the results of the informal hearing, the complainant must submit a written request for a formal grievance hearing within a reasonable amount of time (usually five days after receipt of the summary of the informal hearing). The procedure also must state where the request will be accepted (central office or site office). The procedure must state that the written request for a formal grievance hearing should include:

- The reason(s) for the grievance; and
- The action sought from the PHA.

In addition, the procedure may require that the written request specify several dates and times in the following ten working days when the complainant can attend a grievance hearing.

If the complainant does not request a formal hearing within the timeframe specified in the grievance procedure, the decision made during the informal hearing becomes final, unless the tenant can show good cause why s/he failed to request a formal hearing in accordance with the grievance procedure.

Failure to request a formal hearing, however, does not affect the tenant's right to a court hearing on the matter.

18.5 Selecting the Hearing Officer or Hearing Panel

The formal grievance hearing must be conducted by an impartial person or persons appointed by the PHA. It cannot be conducted by the person who made or approved the PHA's original action (the action being grieved) or a subordinate of that person. PHAs must avoid selecting a hearing officer or hearing panel who may be a friend (or an enemy) of the complainant, have some personal stake in the matter under dispute, or may have an appearance of a lack of impartiality.

The method of selecting hearing officers or hearing panels must be included in the PHA's grievance procedure. The PHA must choose from one of the following methods:

- A method approved by the majority of tenants (in a building, group of buildings or development, or a group of developments to which the method will apply) voting in an election or meeting of tenants held to select the method; or
- Appointment of a person or persons (who may be an officer or employee of the PHA) selected in the manner required under the grievance procedure.

The PHA must consult with resident organizations before the PHA appoints individuals as hearing officers or hearing panel members. Comments from the resident organizations must be considered before making the appointment.

Often, PHAs will provide resident organizations with a slate of potential hearing officers or hearing panel members. Once the comments have been received and considered, nominees are informed that they are the PHA's official grievance hearing committee and the PHA can select members in random order to serve as hearing officers or hearing panel members. Occasionally a member of the official grievance hearing committee may be called to hear a grievance in which he or she is involved, either personally or professionally. When this occurs, the committee member should be asked to be excused from hearing that particular grievance. Any grievance hearing committee member who does not request to be removed in such a situation may be removed from the committee.

18.6 Escrow Deposits

If a grievance involves the amount of rent payable by the tenant that the PHA claims is due, the complainant must pay an escrow deposit to the PHA. The amount placed in escrow by the tenant is the amount of rent the PHA states is due and payable as of the first of the month preceding the month in which the act or failure to act occurred. After the first deposit, the family must deposit the same amount monthly until the grievance is resolved by decision of the hearing officer/panel. Failure to make the escrow deposit terminates the grievance procedure, but does not waive the tenant's right to contest the action in an appropriate judicial proceeding.

The PHA must waive this requirement if the tenant is paying minimum rent and the grievance is based on a request for hardship exemption or imputed welfare income.

18.7 Scheduling Hearings

The PHA's grievance procedure must specify the reasonable time in which the hearing must be held (usually within ten working days of receiving the request for a formal hearing). A written notification specifying the time place and procedures governing the hearing must be delivered to the complainant and appropriate PHA officials.

If the PHA uses a hearing panel method, and only one panel member is available to meet on all dates named by the complainant, the grievance procedure may state that the single panel member shall serve as the hearing officer. This is an important policy to ensure that the grievance process does not drag on too long.

18.8 Procedures Governing the Hearing

Complainants must be afforded a fair hearing. A fair hearing includes the following elements:

- The opportunity to examine any PHA documents before the hearing, including records and regulations that are relevant to the hearing;
- The tenant may copy documents relevant to the hearing at the tenant's expense;
- Any documents not made available upon request of the tenant may not be used in the course of the hearing;

- The right to be represented by counsel or other person chosen as the tenant's representative. The counsel or tenant's representative may make statements on the tenant's behalf;
- The right to a private hearing unless s/he requests a public hearing;
- The right to present evidence and arguments in support of the complaint, to controvert evidence relied on by the PHA, and to confront and cross-examine all witnesses upon whose testimony or information the PHA relies; and
- A decision based solely and exclusively upon the facts presented at the hearing.

The hearing panel or officer may render a decision without proceeding with the hearing, if it is determined that the issue was previously decided in another proceeding.

At the hearing, the tenant first must demonstrate that s/he is entitled to the relief sought and the PHA must justify its action or failure to act on the issue on which the grievance was filed.

The hearing should be conducted informally, with both oral and written evidence being permitted. While the hearing is conducted informally, all participants, including the PHA, complainant, counsel and spectators must conduct themselves in an orderly fashion or the hearing officer/panel may exclude the disorderly party from the proceedings and grant or deny relief as appropriate. The rules of evidence of a judicial proceeding do not apply to the grievance hearing.

Both the PHA and the complainant should provide the Hearing Officer with specific information on the regulation or policy on which the PHA based its action or demonstrates the PHA's failure to act.

Either the complainant or the PHA may arrange, in advance, for a transcript of the hearing to be made. The cost of the transcript will be paid by the party requesting the transcript. Any person may purchase a copy of the transcript.

PHAs are reminded that they are required to provide reasonable accommodation for persons with disabilities to participate in hearings. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations or attendants.

The PHA's grievance procedure must state that if either the complainant or the PHA fails to appear at the scheduled hearing, the hearing officer/panel may postpone the hearing for not more than five working days or may decide that the absent party has waived the right to a hearing (although the complainant has not waived the right to a judicial proceeding).

18.9 Decision of the Hearing Officer or Panel

The hearing panel/officer is required to issue a written decision within a reasonable time following the hearing (usually ten working days). The decision must state the reason(s) for the decision. A suggested format for a written decision is:

- Introduction: Include the name of the complainant, name(s) of the hearing officer/panel, date, time and location of hearing, name of other participants, including counsel or complainant's representative and witnesses. Include a brief summary of the grievance (preferably quoting the complainant's letter requesting the hearing). Also include the date on which the informal hearing was held, who held the informal hearing, and summarize the results of the informal hearing (preferably quoting the summary letter). Include the date on which the complainant requested a hearing.
- Hearing summary: Summarize the oral and written evidence presented by both the complainant and the PHA.
- Decision: In making the determination, the Hearing Officer/Panel should cite the policy or regulation provided by the complainant or the PHA that supports the decision made.

A copy of the decision must be placed in the tenant's file and an additional copy (with the names and dates redacted, or edited out) must be retained by the PHA and be made available for a prospective complainant, the complainant's representative, or hearing officer/panel.

The decision is binding on the PHA, which must take the action or refrain from taking the action cited in the decision, unless the PHA's Board of Commissioners determines within a reasonable time (usually ten working days) and notifies the complainant that:

- The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease or PHA regulations, 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 PHA.

A decision by the hearing officer/panel or Board of Commissioners in favor of the PHA's action or failure to act or which denies the relief requested in whole or in part does not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court.

19. Domestic Violence [RESERVED]

Appendix I

GUIDE TO FEDERAL REGULATIONS CONCERNING PUBLIC HOUSING OCCUPANCY

Part 1: Nondiscrimination in Federally Assisted Programs of the HUD – Title VI of the Civil Rights Act of 1964

1.4 (b) (2) (iii): Requirement for a Tenant Selection and Assignment Plan under which applicants receive unit offers and may refuse offers for good cause.

Part 5: General HUD Programs Requirements; Waivers.

Subpart A: Generally Applicable Definitions

5.1: General Definitions for: 1937 Act, Americans with Disabilities Act, Administrative Law Judge, Department (HUD), Elderly person, Fair Housing Act, Fair market rent, General counsel, Housing Agency (PHA and HA), HUD, National Environmental Policy act, Notification of Fund Availability, Office of Management and Budget, Organizational Unit, Public housing, Public housing agency, Responsible entity, Section 8, Secretary, and Uniform Relocation Act.

The following terms were added to the definition section: Covered person, Drug, Drug-related criminal activity, Federally assisted housing, Guest, Household, other person under the tenant's control, premises, and violent criminal activity.

5.105: Other Federal Requirements include: Nondiscrimination and Equal Opportunity; Requirements on disclosure; Prohibition on use of Debarred, Suspended or Ineligible Contractors; and Drug-free workplace. The provision was amended to include part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101.

5.107: Audit requirements for non-profit organizations.

5.110: The Secretary may, subject to statutory limitations, waive any provision of this title and delegate authority in accordance with section 106 of HUD's Reform Act of 1989.

Subpart B: Disclosure and Verification of Social Security Numbers, Verification of Income Information

5.210: Applicants for federally assisted housing must provide Social Security Number and income information. May only be used for assistance and to reduce incidence of fraud, waste and abuse.

5.212: The Privacy Act is enforced with all information obtained from the applicant. A Privacy Act notice shall be provided at the time of application and at each annual income recertification.

5.214: This area defines the following terms: Assistance applicant, Computer match, Computer matching agreement, Consent form, Employer Identification Number (EIN),

Entity applicant, Federal agency, Income information, Individual owner applicant, IRS, Owner, Social Security Number (SSN), Social Security Administration, and State Wage Information Collection Agency (SWICA). Redefinition of Assistance applicant, Participant, and Processing Entity.

5.216: Describes who must submit a complete and accurate SSN for all members of the household who are 6 years old or older or submit a certification that a SSN has not been assigned. The required documents are Social Security Number and Employer Identification Numbers.

In Special Documentation Rules describes certification of inability to meet documentation requirements; acceptance or certification by processing entity; effect on assistance applicants; effect on participants; time for submitting documentation; rejection of documentation of certification; information on SSNs and EINs; form and manner of certifications.

5.218: If SSN, EIN or certification of no SSN is not provided, assistance will be denied. Assistance will be terminated when proper documentation is not provided to verify SSN, EIN or certification of no SSN.

5.230: Requirement that applicant and each adult member of the family submit a signed consent form during the eligibility process or at the regular scheduled income reexamination. Consent form shall contain authorization to obtain information necessary to complete or verify participation in the program; to verify pervious or current employers' income information; to obtain IRS and SSA information for the sole purpose of verifying income; to release information requested within 15 months of signing the consent form.

5.232: If an applicant or other adult family member not submit the required signed consent form, assistance to and admissions for benefits will be denied or terminated.

5.234: Income information will be obtained through a computer matching agreement between HUD and a SWICA or Federal agency or between a PHA and SWICA agency after it has been certified that the applicants and participants have signed a consent form. This information can only be used to obtain income information from the IRS or SSA to verify program eligibility.

5.236: Assistance to applicant or participant may be terminated, denied, suspended or reduced based on income information from SWICA or Federal agency. How to verify income information How to handle substantial income discrepancy. Applicant or participant opportunity to contest the findings.

5.238: Penalties for violating requirements on use and disclosure of income information may be subject to civil or criminal penalties under 42 U.S.C 3544(c)(3), 26 U.S.C. 7213 (a), or 18 U.S.C. 1905.

5.240: Family responsibility to promptly furnish written income information. PHA verification.

Subpart C: Pet Ownership

5.303: This subpart does not apply to service animals that assist persons with disabilities. How this is documented.

5.306: Definitions of: Common household pets, Elderly or disabled person, Housing programs, Project for the elderly or persons with disabilities, Project Owner, and Public Housing Agency.

5.309: Prohibition against discrimination against pet owners.

5.312: Written notice required to residents who are elderly or disabled that they can own or keep a common household pet and that an animal used to assist a person with a disability is excluded from the requirements in subpart C. Tenant can request a copy of the pet policy including rules or amendments. If a PHA chooses not to promulgate pet rules, the notice shall be served within 60 days of the effective date.

5.315: General requirements for the content of the pet rules including provisions when a PHA chooses not to promulgate rules.

5.318: Areas that must be covered by the pet rules: the definition of common household pet used in the regulations; the density of tenants and pets; pet size and type; potential financial obligation of tenants such as pet deposits, maximum pet deposits for housing or public housing programs, and waste removal; standards of pet care; pet licensing; designated pet areas; and pets temporarily on the premise.

5.321: Lease provisions related to pets: tenant permission to keep common household pets; the pet rules promulgated; violation to the rules may be grounds for removal of the pet or termination of the pet owner's tenancy.

5.324: The lease executed on or after the implementation of subpart C shall contain the lease provisions described in 5.321 and if applicable, 5.360.

5.327: Subpart C does not prohibit removing any pet, if the pet's conduct or condition under the State or local laws is a nuisance or a threat to the health or safety of other occupants or persons in the community.

5.350: This section describes the mandatory pet rules for housing programs regarding inoculation, sanitary standards, pet restraint, and pet registration.

5.353: Pet rules shall use 5.318 and 5.350 as a foundation. Description of method to establish pet rules in assisted housing (not public housing).

5.356: Pet rule violation procedure in assisted housing (not public housing).

5.359: Right of applicant to refuse unit offer based on proximity of a tenant who owns or keeps a common household pet in assisted housing (not public housing).

5.360: Additional lease provisions for inspections and emergencies for tenants who own or keep a common household pet in the dwelling unit in assisted housing (not public housing).

5.363: Procedures to handle health or safety of the pet in case of death or incapacity of the pet owner in assisted housing (not public housing).

5.380: The procedure for developing pet rules for public housing programs are described in this section.

Subpart D:

5.400: This subpart applies to Section 8 and Public Housing Assistance Under the United States Housing Act of 1937.

5.403: Definitions: Annual contributions contract (ACC), Applicant, Disabled family, Displaced family, Elderly family, Family, Live-in aide, Near-elderly family, and Person with disabilities.

Subpart E: Restrictions on Assistance to Non-citizens

5.500: Subpart E implements Section 214 of the Housing and Community Development Act of 1980, prohibiting financial assistance to persons based on ineligible immigration status.

5.502: For any documentation that requires a signature under subpart E, the PHA must provide documentation in language that is understood by applicant.

5.504: Defines terms used in Subpart E: Child, Citizen, Evidence of citizenship or eligible status, Family, Head of household, Housing covered programs, INS, Mixed family, National, Noncitizen, Project owner, Public housing covered programs, Responsible, Section 8 covered programs, Section 214 covered programs, and Tenants.

5.506: Section 214 assistance restricted to citizens and non citizens with eligible immigration status.

5.508: Details on submission of evidence of citizenship or eligible immigration status.

5.510: Original documents designated by the INS required as proof of eligible immigration with copies of the documentation retained for the applicants' file.

5.512: How to verify eligible immigration status, PHA election to provide assistance before verification, primary verification, secondary verification, and exemption from liability for INS verification.

5.514: Assistance to a family may not be delayed, denied, reduced or terminated because of the immigration status of a family member except as provided in this section.

5.516: The section describes the assistance available to mixed families covered under the National Housing Act of 1965. Assistance to mixed families may be provided on a prorated basis.

5.518: Preservation assistance available to mixed families and other families for continued assistance, temporary deferral of termination of assistance, and an option to select proration of assistance at the end of deferral period.

5.520: Method of prorating assistance for Housing, Section 8 and Public Housing covered programs.

5.522: Family of a noncitizen student may be eligible for prorated assistance.

5.524: Non-discriminatory requirements for noncitizens with ineligible immigration status.

5.526: PHA protection from liability as set forth in Section 214 (e) as long as the verification system is in accordance with prescribed HUD rules and requirements.

5.528: How to handle tenant who intentionally misrepresented eligibility status.

Subpart F: Family income and Rent

5.601: Income and rent: determining annual, excluded and adjusted income, determining rent, utility allowances and utility reimbursements, additional occupancy requirements.

5.603: Definitions: child care expenses, Dependent, Disability assistance expenses, Economic self-sufficiency program, Extremely low income family, Full-time student, Imputed welfare income, Low income family, Medical expenses, Monthly adjusted income, Monthly income, Net family assets, Owner, Responsible entity, Tenant rent, Total tenant payment, Utility allowance, Utility reimbursement, Very low income family, Welfare assistance and Work activities.

5.609: Annual income, excluded income and how to annualize the income for the purpose of calculating the rent.

5.611: Adjusted income, deductions from income.

5.613: PHA cooperative agreements with welfare agencies.

5.615: Imputed welfare income, the review of PHA's decision and the PHA's relationship with welfare agencies.

5.617: Annual reexamination requirements and verification guidance.

5.628: Computing total tenant payment.

5.630: Minimum rent and hardship exemptions.

5.632: Utility reimbursements: eligibility, to whom paid.

5.634: Tenant rent for Section 8 programs: total tenant payment minus any utility reimbursement.

5.653: Eligibility and income-targeting for Section 8 project-based assistance programs.

5.655: Selection of residents to occupy a project or unit in Section 8 project-based assistance programs.

5.657: Regular and interim reexaminations of family income and composition in the Section 8 project-based assistance programs.

5.659: Family's obligation to supply the information, release and consent and the owner's responsibility to verify the information in Section 8 project-based assistance programs.

5.661: A Section 8 owner may lease a Section 8 unit to a police or other security personnel with continued Section 8 assistance for the unit.

Subpart G: Physical Condition Standards and Inspection Requirements

5.701: The Physical Condition Standards

5.703: This section describes the physical condition standards for HUD housing that is decent, safe, sanitary and in good repair (DSS/GR).

5.705: The housing inspections to be conducted annually.

Subpart H: Uniform Financial Reporting Standards

5.801: Programs that must implement a uniform financial reporting system.

Subpart I: Preventing Crime in Federally Assisted Housing – Denying Admission and Terminating Tenancy for Criminal Activity or Alcohol Abuse

5.850: Defines which subsidized housing is covered.

5.851: Authority to screen applicants and evict tenants.

5.582: Discretion in screening and eviction actions.

5.583: Definitions.

5.584: Denying admissions – when is admission prohibited for individuals who have engaged in drug-related criminal activity.

5.856: Prohibition of admission of sex offenders.

5.857: Prohibition of admission of alcohol abusers.

5.858: Termination of tenancy – authority to evict drug criminals.

5.859: When specifically authorized to evict other criminals.

5.860: When specifically authorized to evict alcohol abusers.

5.861: Evidence of criminal activity.

Subpart J: Access to Criminal Records and Information

5.901: This section applies to criminal conviction background checks by PHAs that administer Section 8 and public housing programs when they obtain criminal records.

5.902: Definitions

5.903: Special authority to access criminal records.

5.905: Special authority to obtain access to sex offender registration information.

Part 8: Nondiscrimination Based on Disability in Federally Assisted Programs and Activities of HUD.

8.3: Definitions: Accessible, Accessible route, Adaptability, Alteration, Applicant for assistance, Auxiliary aids, Department or HUD, Facility, Federal financial assistance, Handicap, Historic preservation programs or activities, Historic properties, Individual with disabilities, Physical or mental impairment, Major life activities, Has a record of such an impairment, Is regarded as having an impairment, Multifamily housing project, Primary recipient, Program or activity, project, Qualified individuals with disabilities, Replacement cost of the complete facility, Secretary, Section 504, and Substantial impairment.

8.4: Prohibition against discrimination based on disability. Ways a recipient of federal funds may not discriminate against persons with disabilities, non-disabled person may be excluded from program if it is limited by law to individuals with disabilities, and responsibility to integrate the setting appropriate to the needs of a qualified individuals with disabilities.

8.5: Reserved.

8.6: Responsibility to ensure effective communication with applicants, beneficiaries, and members of the public. Information indicating existence and location of accessible services, activities, and facilities shall be available. Does not require a recipient to take action that would result in fundamentally altering the nature or activities of the program or in undue financial and administrative burdens.

Subpart C: Program Accessibility

8.20: A qualified individual with a disability must not be denied, excluded or discriminated against under any program or activity that receives Federal financial assistance because a recipient's facilities are inaccessible to or unusable by such individuals.

8.21: All new construction of non-housing facilities shall be designed and constructed to be readily accessible to and usable by individuals with disabilities. An existing non-housing facility, to the maximum extent feasible, shall be altered to be readily accessible to and usable by individuals with disabilities, unless doing so would impose undue financial and administrative burdens.

8.22: New multifamily housing projects shall be designed and constructed to be readily accessible to and usable by individuals with disabilities. 5% of the total dwelling units or at least one unit in a multifamily housing project shall be made accessible.

8.23: Requirements when substantial alterations are done. Requirements for other alterations.

8.24: Existing housing programs, when viewed in its entirely, must be readily accessible to and usable by individuals with disabilities. Time period of compliance, a transition plan, and a time period for structural changes.

8.25: Accessibility requirements for development and alteration of public housing and multi-family Indian housing, needs assessment and transition plan for existing public housing and multi-family Indian Housing.

8.26: Distribution of accessible dwelling units throughout projects and sites in a sufficient range of sizes and amenities to provide choice of living arrangements comparable to that of other persons eligible for housing assistance under the same program.

8.27: Responsibility to ensure information regarding the availability of accessible units reaches eligible individuals with disabilities and to maximize the use of these units by eligible individuals whose disability requires the accessible features.

Part 100: Discriminatory Conduct under the Fair Housing Act

Subpart A: General

100.1: Authority for HUD to administer and enforce title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

100.5: No person shall be discriminated against based on race, color, religion, sex, handicap, familial status, or national origin in the sale, rental or advertising of a unit, brokerage services, or real estate-related transactions.

100.10: What is not prohibited by special membership organization, what applies to housing for older persons defined in subpart E and exemptions on uncommon housing accommodations.

100.20: Definitions: Aggrieved person, Broker or agent, Discriminatory housing practice, Dwelling, Familial status, Person, Person in the business of selling or renting dwellings, and State.

Subpart B: Discriminatory Housing Practices

100.50: Description of conduct that is unlawful housing discrimination under section 804 and section 806 of the Fair housing Act and unlawful real estate practices.

100.60: Unlawful refusal to sell or rent.

100.65: Discrimination in terms, conditions, privileges and services.

100.70: Other prohibited sales or rental conduct.

100.75: Discriminatory advertising, statements or notices.

100.80: Discriminatory representations about availability of units.

100.85: Blockbusting.

100.90: Discrimination in brokerage services.

Subpart C: Discrimination in real estate services

Subpart D: Prohibition against discrimination based on disability

100.201: Definitions: Accessible, Accessible route, ANSI A117.1-1986, Building, Building entrance on an accessible route, Common use areas, Controlled substance, Covered multifamily dwellings, Dwelling unit, Entrance, Exterior, First occupancy, Ground floor, Handicap, Physical or mental impairment, Major life activities, Has a record of such impairment, Is regarded as having an impairment, Interior, Modification, Premises, Public use areas and Site.

100.203: Unlawful to discriminate in sale or rental, or to otherwise make unavailable or deny, a dwelling to any buyer or renter because of a Disability.

100.203: Unlawful for any person to refuse to permit, at the expense of a disabled person, reasonable modification of existing premises occupied or to be occupied.

100.204: Unlawful to make reasonable accommodations in rules, policies, practices, or services. Examples of requests are given in this section.

100.125: Multifamily dwellings available after March 13, 1991 should have at least one building entrance on an accessible route unless it is impractical to do so. The burden of establishing impracticality lies on the person who designed or constructed the housing facility

Subpart E: Housing for Older Persons

100.300: Fair Housing Amendments Act of 1988 that relate to housing for older persons.

100.301: Exemptions: the provision of familial status that satisfies the requirements of 100.302, 100.303, or 100.304.

100.302: Provisions regarding familial status shall not apply to housing specifically designed and operated to assist elderly persons.

100.303: Provisions regarding familial status shall not apply to housing intended for, and solely occupied by, persons 62 years of age or older.

100.304: Provisions regarding familial status do not apply to housing intended and operated for persons 55 years of age or older.

100.305: How housing qualifies as a housing facility to qualify for older persons under 100.304

100.306: This section states the procedure for housing to operate as housing designed for persons who are 55 years or age or older.

100.307: This section states that reliable surveys or affidavits must be produced to verify age compliance with 100.305.

100.308: This section states that a person shall not be held personally liable for monetary damages for discrimination on the basis of familial status, if the person acted with good faith belief that the housing facility qualified for a housing for older persons exemption under this subpart.

Subpart F: Prohibited Interference, Intimidation or Coercion

100.400: This section states the department's interpretation of the conduct that is unlawful under section 818 of the Fair Housing Act.

Part 110: Fair Housing Poster

Subpart A: Purpose and Definitions

110.1 Procedures for displaying the fair housing poster for persons subject to sections 804 through 806 of the Fair Housing Act.

110.5: Definitions: Discriminatory housing practice, Dwelling, Family, Person, Fair housing poster, the Act, and Person in the business of selling or renting dwellings.

Subpart B: Poster Display Required

110.10: When, where and how fair housing poster is to be displayed.

110.15: The fair housing poster shall be prominently displayed.

110.20: Howl persons may obtain the poster.

110.25: Size of the fair housing poster.

Subpart C: Enforcement

110.30: A failure to display the fair housing poster as required, shall be deemed prima facie evidence of a discriminatory housing practice when any person claims to have been injured by a discriminatory housing practice.

Part 903: Public Housing Agency Plans

903.1(b) The PHA plan's purpose is to provide local accountability and a source for information about the PHA's policies, rules and requirements.

903.7(c) The PHA's Annual Plan must contain a statement of the PHA's policies governing eligibility, selection and admissions, including preferences for admission, procedures for maintaining the waiting list, whether the PHA qualifies for and wishes to use site-based waiting lists, and the PHA's deconcentration policy and procedures.

903.7(d) The PHA's Annual Plan must contain the PHA's rent determination policies.

903.7(f) The PHA's Annual Plan must contain the PHA's grievance procedures.

903.7(i) The PHA's Annual Plan must contain information on housing designated for the elderly or people with disabilities.

903.7(l) The PHA's Annual Plan must contain information on the PHA's community service and self sufficiency activities.

903.7(n) The PHA's Annual Plan must contain the PHA's pet policy.

Part 960: Admission To, and Occupancy Of, Public Housing

Subpart A: Applicability, Definitions and Equal Opportunity Requirements

960.101: This subpart is applicable to public housing.

960.102: This section outlines the definitions found elsewhere and additional definitions used in this part to describe admissions to and occupancy of public housing.

960.103: A PHA must administer the public housing program in accordance with all applicable equal opportunity requirements and affirmatively further fair housing. The PHA must submit a signed equal opportunity certifications to HUD in accordance with 903.7(o) of this title.

Subpart B: Admission

960.201: HUD eligibility and selection requirements for admissions to public housing.

960.202: Requirements for PHAs to have and use tenant selection policies.

960.203: Standards for PHA tenant selection criteria. Tenant selection criteria shall consider the individual's attributes and behavior and shall not impute a particular group or category of persons of which an applicant may be a member.

PHA is responsible for screening family behavior and suitability for tenancy and may consider all relevant information. The requirement with respect to deconcentrating poverty and producing a mix of incomes will be found in the PHA Plan rule.

When unfavorable information received, PHA shall consider time, nature, and extent of the applicant's conduct, and a reasonable probability of favorable future conduct or financial prospects.

960.204: Denial of admission for criminal activity or drug abuse by household members.

960.205: Drug use by applicants: obtaining information from drug treatment facility**.**

960.206: PHA waiting list may establish local preference. including for residents, working families, person with disabilities, victims of domestic violence and single persons who are elderly, displaced, homeless or a person with a disability. PHA may match characteristics of the family with the type of unit available, set housing limitations for single persons, and must use the selection method described in this section.

960.208: This section states that the PHA must promptly notify any applicant determine ineligible or eligible for admissions to the project. Ineligible applicants have an opportunity for an informal hearing. If the applicant is eligible, the applicant will be notified of the approximate date of occupancy.

Subpart C: Rent and Reexamination

960.253: This section describes the different rent options: flat rent, income-based rent, and ceiling rent. Information regarding the policy on switching type of rent and amounts of rent under each option must be provided to the family. A family may switch from flat rent to income-based rent because of hardship.

960.255: Definitions: Disallowance, Previously unemployed, and Qualified family. This section also describes the disallowance when there is an increase in earned income (the initial twelve months exclusion; the second twelve months exclusion and phase-in; and maximum four year disallowance), the inapplicability to admission, and individual savings accounts.

960.257: This section states when a PHA must conduct annual reexaminations, for whom and when interim reexaminations are done, and must adopt admission and occupancy policies concerning the conduct of annual and interim reexaminations.

960.259: Family obligations to sign a consent form and supply information necessary for admissions and continued occupancy. PHA's responsibility to reexamine and verify information through a third party and if third party verification is not available, to explain why.

960.261: Restrictions on evictions of families based on income.

Subpart D: Elderly and Disabled Families – Preference in Mixed Population Projects

960.401: Preference for elderly families and disabled families for admissions to mixed population public housing projects.

960.403: This subpart applies to all dwelling units in mixed populations projects or portions of mixed population public housing projects

960.407: PHA must give preference to elderly and disabled families equally in determining priority for admission to mixed population developments. The PHA can not establish a limit on the number of elderly or disabled families who may accept an offer.

The PHA must first offer units that have special accessibility features for persons with disabilities to a families who include persons with disabilities who require the accessibility feature of such units.

Subpart E: Occupancy by Over-income Families and Police Officers

960.503: A PHA that owns or operates fewer than 250 public housing units may lease a public housing to an over-income family. Description of requirements.

960.505: A police officer, not otherwise eligible, may be allowed to reside in a public housing unit to increase security for the residents. The PHA annual plan or supporting documents must include the number, location, the terms and conditions of their tenancies and a statement that such occupancy is needed to increase security.

Subpart F: Community Service

960.600: PHAs and residents must comply with the community service or self-sufficiency work activities beginning with the PHA fiscal year that commences on or after October 1, 2000.

960.601: Definitions: Community service, Exempt individual, Service requirements, and Family violation of service requirements.

960.605: PHA must develop a local policy for administration of the community service and economic self-sufficient requirements.

960.607: How the community service provisions are to be administered.

960.609: PHA may not substitute service requirements performed by residents for work ordinarily performed by PHA employees.

Subpart G: Pets

960.701: Pet ownership by residents in public housing in accordance with section 31 of the United States Housing Act of 1937.

960.703: This subpart applies to terms defined in section 3(b) of the United States Housing Act of 1937, except that such term does not include public housing developments for the elderly or persons with disability.

960.705: This subpart does not apply to animals that assist, support, or provide service to persons with disabilities.

960.707: Pet ownership conditions, reasonable requirements, policy restriction, and the pet deposit terms. The PHA's pet policies must be described in the annual plan beginning with the PHA fiscal years that commence on or after January 1, 2001.

Part 966: Lease and Grievance Procedures

Subpart A--Dwelling Leases, Procedures, and Requirements

966.1: Prescribes the provisions that shall be incorporated in leases by public housing agencies (PHA) for public housing units.

966.2: Reserved

966.3: The PHA will give at least a 30 day notice to tenants and resident organizations to provide written comments to the changes proposed to the lease by the PHA. The comments shall be considered by the PHA before formal adoption of any new lease form.

966.4: Required lease provisions: Parties, Dwelling unit and Term; Payment due under the lease; Redetermination of rent and family composition; Tenant's right to use and occupancy; PHA's obligations; Tenant's obligations; Tenant maintenance; Defects hazardous to life, health or safety; Pre-occupancy and pre-termination inspections; Entry of a dwelling unit during tenancy; Notice procedures; Termination of tenancy and evictions; Termination of tenancy for criminal activity or alcohol abuse; Right to examine PHA documents before hearing or trial; Grievance procedures; Provisions for modifications; and Signature clause.

966.5: Schedules of special charges for services, repairs and utilities and rules and regulations incorporated in the lease by reference shall be publicly in Project Office and furnished to applicants and tenants on request.

966.6: List of prohibited lease provisions: Confession of judgment; Distraint for rent or other charges; Exculpatory clauses; Waiver of legal Notice by tenant prior to actions for eviction of money judgments; Waiver of legal proceedings; Waiver of jury trail; Waiver of right to appeal judicial error in legal proceeding; and Tenant chargeable with cost of legal actions regardless of outcome.

966.7: For all aspects of the lease and grievance procedures, a disabled person shall be provided reasonable accommodation so they have the same opportunity to use and occupy a unit as a non-disabled person. A notice to each tenant shall be provided stating that at any time a tenant can request reasonable accommodations for a disabled member of the household.

Subpart B—Grievance Procedures and Requirements

966.50: Requirements, standards, and criteria for a grievance procedure to be established and implemented by the PHA assuring tenant an opportunity for a hearing if a tenant disputes any PHA action or failure to act involving the tenant's or PHA regulation that adversely affects the individual tenant's rights, duties, welfare, or status.

966.51: PHA grievance procedure shall be applicable to all individual grievances as defined in 966.53 between the tenant and the PHA. Grievance procedure is not applicable to disputes between tenant not involving the PHA or to class grievances.

966.52: Each PHA shall adopt a grievance procedure, incorporated by reference in all tenant dwelling leases, at least a 30 day notice shall be given to tenants and resident organizations to provide written comments to the changes proposed to the grievance

procedure by the PHA, and a copy of the grievance procedure shall be given to each tenant and resident organization.

966.53: Definitions: Grievance, Complainant, Elements of due process, Hearing officer, Hearing panel, Tenant, and Resident organization.

966.54: Informal settlement of a grievance may be granted without a hearing when it is personally presented to a PHA office or to the office of the project in which the complainant resides. Written documentation of the informal discussion and settlement shall be produced. A copy of this documentation must be given to the tenant and another copy must be placed in the PHA's tenant file.

966.55: Process to request a hearing, selection of hearing officer or panel, failure to request a hearing, hearing prerequisites, escrow deposit, scheduling of hearings, and expedited grievance procedures.

966.56: Procedures governing the hearing.

966.57: This section states that a hearing officer or panel shall prepare a written decision with the reasons set forth for the decision and it shall be binding on the PHA which shall take all action or refrain from taking action necessary to carry out the decision.

If the decision is in favor of the PHA or which denies the relief requested by the compliant in whole or part shall not constitute a waiver of, nor affect in any matter whatever, any rights the complaint may have to a trial *de novo* or judicial review in any judicial proceeding.

Appendix II

DEFINITIONS OF TERMS

1. Accessible dwelling units -- when used with respect to the design, construction or alteration of an individual dwelling unit, means that the unit is located on an accessible route and when designed, constructed, altered, or adapted can be approached, entered, and used by individuals with physical disabilities. A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in **24 CFR § 8.32 & § 40** [the Uniform Federal Accessibility Standards] is "accessible" within the meaning of this paragraph. When an individual dwelling unit in an existing facility is being modified for use by a specific individual, the unit will not be deemed accessible, even though it meets the standards that address the impairment of that individual, unless it also meets the UFAS standards.

1. Accessible Facility - means all or any portion of a facility *other than an individual dwelling unit* used by individuals with physical disabilities. **[24 CFR § 8.21]**

2. Accessible Route - For persons with a mobility impairment, a continuous unobstructed path that complies with space and reach requirements of the Uniform Federal Accessibility Standards. For persons with hearing or vision impairments, the route need not comply with requirements specific to mobility. **[24 CFR § 8.3 & § 40.3.5]**

3. Adaptability - Ability to change certain elements in a dwelling unit to accommodate the needs of disabled and non-disabled persons; or ability to meet the needs of persons with different types & degrees of disability. **[24 CFR § 8.3 & § 40.3.5]**

4. Adult: A Person who is 18 years of age of older, or who has been convicted of a crime as an adult under any Federal, State or tribal law.

5. Alteration - any change in a facility or its permanent fixtures or equipment. It does not include: normal maintenance or repairs, reroofing, interior decoration or changes to mechanical systems. **[24 CFR § 8.3 & § 8.23 (b)]**

6. Applicant - a person or a family that has applied for admission to housing.

7. Area of Operation - The jurisdiction of the PHA as described in applicable State law and the PHA's Articles of Incorporation.

8. Assets - Assets means "cash (including checking accounts), stocks, bonds, savings, equity in real property, or the cash value of life insurance policies. Assets do not include the value of personal property such as furniture, automobiles and household effects or the value of business assets." IMPORTANT: See the definition of Net Family Assets, for assets used to compute annual income. (See **24 CFR § 5.603** for definition of Net Family Assets)

9. Auxiliary Aids - means 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. **[24 CFR § 8.3]**

10. Care attendant - a person that regularly visits the unit of a PHA resident to provide supportive or medical services. Care attendants are not live-in aides, since they have their own place of residence (and if requested by PHA must demonstrate separate residence) and do not live in the public housing unit. Care attendants have no rights of tenancy.

11. Co-head of household - a household where two persons are held responsible and accountable for the family, and where each co-head contributes to the rent.

12. Covered Person – For the purposes of screening and terminating tenancy for criminal activity, a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.
13. Dependent - A member of the household, other than head, spouse, sole member, foster child, or Live-in Aide, who is under 18 years of age, or 18 years of age or older and disabled, or a full-time student, and qualifies for a $480 deduction when computing income-based rent. **[24 CFR § 5.603]**
14. Designated Family - means the category of family for whom PHA elects (subject to HUD approval) to designate a project (e.g. elderly family in a project designated for elderly families) in accordance with the 1992 Housing Act. **(PL 96-120)**
15. Designated housing (or designated project) - a project(s), or portion of a project(s) designated for elderly only or for disabled families only in accordance with **PL 96-106**.
16. Disabled Family - A family whose head, spouse or sole member is a person with disabilities. (Person with disabilities is defined later in this section.) The term includes two or more persons with disabilities living together, and one or more such persons living with one or more persons including live-in aides determined to be essential to the care and well-being of the person or persons with disabilities. A disabled family may include persons with disabilities who are elderly. **[24 CFR § 5.403]**
17. Displaced Person - A person displaced by government action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise recognized pursuant to Federal disaster relief laws. This definition is used for eligibility determinations only. It should not be confused with the former Federal preference for involuntary displacement. **[(42 USC 1437a(b)(3)]**
18. Divestiture Income - Imputed income from assets, including business assets, disposed of by applicant or resident in the last two years at less than fair market value. (See the definition of Net Family Assets **[24 CFR § 5.603]** in this section.)
19. Drug – A controlled substance as defined in the Controlled Substances Act. **[24 CFR § 5.100]**
20. 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. **[24 CFR § 5.100]**
21. Elderly Family - A family whose head or spouse (or sole member) is at least 62 years of age. It may include two or more elderly persons living together, and one or more such persons living with one or more persons, including live-in aides, determined to be essential to the care and well-being of the elderly person or persons. An elderly family may include elderly persons with disabilities and other family members who are not elderly. **[24 CFR § 5.403]**
22. Elderly Person - A person who is at least 62 years of age. **[42 USC 1437a(b)(3)]**
23. Extremely Low Income Family – A Family whose Annual Income is equal to or less than 30% of Area Median Income, as published by HUD.
24. Family –

- Two or more persons (with or without children) regularly living together, related by blood, marriage, adoption, guardianship or operation of law who will live together in PHA housing; OR
- two or more persons who are not so related, but are regularly living together, can verify shared income or resources who will live together in PHA housing.

The term family also includes the following terms defined in this Section:

- Elderly family

- Near elderly family
- Disabled family
- Displaced person
- Single person
- Remaining member of a tenant family,
- a foster care arrangement, or a kinship care arrangement

  Other persons, including members temporarily absent (e.g. a child temporarily placed in foster care or a student temporarily away at college), may be considered a part of the applicant family's household if they are living or will live regularly with the family. **[24 CFR §§ 5 and 960]**

- Live-in Aides may also be considered part of the applicant family's household. However, live-in aides are not *family* members and have no rights of tenancy or continued occupancy.
- Foster Care Arrangements include situations in which the family is caring for a foster adult, child or children in their home who have been placed there by a public child placement agency, or a foster adult or adults placed in the home by a public adult placement agency. For purposes of continued occupancy: the term family also includes the remaining member of a resident family with the capacity to execute a lease.

25. Full-Time Student - A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. Educational institution shall include but not be limited to: college, university, secondary school, vocational school or trade school **[24 CFR 5.603]**.
26. Guest – For the purposes of determining whether an individual's criminal activity is the responsibility of the tenant, a guest is 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 requirements of the lease apply to a guest as so defined.
27. Head of the Household - The family member (identified by the family) who is held responsible and accountable for the family.
28. Household – The family and a PHA-approved Live-in Aide
29. Individual with Disabilities, Section 504 definition **[24 CFR § 8.3]**

    Section 504 definitions of Individual with Disabilities and Qualified Individual with Disabilities are not the definitions used to determine program eligibility. Instead, use the definition of person with disabilities as defined later in this section. Note: the Section 504, Fair Housing, and Americans with Disabilities Act (ADA) definitions are similar. ADA uses the term "individual with a disability". Individual with disabilities means any person who has:

    (a) A physical, mental or emotional 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.

    (b) For purposes of housing programs, 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.

(c) Definitional elements:

"physical or mental impairment" means any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

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" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

"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.

"Is regarded as having an impairment" means 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; or

Has a physical or mental impairment that substantially limits one or more major life activities only as result of the attitudes of others toward such impairment; or

Has none of the impairments defined in this section but is treated by a recipient as having such an impairment.

NOTE: A person would be covered under the first item if PHA refused to serve the person because of a perceived impairment and thus "treats" the person in accordance with this perception. The last two items cover persons who are denied the services or benefits of PHA's housing program because of myths, fears, and stereotypes associated with the disability or perceived disability.

(d) The 504 definition of disability does not include homosexuality, bisexuality, or transvestitism. Note: These characteristics do not disqualify an otherwise disabled applicant/resident from being covered.

The 504 definition of individual with disabilities is a civil rights definition. To be considered for admission to public housing a person must meet the program definition of person with disabilities found in this section.

30. Kinship care - an arrangement in which a relative or non-relative becomes the primary caregiver for a child or children but is not the biological parent of the child or children. The primary caregiver need not have legal custody of such child or children to be a kinship caregiver under this definition. (Definition provided by the Kinship Care Project, National Association for Public Interest Law)

31. Live-in Aide - A person who resides with an elderly person(s), near elderly person(s) or person(s) with disabilities and who: (a) is determined by PHA to be essential to the care and well being of the person(s); (b) is not obligated to support the family member; and (c) would not be living in the unit except to provide the necessary supportive services **[24 CFR 5.403].**

    PHA policy on Live-in Aides stipulates that:

    (a) Before a Live-in Aide may be moved into a unit, a third-party verification must be supplied that establishes the need for such care and the fact that the live-in aide is qualified to provide such care;

    (b) Move-in of a Live-in Aide must not result in overcrowding of the existing unit according to the maximum-number-of-persons-per-unit standard (although, a reasonable accommodation for a resident with a disability may be to move the family to a larger unit);

    (c) Live-in Aides have no right to the unit as a remaining member of a resident family;

    (d) Relatives who satisfy the definitions and stipulations above may qualify as Live-in Aides, but only if they sign a statement prior to moving in relinquishing all rights to the unit as the remaining member of a resident family;

    (e) A Live-in aide is a single person;

    (f) A Live-in Aide will be required to meet PHA's screening requirements with respect to past behavior especially:

    A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at present or prior residences that may adversely affect the health, safety, or welfare of other tenants or neighbors;

    Criminal activity such as crimes of physical violence to persons or property and other criminal acts including drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or the development; and

    A record of eviction from housing or termination from residential programs.

32. Low-Income Household - A family whose annual income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller and larger families **[42 USC 1437a(b0]**

34. Medical Expense Allowance - For purposes of calculating adjusted income for elderly or disabled families only, medical expenses mean the medical expense in excess of 3% of Annual Income, where these expenses are not compensated for or covered by insurance. **[24 CFR § 5.603].**

35. Minor - A minor is a person less than 18 years of age. An unborn child will not be considered as a minor. (See definition of dependent.) Some minors are permitted to execute contracts, provided a court declares them "emancipated".

36. Mixed Population Project - means a public housing project for elderly and disabled families. The PHA is not required to designate this type of project under the Extension Act. (PIH Notice 97-12)

37. Multifamily housing project - For purposes of Section 504, means a project containing five or more dwelling units. **[24 CFR § 8.3]**

38. Near-elderly family - means a family whose head, spouse, or sole member is a near-elderly person (at least 50 but less than 62 years of age), who may be a person with a disability. The term includes two or

more near-elderly persons living together, and one or more such persons living with one or more persons who are determined to be essential to the care or well-being of the near-elderly person or persons. A near-elderly family may include other family members who are not near-elderly. **[24 CFR § 5.403]**

39. Near-elderly person - means a person who is at least 50 years of age but below 62, who may be a person with a disability **[42 USC 1437a(b)(3)]**

40. Net Family Assets - The net cash value, after deducting reasonable costs that would be incurred in disposing of: **[24 CFR § 5.603]**

    (a) Real property (land, houses, mobile homes)

    (b) Savings (CDs, IRA or KEOGH accounts, checking and savings accounts, precious metals)

    (c) Cash value of whole life insurance policies

    (d) Stocks and bonds (mutual funds, corporate bonds, savings bonds)

    (e) Other forms of capital investments (business equipment)

    Net cash value is determined by subtracting the reasonable costs likely to be incurred in selling or disposing of an asset from the market value of the asset. Examples of such costs are: brokerage or legal fees, settlement costs for real property, or penalties for withdrawing saving funds before maturity.

    Net Family assets also include the amount in excess of any consideration received for assets disposed of by an applicant or resident for less than fair market value during the two years preceding the date of the initial certification or reexamination. This does not apply to assets transferred as the result of a foreclosure or bankruptcy sale.

    In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be less than fair market value if the applicant or resident receives important considerations not measurable in dollar terms **[24 CFR §5.603(b)(3)]**.

41. Other person under the tenant's control – 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 (e.g. the Pizza Delivery person).

42 Person with disabilities[1] **[42 USC 1437a(b)(3)]** means a person[2] who —

    (a) Has a disability as defined in Section 223 of the Social Security Act **(42 USC 423);** or,

    (b) Has a physical, mental or emotional impairment that:

    - Is expected to be of long continued and indefinite duration;
    - Substantially impedes his/her ability to live independently; and,
    - Is of such nature that such disability could be improved by more suitable housing conditions; or,

[1] NOTE: this is the program definition for public housing. The 504 definition does not supersede this definition for eligibility or admission. **[24 CFR 8.4 (c) (2)]**

[2] A person with disabilities may be a child.

(c) Has a developmental disability as defined in Section 102 (5) (b) of the Developmental Disabilities Assistance and Bill of Rights Act **[42 USC 6001 (5)].**

43. Portion of project - includes, one or more buildings in a multi-building project; one or more floors of a project or projects; a certain number of dwelling units in a project or projects. **[24 CFR § 945.105]**

44. Project, Section 504 - means the whole of one or more residential structures & appurtenant structures, equipment, roads, walks, & parking lots that are covered by a single contract for Federal financial assistance or application for assistance, or are treated as a whole for processing purposes, whether or not located on a common site**. [24 CFR § 8.3]**

45. Premises – The building or complex or development in which the public housing dwelling is located, including common areas and grounds.

46. Qualified Individual with disabilities, Section 504 - means an individual with disabilities who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the PHA can demonstrate would result in a fundamental alteration in its nature.

    (a) Essential eligibility requirements include: …stated eligibility requirements such as income as well as other explicit or implicit requirements inherent in the nature of the program or activity, such as requirements that an occupant of multifamily housing be capable of meeting the recipient's selection criteria and be capable of complying with all obligations of occupancy with or without supportive services provided by persons other that the PHA.

    (b) For example, a chronically mentally ill person whose particular condition poses a significant risk of substantial interference with the safety or enjoyment of others or with his or her own health or safety in the absence of necessary supportive services may be "qualified" for occupancy in a project where such supportive services are provided by the PHA as a part of the assisted program. The person may not be 'qualified' for a project lacking such services. **[24 CFR § 8.3]**

47. Single Person - A person who is not an elderly person, a person with disabilities, a displaced person, or the remaining member of a resident family.

48. Spouse - Spouse means the husband or wife of the head of the household.

49. Tenant Rent - The amount payable monthly by the Family as rent to PHA. Where all utilities (except telephone) and other essential housing services are supplied by the Authority, Tenant Rent equals Total Tenant Payment. Where some or all utilities (except telephone) and other essential housing services are not supplied by the PHA and the cost thereof is not included in the amount paid as rent, Tenant Rent equals Total Tenant Payment less the Utility Allowance **[24 CFR § 5.603].**

50. Total Tenant Payment (TTP) - The TTP, or income-based rent, is calculated using the following formula:

    The greatest of 30% of the monthly Adjusted Income (as defined in these policies) or 10% of the monthly Annual Income (as defined in these policies), or the Welfare Rent if applicable, but never less than the Minimum Rent or greater than the Ceiling Rent, if any. If the Resident pays and of the utilities directly to the utility supplier, the amount of the Utility Allowance is deducted from the TTP. **[24 CFR §5.613]** See the definition for Tenant Rent.

51. Uniform Federal Accessibility Standards - Standards for the design, construction, and alteration of publicly owned residential structures to insure that physically disabled persons will have ready access

to and use of such structures. The standards are set forth in **Appendix A to 24 CFR Part 40. See cross reference to UFAS in 504 regulations, 24 CFR § 8.32 (a).**

52. Utilities - Utilities means water, electricity, gas, other heating, refrigeration and cooking fuels, trash collection, and sewerage services. Telephone service is not included as a utility **[24 CFR § 990.102].**

53. Upward Mobility Preference: An admissions preference granted when:

(a) A family can verify employment of an adult member:

(i) Employment at the time of the offer — To receive this preference the applicant family must have at least one family member, age 18 or older, employed at the time of PHA's offer of housing. Employment at the time of the offer must be for the 90 day period immediately prior to the offer of housing and provide a minimum of 20 hours of work per week for the family member claiming the preference.

(ii) Employment periods may be interrupted, but to claim the preference, a family must have an employed family member prior to the actual offer of housing as described above.

(iii) A family member that leaves a job will be asked to document the reasons for the termination. Someone who quits work after receiving benefit of the preference (as opposed to layoff, or taking a new job) will be considered to have misrepresented the facts to PHA and will have their assistance terminated.

(iv) The amount earned shall not be a factor in granting this local preference. This local preference shall also be available to a family if the head, spouse, or sole member is 62 or older, or is receiving social security disability, or SSI disability benefits, or any other payments based on the individual's inability to work. **[Required, 24 CFR 960.206 (b) (2)]**

(b) A family can verify participation in a job training program or graduation from such a program. This includes programs of job training, skills training or education accepted or mandated by the Temporary Assistance to Needy Families program;

The family must notify PHA if it enters such a program while on the waiting list and provide documentation of participation to PHA. PHA will not grant this preference if the family fails to provide notice. Notice and verification of the preference claim must be received prior to the offer of housing. To claim this preference applicants must be in good standing with respect to attendance and program rules.

54. Utility Reimbursement - Funds that are reimbursed to the resident or, with the resident's permission, the utility company on the resident's behalf if the utility allowance exceeds the Total Tenant Payment. Tenants who choose to pay flat rents do not receive a utility reimbursement, since the value of the flat rent takes into account any utilities paid by the tenant.

55. Very Low-Income Family - Very low-income family means a family whose Annual Income does not exceed 50 percent of the median Annual Income for the area, with adjustments for smaller and larger families, as determined by the Secretary of Housing and Urban Development **[42 USC 1437a(b].**

56. Violent Criminal Activity – 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.

Appendix III

SAMPLE ADMISSIONS AND CONTINUED OCCUPANCY POLICY

INTRODUCTION

This sample Admissions and Continued Occupancy Policy refers to several *Procedures*. *Procedures* do not require approval of the Board, and provide the staff with practical information about how to implement this policy. PHAs modifying this sample ACOP for use will also need the following procedures:

- Opening and Closing the Waiting List
- Updating the Waiting List and Removing Applications
- Taking Applications and Initial Processing
- Verification
- Unit Offers and Applicant Placement
- Applicant Screening
- Informal Hearings for Rejected Applicants

Revising an ACOP requires approval of the Board of Commissioners/Directors, and may require an amendment to the PHA Plan.

Numerical notes in the text refer to the regulatory citations at the end of the document. Roman numeral notes in the text are footnotes.

TABLE OF CONTENTS ADMISSIONS & OCCUPANCY POLICY

I Nondiscrimination and Accessibility 1

A. Nondiscrimination 1
B. Accessibility and Plain Language 3

II Eligibility for Admission and Processing of Applications 4

A. Affirmative Marketing 4
B. Qualification for Admission 4
C. Waiting List Management 5
D. Processing Applications for Admission 6
E. The Preference System 6
F. Applicant Selection Criteria 10
G. Occupancy Guidelines 14

III Tenant Selection and Assignment Plan 15

A. Organization of the Waiting List 15
B. Unit Offers to Applicants 16
C. Due Process Rights for Applicants 17
D. Good Cause for Applicant Refusal of Unit Offer 17
E. Dwelling Units with accessible/adaptable features 18
F. Leasing and Occupancy of Dwelling Units 19
G. Transfers 19

IV Leasing and Occupancy of Dwelling Units 19

A. General Leasing Policy 19
B. Showing Units Prior to Leasing 19
C. Occupancy, Additions to the Household and Visitors 20

V Transfer Policy 21

A. General Transfer Policy 21
B. Types of Transfers 21
C. Processing Transfers 22
D. Good Record Requirement for Transfers 23
E Incentive Transfers 23
F Cost of Transfers 24

VI Eligibility for Continued Occupancy and Annual Reexamination 24

A. Eligibility for Continued Occupancy 24
B. Remaining Family Members and Prior Debt 24
C. Periodic Re-examination. 24

VII Interim Rent Adjustments: Fixed Rent System 26

A. Rent Adjustments 26
B. Effective Date of Adjustments 26

VIII Lease Termination Procedures 27

A. General Policy: Lease Terminations 27
A. Notice Requirements 27
B. Record keeping Requirements.....27

IX Utilities 28

A. Resident-Paid Utilities 28
B. Excess Utility Charges.....28

X Ceiling Rents/Flat Rents.....28

A. Intent and Purpose.....28
B. Establishing Ceiling Rents 28
C. Calculating Ceiling Rents 29
D. What the Resident Pays 29
E. Ceiling Rent Adjustments.....29
F. Flat Rents 29
G. Annual Update of Flat Rents 29
H. Recertification of Families on Flat Rents 29

XI Definitions and Procedures to be used in Determining Income and Rent 30

A. Annual Income 30
B. Items not included in Annual Income 30
C. Anticipating Annual Income 34
D. Adjusted Income 34
E. Rent Computation 34

XII Regulatory Citations 36

Sample Admissions and Continued Occupancy Policy
Governing HUD-Aided Public Housing

I. Nondiscrimination

A. Complying with Civil Rights Laws

1. Civil rights laws protect the rights of applicants and residents to equal treatment by the Housing Authority in the way it carries out its programs. It is the policy of the Housing Authority (PHA) to comply with all Civil Rights laws, including but not limited to:

- Title VI of the Civil Rights Act of 1964, which forbids discrimination on the basis of race, color, religion, national origin or sex[1];
- Title VIII of the Civil Rights Act of 1968 (as amended by the 1974 HCDA and the Fair Housing Amendments Act of 1988), which extends protection against discrimination based on disability and familial status, and spell out forms of prohibited discrimination[2];
- Executive Order 11063,
- Section 504 of the Rehabilitation Act of 1973, which describes specific housing rights of persons with disabilities[3];
- the Age Discrimination Act of 1975, which establishes certain rights of the elderly[4]
- Title II of the Americans with Disabilities Act, otherwise Section 504 and the Fair Housing Amendments govern, (Title II deals with common areas and public space, not living units.)
- any applicable State laws or local ordinances, and
- any legislation protecting the individual rights of tenants, applicants or staff that may subsequently be enacted[5].

2. The PHA shall not discriminate because of race, color, national origin, sex, religion, familial status, or disability in the leasing, rental, occupancy, use, or other disposition of housing or related facilities, including land, that is part of a development under the PHA's jurisdiction covered by a public housing Annual Contributions Contract with HUD.

3. PHA shall not, on account of race, color, national origin, sex, religion, familial status, or disability:

(a) Deny anyone the opportunity to apply for housing (when the waiting list is open), nor deny to any qualified applicant the opportunity to lease housing suitable to its needs;

(b) Provide anyone housing that is different (of lower quality) from that provided others[i] ;

(c) Subject anyone to segregation or disparate treatment;

(d) Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;

(e) Treat anyone differently in determining eligibility or other requirements for admission;

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[i] PHA is not only permitted but is required to provide persons with disabilities with housing that is appropriate for their needs. This accessible or adaptable housing, although different from that provided to others, is permitted because it permits persons with disabilities to participate in the public housing program.

(f) Deny anyone access to the same level of services [ii]; or

(g) Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program.

4. PHA shall not automatically deny admission to otherwise qualified applicants because of their membership in some group to which negative behavior may be imputed (e.g., families with children born to unmarried parents or families whose head or spouse is a student). Instead, each applicant who is a member of a particular group will be treated as an individual based on his or her attributes and behavior [6].

5. PHA will correct situations or procedures that create a barrier to equal housing opportunity for all. To permit people with disabilities to take full advantage of the PHA's housing program and non-housing programs, in accordance with Section 504, and the Fair Housing Amendments Act of 1988, there are requirements, optional actions and prohibitions:

(a) PHA **must**, upon request by an applicant or resident with a disability,

- make structural modifications to its housing and non-housing facilities[7] and
- make reasonable accommodations in its procedures or practices[8]

unless such structural modifications or reasonable accommodations

- would result in an undue financial [iii] and administrative burden on the Authority[9], or
- would result in a fundamental alteration in the nature of the program

(b) In making structural modifications to "Existing housing programs" [10] or in carrying out "Other Alterations"[11] for otherwise qualified persons with disabilities, PHA **may**, but is not required to:

- Make each of its existing facilities accessible[12]; or
- make structural alterations when other methods can be demonstrated to achieve the same effect[13];
- Make structural alterations that require the removal or altering of a load-bearing structural member[14];
- Provide an elevator in any multifamily housing project solely for the purpose of locating accessible units above or below the grade level[15];

(c) When the PHA is making "Substantial Alterations" [iv] to an existing housing facility PHA **may**, but is not required to:

- Provide an elevator in any multifamily housing project solely for the purpose of locating accessible units above or below the grade level[16];
- Make structural alterations that require the removal or altering of a load-bearing structural member[17]; or
- Make structural alterations to meet minimum accessibility requirements where it is structurally

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[ii] This requirement applies to services provided by PHA and services provided by others with PHA's permission on public housing property. Thus, a health screening program offered by the local health department in a public housing community room would have to be fully accessible to persons with disabilities.

[iii] Considering all the PHA's sources of revenue, including both operating and capital funds

[iv] Defined in **24 CFR § 8.23** as Comprehensive Modernization or work in developments with 15+ units, work whose value exceeds 75% of the replacement cost of the facility

impracticable [v] also.[18]

Note that the undue burdens test is not applicable to housing undergoing substantial alteration.

6. PHA will not permit these policies to be subverted to do personal or political favors. PHA will not offer units in an order different from that prescribed by this policy, since doing so violates the policy, federal law, and the civil rights of the other families on the waiting list[19].

B. Making Programs and Facilities Accessible to People with Disabilities

1. Facilities and programs used by residents will be accessible to a person in a wheelchair. Application and management offices, hearing rooms, community centers, day care centers, laundry facilities, craft and game rooms, etc. (to the extent that the PHA has such facilities) will be usable by residents with a full range of disabilities. To the extent that the PHA offers such facilities, if none is already accessible, some [vi] will be made so, subject to the undue financial and administrative burden test [20].

2. Documents used by applicants and residents will be accessible for those with vision or hearing impairments[21]. Also, all documents will be written simply and clearly to enable applicants with learning or cognitive disabilities to understand as much as possible. Unless prohibited by local law, documents may be translated into languages other than English [vii].

3. PHA will present examples to help applicants and residents understand eligibility, rent computation, applicant screening, reasonable accommodations, and lease compliance. In writing materials for applicants and residents, PHA staff will be prepared to explain rules and benefits verbally, as often as may be needed, because some disabilities may affect an applicant's ability to read or understand [22].

4. When PHA has first contact with all applicants, staff will ask whether they need some form of communication other than plain language paperwork. Alternative forms of communication might include: sign language interpretation; having materials explained orally by staff, either in person or by phone; large type materials; information on tape; having someone (friend, relative or advocate) accompany the applicant to receive, interpret and explain housing materials; permitting applicants to file applications by mail; and permitting alternative sites for application taking [23].

5. Some applicants will not be able to read (or to read English), so intake staff must be prepared to read and explain anything that they would normally hand to an applicant to be read or filled out. Applicants who read or understand little English may furnish an interpreter who can explain what is going on. PHA is not required to pay the costs associated with having a foreign language interpreter (as they are for a sign language interpreters for the hearing impaired[24] because the Fair Housing law makes no such requirement).

6. At a minimum, PHA will prepare information to be used by applicants and residents in plain-language accessible formats.

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[v] Structural impracticability is defined as: Changes having little likelihood of being accomplished without removing or altering a load-bearing structural member and/or incurring an increased cost of 50% or more of the value of the element of the building or facility involved.

[vi] It is not required that all public and common areas be made accessible so long as persons with disabilities have full access to all the types of facilities and activities available to persons without disabilities. Thus, not all laundry facilities need to be accessible so long as there are sufficient accessible laundry facilities for use by persons with disabilities at each development that provides laundry facilities.

[vii] 24 CFR § 5.505 requires that any notice or document relative to citizen or eligible immigration status, where feasible, be provided to an applicant or tenant in a language that is understood by the individual if the individual is not proficient in English. In general, documents will be translated when there are sufficient numbers of applicants or residents speaking a language to warrant the expense.

II. Eligibility for Admission and Processing of Applications

A. Affirmative Marketing

1. PHA will conduct affirmative marketing as needed so the waiting list includes a mix of applicants with races, ethnic backgrounds, ages and disabilities proportionate to the mix of those groups in the eligible population of the area. The marketing plan will take into consideration the number and distribution of vacant units, units that can be expected to become vacant because of move-outs, and characteristics of families on the waiting list. PHA will review these factors regularly to determine the need for and scope of marketing efforts. All marketing efforts will include outreach to those least likely to apply [25].

2. Marketing and informational materials will:

   (a) Comply with Fair Housing Act requirements on wording, logo, size of type, etc.;

   (b) Describe the housing units, application process, waiting list and preference structure accurately;

   (c) Use clear and easy to understand terms and more than strictly English-language print media;

   (d) Contact agencies that serve potentially qualified applicants least likely to apply (e.g. the disabled) to ensure that accessible/adaptable units are offered to applicants who need their features;

   (e) Make clear who is eligible: low income individuals and families; working and non-working people; and people with both physical and mental disabilities; and

   (f) Be clear about PHA's responsibility to provide reasonable accommodations to people with disabilities.

B. Qualifying for Admission

1. It is PHA's policy to admit **only** qualified applicants[viii].

2. An applicant is qualified if he or she meets all of the following criteria:

   (a) Is a family, as defined in Section XII of this policy;

   (b) Meets HUD requirements on citizenship or immigration status [26];

   (c) Has an Annual Income (as defined in Section XI of this document) at the time of admission that does not exceed the income limits (maximum incomes by family size established by HUD) posted in PHA offices.

   (d) Provides documentation of Social Security numbers for family members age 6 or older, or certifies that they do not have Social Security numbers[27]; and

   (e) Meets the Applicant Selection Criteria in Section II. F. of these policies[28], including

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[viii] The term "qualified" refers to applicants who are eligible and able to meet the applicant selection standards. This term is taken from the 504 regs: **24 CFR § 8.3** Definition of qualified individual with a disability. In order to be eligible, a family must meet four tests: (1) they must meet PHA's definition of family; (2) have an Annual Income at or below program guidelines; (3) each family member, age 6 or older, must provide a social security number or certify that he/she has no number; and (4) each family member receiving assistance must be a citizen or non-citizen with eligible immigration status per **24 CFR § 5.500**.

completing a PHA-approved pre-occupancy orientation session if requested;.

C. Establishing and Maintaining the Waiting List

1. It is the policy of PHA to administer its waiting list as required by HUD's regulations

2. Opening and Closing Waiting Lists

   (a) For any unit size or type, if the PHA's waiting list has sufficient applications to fill anticipated vacancies for the coming 12 months, PHA may elect to: (a) close the waiting list completely; (b) close the list during certain times of the year; or (c) restrict intake by preference, type of project, or by size and type of dwelling [29].

   (b) A decision to close the waiting list will consider the number of applications for each size and type of unit, the number of applicants who qualify for a preference, and the ability of PHA to house applicants in twelve to eighteen months. Decisions to close waiting lists, restrict intake, or open waiting lists will be publicly announced.

   (c) When the waiting list is closed, PHA will not maintain a list of individuals who wish to be notified when the waiting list is re-opened.

3. Determining if the Waiting List may be Closed

PHA will use its **Procedure on Opening and Closing the Waiting List**[ix] to determine whether the waiting list(s) should be closed.

4. Updating the Waiting List

   (a) Once each year PHA will update each waiting list sublist by contacting all applicants in writing[x].

   If, after two attempts in writing[xi], no response is received, PHA will withdraw the name of an applicant from the waiting list.

   At the time of initial intake, PHA will advise families that they must notify the PHA when their circumstances, mailing address or phone numbers change.

   (b) PHA will remove an applicant's name from the waiting list only in accordance with its **Procedure on Updating the Waiting List and Removing Applications**.

5. Change in Preference Status While on the Waiting List

   (a) Situations of some families who did not qualify for a local or ranking preference when they applied may change so they are qualified for a preference. The family should contact PHA so their status may be recertified or reverified. Applicants whose preference status changes while they are on the waiting list retain their original date and time of application, or application number, as applicable.

   (b) If PHA determines that the family <u>does</u> now qualify for a preference, they will be moved up on the waiting list in accordance with their preference(s) and their date and time of application. They will then be informed in writing of how the change in status has affected

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[ix] This policy refers to written procedures that cover, in this case, the closing of the waiting list. References to other administrative procedures is made periodically in the text of this policy. These procedures are separate documents that describe the work steps necessary to implement the policy made in this document.

[x] Or by the method designated at initial application by applicants with disabilities.

[xi] Both written communications will be sent by first class mail.

their place on the waiting list.

D. Processing Applications for Admission

1. PHA will accept and process applications in accordance with applicable HUD Regulations and PHA's **Procedure on Taking Applications and Initial Processing**. PHA will assume that the facts certified to by the applicant in the preliminary application are correct, although all those facts will be verified later in the application process.

2. Interviews and Verification Process

As applicants approach the top of the waiting list, they will be contacted and asked to come to the PHA for an interview to complete their applicant file. Applicants who fail to attend their scheduled interview or who cannot be contacted to schedule an interview will have their applications withdrawn, subject to reasonable accommodations for people with disabilities.

(a) The following items will be verified according to PHA's **Procedure on Verification,** to determine qualification for admission to PHA's housing:

(i) Family composition and type (Elderly/Disabled/near elderly /non-elderly);

(ii) Annual Income;

(iii) Assets and Asset Income;

(iv) Deductions from Income;

(v) Preferences;

(vi) Social Security Numbers of all Family Members;

(vii) Applicant Screening Information; and

(viii) Citizenship or eligible immigration status.

(b) Third party written verification is the required form of documentation to substantiate applicant or resident claims. If attempts to obtain third party written verification are unsuccessful, PHA may also use (1) phone verifications with the results recorded in the file, dated, and signed by PHA staff, (2) review of documents, and, if no other form of verification is available, (3) applicant certification. Applicants must cooperate fully in obtaining or providing the necessary verifications.

(c) Verification of eligible immigration status shall be carried out pursuant to **24 CFR § 5.5**. Citizens are permitted to certify to their status.

3. Applicants reporting zero income will be asked to complete a family expense form to document how much they spend on: food, transportation, health care, child care, debts, household items, etc. and what the source of income is for these expenses.

4. PHA's applications for admission public housing shall indicate for each application the date and time of receipt; applicant's race and ethnicity; determination by PHA as to eligibility of the applicant; when eligible, the unit size(s) for which eligible; preference, if any; and the date, location, identification, and circumstances of each vacancy offered and accepted or rejected [30].

E. The Preference System

1. An admission preference does not guarantee admission. Preferences establish the order of placement on the waiting list. Every applicant must still meet PHA's Selection Criteria before being offered a unit.

2. Factors other than preferences that affect the selection of applicants from the waiting list [31]

Before applying its preference system, PHA will match the characteristics of the available unit to the applicants available on the waiting list. Unit size, accessibility features, or type of project limit the admission of families to households whose characteristics "match" the vacant unit available.

By matching unit and family characteristics, families lower on the waiting list may receive an offer of housing before families with an earlier date and time of application or families with a higher preferences (e.g. the next unit available is an accessible unit and the only applicant family needing such features is in the non-preference pool, i.e. having no preference).

Factors other than the preference system that affect applicant selection are described below:

(a) When selecting a family for a unit with **accessible features**, PHA will give a preference to families that include persons with disabilities who can benefit from the unit's features. First preference will be given to existing tenant families seeking a transfer and second preference will be given to applicant families.

If no family needing accessible features can be found for a unit with such features, PHA will house a family not needing the unit features, but a non-disabled family in an accessible unit will be required to move so that a family needing the unit features can take advantage of the unit.

(b) When selecting a family for a unit in housing designated for elderly families, or disabled families, if any, PHA will give a priority to elderly, disabled or near elderly families.

(c) When selecting a family for a unit in a a property that houses elderly and disabled families, as opposed to a general occupancy development that houses non-elderly families as well, PHA will give equal priority to elderly families and disabled families.

(d) When selecting a single person at a Mixed Population development, elderly, disabled or displaced single persons have priority over other singles. Single applicants who are not elderly, disabled or displaced can only be admitted after all elderly or disabled families or single displaced persons have been offered units.

Preferences will be granted to applicants who are otherwise qualified and who, at the time of the unit offer (prior to execution of a lease), meet the definitions of the preferences described below.

3. Local Preference

There is one local preference in effect based on ranges of income. Applicants will be grouped as follows:

- **Tier I:** Families with incomes between 0% and 30% of area median income (this group **must** constitute at least 40% of all admissions in any year);
- **Tier II:** Families with incomes between 31% and 80% of area median income (the target for this group is 60% of all admissions in any year).

4. Ranking Preference

5. There are two possible ranking preferences in effect: first is the **Displacement Preference**, and second is the **Upward Mobility Preference. PHA's Procedure on Unit Offers and Applicant Placement** will be used to order the Waiting List and make unit offers.

Families that qualify for neither the Displacement nor the Upward Mobility preferences will be categorized as No-preference families.

6. Mixed Population Buildings Local Preference

In addition to the Income Tier preference, which applies to all PHA's developments, PHA elects to retain the former Federal priority for single persons who are elderly, persons with disabilities, or persons displaced by governmental action over all other single persons when filling vacancies in its Mixed Population buildings.

7. Method of Applying Preferences

To ensure that PHA admits the statutorily required 40% of applicants per year with incomes in Tier I and, at the same time, does not create concentrations of families by income at any of its properties, PHA will rank applicants within both income tiers, in order, as Displacement, Upward Mobility or no-preference. Four out of every ten applicants admitted will be from Tier I. Within each of the ranking preference categories, offers will be made by oldest application [32].

(a) PHA will house applicants from Tiers I and II on the waiting list by selecting first from the Displacement applicants, then from Upward Mobility applicants within each Tier, and then, if the Upward Mobility applications are exhausted, by selecting from the No-preference applicants within each Tier.

(b) PHA will also offer units to existing residents on the transfer list. Some types of transfers are processed before new admissions and some types of transfers are processed with new admissions, using a ratio set forth in the Tenant Selection and Assignment Plan (TSAP). Transfers do not count toward the 40% Tier I requirement.

(c) PHA will not hold units vacant for applicants with preferences, nor will it relax eligibility or screening criteria to admit otherwise unqualified applicants with preferences.

7. Definition of Displacement and Upward Mobility Preference

PHA defines Displacement Preference to include applicants who can document that they have been displaced by a natural disaster declared by the President of the United States, displaced, through no fault of their own, by governmental action, or displaced by domestic violence. These sub-categories are equal.

PHA defines Upward Mobility to include applicants with adult members who can document that they are employed or involved in job training, including job training undertaken as a requirement of persons receiving Temporary Assistance to Needy Families. Persons who cannot work because of age or disability also qualify for this ranking preference. These subcategories are equal.

8. Designated Housing

The preference system will be used to match the characteristics of the family to the type of unit available, including developments with HUD-approved designated populations. The ability to provide preferences for some family types will depend on unit size available.

(a) Projects designated for the elderly:[xii] Elderly families will receive a priority for admission to units or buildings covered by a HUD-approved Designation Plan. When there are insufficient elderly families, near-elderly families will receive a priority for this type of unit.

(b) Projects designated for disabled families:[xiii] Disabled families will receive a priority for

[xii] Buildings or portions of buildings designated by following HUD's requirements. Designation of housing for the elderly requires a designated housing plan presented to HUD for approval.

[xiii] Buildings, floors and units can also be designated for disabled families, also by following the HUD requirements.

admission to units or buildings covered by a HUD-approved Designation Plan.

(c) Mixed population Projects:[xiv] Elderly families, disabled families and persons displaced by governmental action will receive equal priority for admission to such units and all such will receive offers before single people who are not elderly, disabled or displaced.

(d) **General Occupancy Projects**: The priority for elderly and disabled families and displaced persons over single persons does not apply at General Occupancy Properties.

9. Administration of the Preferences

(a) Depending on the time an applicant may have to remain on the waiting list, PHA will either verify preferences at the time of application (when the waiting list is short or non-existent) or require that applicants certify to their qualification for a preference at the time of pre-application (when the wait for admission exceeds four months). Verifying preferences is one of the earliest steps in processing applicants for admission. Preference verifications shall be no more than 120 days old at the time of certification.

(b) PHA may use a pre-application to obtain the family's certification that it qualifies for a preference. The family will be advised to notify PHA of any change that may affect their ability to qualify for a preference.

(c) Applicants that are otherwise eligible and self-certified as qualifying for a preference will be placed on the waiting list in the appropriate applicant pool.

(d) Applicants that self-certify to a preference at the time of pre-application and cannot verify current preference status at the time of certification will be moved into the No-preference category, and to a lower position on the waiting list based on date and time of application.

10. Notice and Opportunity for a Meeting[33]

If an applicant claims but does not qualify for a preference, the applicant can request a meeting:

(a) PHA will provide a notice that an applicant does not qualify for a preference containing a brief statement of the reasons for the determination, and that the applicant has may meet with PHA's designee to review the determination.

(b) If the applicant requests the meeting, PHA will designate someone to conduct the meeting. This can be the person who made the initial determination or reviewed the determination of his or her subordinate, or any other person chosen by the PHA. A written summary of this meeting shall be made and retained in the applicant's file.

(c) The applicant will be advised that he/she may exercise other rights if the applicant believes that illegal discrimination, based on race, color, national origin, religion, age, disability, or familial status has contributed to the PHA's decision to deny the preference.

F. Screening Applicants for Admission

1. All applicants shall be screened in accordance with HUD's regulations[34] and sound management practices. During screening, PHA will require applicants to demonstrate ability to comply with essential provisions of the lease as summarized below:

(a) to pay rent and other charges (e.g. utility bills) as required by the lease in a timely manner;

[xiv] A mixed population project is a property, formerly known as an "elderly project", that was reserved for elderly and disabled families at its inception or for which PHA obtained HUD approval to designate the property for elderly and disabled families.

(b) to care for and avoid damaging the unit and common areas;

(c) to use facilities and equipment in a reasonable way;

(d) to create no health, or safety hazards, and to report maintenance needs;

(e) not to interfere with the rights and peaceful enjoyment of others, and to avoid damaging the property of others;

(f) not to engage in criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or staff; and not to engage in drug-related criminal activity; and

(g) to comply with necessary and reasonable rules and program requirements of HUD and the PHA.

2. How PHA will check ability to comply with essential lease requirements:

(a) Applicant ability and willingness to comply with the essential lease requirements will be checked and documented in accordance with PHA's **Procedure on Applicant Screening**. Applicant screening shall assess the conduct of the applicant and other family members listed on the application, in present and prior housing. Any costs incurred to complete the application process and screening will by paid by the PHA.

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

(i) Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare[35] ;

(ii) Adversely affect the physical environment or financial stability of the project [36];

(iii) Violate the terms and conditions of the lease [37];

(iv) Require services from PHA staff that would alter the fundamental nature of PHA's program[38].

(c) PHA will conduct a detailed interview of all applicants using an interview checklist as a part of the screening procedures. The form will ask questions based on the essential elements of tenancy. Answers will be subject to third party verification [39].

(d) PHA will complete a credit check and a rental history check on all applicants.

(e) Payment of funds owed to PHA or any other housing authority is part of the screening evaluation. PHA will reject an applicant for unpaid balances owed PHA by the applicant for any program that PHA operates[40].

(f) PHA will complete a criminal background check on all adult applicants or any member for whom criminal records are available. Before the PHA rejects an applicant on the basis of criminal history, the PHA must notify the household of the proposed rejection and provide the household member whose criminal history is at issue with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record [41].

(g) If any screening activity suggests that an applicant household member may be currently engaged in illegal use of drugs, the PHA shall seek information from a drug abuse treatment facility to determine whether the facility has reasonable cause to believe the household member is currently engaging in illegal drug use.

(h) PHA will complete a home visit on all applicants that have passed criminal history screening and have incomplete or questionable landlord references to determine if the applicant's housekeeping would create health or sanitation problems. Staff completing the home visit will consider whether the conditions they observe are the result of the applicant's treatment of the unit or are caused by the unit's overall substandard condition.

(i) Housekeeping criteria to be checked shall include, but not be limited to:

Conditions in living room, kitchen (food preparation and clean-up), bathroom, bedrooms, entrance-ways, halls, and yard (if applicable);

Cleanliness in each room; and

General care of appliances, fixtures, windows, doors and cabinets.

Other PHA lease compliance criteria will also be checked, such as:

Evidence of destruction of property;

Unauthorized occupants;

Evidence of criminal activity; and

Conditions inconsistent with application information.

All applicants shall have at least two days' advance written notice of Home Visits.

(j) All applicants may be asked to attend and complete PHA's Pre-Occupancy Orientation.

(k) PHA's examination of relevant information respecting past and current habits or practices will include, but is not limited to, an assessment of the applicant's adult family members':

- Past performance in meeting financial obligations, especially rent and utility bills [42].
- Record of disturbance of neighbors (sufficient to warrant a police call) destruction of property, or living or housekeeping habits that may adversely affect the health, safety, or welfare of other tenants or neighbors [43].
- History of criminal activity on the part of <u>any</u> applicant family member involving crimes of physical violence to persons or property or other criminal acts including drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or development [44].
  - PHA may require an applicant to exclude a household member in order to be admitted if that household member has participated in or been culpable for criminal actions that warrant rejection;
  - PHA may, if a statute requires that the PHA prohibit admission for a prescribed period of time after some disqualifying behavior or event, choose to continue that prohibition for a longer period of time.
- A record of eviction from housing or involuntary termination from residential programs (taking into account date and circumstances).
- An applicant's ability and willingness to comply with the terms of PHA's lease[45].

(l) The PHA is **required** to reject the applications of certain applicants for criminal activity or drug abuse by household members:

- The PHA shall reject the application of any applicant for three years from the date of

eviction if any household member has been evicted from any federally assisted housing for drug-related criminal activity. However, the PHA may admit the household if the PHA determines that [46]:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA, or
- The circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).

- The PHA is required to reject the application of a household if the PHA determines that:
  - Any household member is currently engaging in illegal use of a drug [xv]; or
  - The PHA has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or
  - Any household member has ever been convicted of manufacture or production of methamphetamine on the premises of any federally assisted housing; or
  - Any member of the household is subject to a lifetime registration requirement under a State sex offender registration program; or
  - Any member of the household's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents [xvi].

(m) An applicant's intentional misrepresentation of information related to eligibility, preference for admission, housing history, allowances, family composition or rent will result in rejection. Unintentional mistakes that do not confer any advantage to the applicant will not be considered misrepresentations.

(n) Applicants must be able to demonstrate the ability and willingness to comply with the terms of PHA's lease, either alone or with assistance that they can demonstrate they will have at the time of admission.[xvii] Availability of assistance is subject to verification by PHA [47].

3. Screening applicants who claim mitigating circumstances

(a) If negative information is received about an applicant, PHA shall consider the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct. To be considered, mitigating circumstances must be verifiable [48].

[xv] For purposes of this section a household member is "currently engaged in" the criminal activity if the person has engaged in the behavior recently enough to justify a belief that the behavior is current

[xvi] PHA must be able to show a relationship between the applicant household member's abuse of alcohol and behavior that threatens the health, safety, or right to peaceful enjoyment of other residents.

[xvii] Applicants whose landlord, financial, criminal and other references demonstrate that they are already willing and able to comply with lease terms in their existing housing will be considered to have met this criterion, whether or not they are disabled. Applicants whose housing situations make it difficult for PHA to determine whether or not they are able and willing to comply with lease terms (e.g. because they are homeless, are living with friends or relatives, or have other non-traditional housing circumstances) will have to demonstrate ability and willingness to comply with lease terms whether or not they are disabled.

(b) Mitigating circumstances[xviii] are facts relating to the applicant's negative rental history or behavior, that, when verified, indicate: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, **AND** applicant's prospect for lease compliance is an acceptable one, justifying admission. Mitigating circumstances would overcome or outweigh information already gathered in the screening process.

(c) If the applicant asserts that mitigating circumstances relate to a change in disability, medical condition or treatment, PHA shall refer such information to persons qualified to evaluate the evidence and verify the mitigating circumstance. PHA shall also have the right to request further information to verify the mitigating circumstance, even if such information is of a medically confidential nature. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

(d) Examples of mitigating circumstances might include [49]:

(i) Evidence of successful rehabilitation;

(ii) Evidence of the applicant family's participation in social service or other appropriate counseling service; or

(iii) Evidence of successful and sustained modification of previous disqualifying behavior.

(e) Consideration of mitigating circumstances does not guarantee that applicant will qualify for admission. PHA will consider such circumstances in light of:

(i) the applicant's ability to verify the mitigating circumstances and prospects for improved future behavior;

(ii) the applicant's overall performance with respect to all the screening requirements; and

(iii) the nature and seriousness of any criminal activity, especially drug related criminal activity that appears in the applicant's record.

4. Qualified and Unqualified Applicants

(a) Verified information will be analyzed and a determination made with respect to:

(i) Eligibility of the applicant as a family [50];

(ii) Eligibility of the applicant with respect to income limits for admission [51];

(iii) Eligibility of the applicant with respect to citizenship or eligible immigration status [52];

(iv) Unit size required for and selected by the family;

(v) Preference category (if any) to which the family is entitled [53]; and

(vi) Qualification of the applicant with respect to the Selection Criteria [54].

(b) Qualified families will be notified by PHA of the approximate date of admission insofar as that date can be determined [55], however the date stated by PHA is an estimate and does not guarantee that applicants can expect to be housed by that date.

(c) Unqualified applicants will be promptly notified by a Notice of Rejection from PHA, stating

[xviii] The discussion of mitigating circumstance in this paragraph is applicable to all applicants. PHA is required by regulation to consider mitigating circumstance, see 24 CFR § 960.203 (d) (1).

the basis for such determination and offering an opportunity for informal hearing (see **Procedure for Informal Hearing for Rejected Applicants)**. Informal hearings for applicants are different from the resident grievance process. Applicants are not entitled to use of the resident grievance process [56].

(d) Applicants known to have a disability that are eligible but fail to meet the Selection Criteria, will be offered an opportunity for a second meeting to determine whether mitigating circumstances or reasonable accommodations will make it possible for them to be housed in accordance with the Screening Procedures.

G. Occupancy Guidelines

1. Units shall be occupied by families of the appropriate size. This policy maintains the usefulness of the units, while preserving them from excessive wear and tear and under-utilization.

Minimum and Maximum-Number-of-Persons-Per Unit Standard

Number of Bedrooms	Min Persons/Unit (Largest Unit Size)	Max Persons/Unit (Smallest Unit Size)
0BR	1	1
1BR	1	2
2BR	2	4
3BR	3	6
4BR	4	8
5BR	5	10

The following principles govern the size of unit for which a family will qualify. Generally, two people are expected to share each bedroom, except that units will be so assigned that:

(a) It will not be necessary for persons of different generations or opposite sex, other than husband and wife, to occupy the same bedroom, although they may do so at the request of the family.

(b) Exceptions to the largest permissible unit size may be made in case of reasonable accommodations for a person with disabilities.

(c) Two children of the opposite sex will not be required to share a bedroom, although they may do so at the request of the family.

(d) An unborn child will not be counted as a person in determining unit size. A single pregnant woman may be assigned to a one bedroom unit. In determining unit size,

(e) PHA will count a child who is temporarily away from the home because the child has been placed in foster care, kinship care, or is away at school.

(f) A single head of household parent shall not be required to share a bedroom with his/her child, although they may do so at the request of the family.

(g) A live-in attendant may be assigned a bedroom. Single elderly or disabled residents with live-in attendants will be assigned one or two bedroom units.

(h) Efficiency apartments will be occupied first by persons who prefer efficiencies to 1 BR units. Once applicants who prefer efficiencies have been housed, single individuals

applying to Mixed Population buildings who wish to live in 1 Bedroom units (rather than efficiencies) will participate in a lottery to determine whether they will be offered a 1 BR or an efficiency.

2. The Local Housing Code of two persons per bedroom will be the standard for the smallest unit a family may be offered. Individual housing units with very small or very large bedrooms or other specific situations that inhibit or encourage lower or higher levels of occupancy may be permitted to establish lower or higher occupancy levels so long as the occupancy levels will not discriminate on the basis of familial status.

3. The largest unit size that a family may be offered would provide no more than one bedroom per family member, taking into account family size and composition.

4. When a family applies for housing and when the waiting list is updated, some families will qualify for more than one unit size. These applicants will choose the waiting sublist where they wish to receive a unit offer. Based on the family's choice, they will be placed on the appropriate waiting sublist by unit size.

5. If a family opts for a smaller unit size than would normally be assigned under the largest unit size standard (because, for example, the list is moving faster), the family will be required to sign a statement agreeing to occupy the unit assigned at their request until their family size or circumstances change.

6. When a family is actually offered a unit, if they no longer qualify for the unit size where they were sublisted, they will be moved to the appropriate sublist, retaining their preferences and date and time of application. This may mean that they may have to wait longer for a unit offer.

7. The PHA shall change the family's sublist at any time while the family is on the waiting list at the family's request.

III. Tenant Selection and Assignment Plan

A. Organizing the Waiting List

1. Community-wide Waiting List

It is PHA's policy that each applicant shall be assigned his/her appropriate place on a single community-wide waiting list in sequence based upon:

- type and size of unit needed and selected by the family (e.g. general occupancy building, accessible or non-accessible unit, number of bedrooms);
- applicant preference or priority, if any; and
- date and time the application is received.

PHA will maintain its waiting list in the form of a that records the type and size of unit needed, each applicant's priority/preference status, the date and time of application, and the race and ethnicity of the family head.

2. Site-based Waiting List

If the PHA elects to operate Site-based Waiting Lists, the application for such lists shall be a part of the PHA's Annual Plan.

- All current applicants for units of the size and type offered at developments with Site-based Waiting Lists will be given an opportunity to list up to three developments where they would accept a unit offer or to opt for the "first available" unit offer.
- Thereafter, new applicants would have the same opportunity to select up to three developments or "first available" unit offer.

- Once the initial site based lists are established, all applicants will be informed of the length of each list and have an opportunity when their application is updated to change their site selection.
- Although applicants will have an opportunity to select the sites where they wish to receive offers, the waiting list and unit offers will continue to be administered centrally.

B. Making Unit Offers to Applicants

1. To assure equal opportunity and nondiscrimination on grounds of race, color, sex, religion, national origin, disability or familial status is PLAN "A" will be used to make unit offers.

- The first qualified applicant in sequence on the waiting list is made one offer of a unit of appropriate size and type.
- The applicant must accept the vacancy offered or be dropped from the waiting list.
- Applicants who are removed from the waiting list because they refuse unit offers without good cause may not reapply for housing for 12 months.

2. PHA will first match the unit available to the highest ranking applicant for a unit of that size, type and special features (if any), taking into account any designated housing (if applicable). Preferences will then be used to determine the order of selection from the waiting list. If two applicants need the same type and size of unit and have the same preference status, the applicant with the earlier date and time of application or lower application number will receive the earliest offer.

3. In the selection of a family for a unit with accessible features, PHA will give preference to families that include a person with disabilities who can benefit from the unit features.

4. Local and ranking preferences will be a factor in most admissions, although there may be instances (e.g. a unit with accessible features is ready and no applicant in the targeted preference group needs the features) when the PHA will make an offer to an applicant who does not qualify for a ranking preference. Certain types of transfers will also be processed with new admissions. See Section F. for the ratio of transfers to new admissions.

5. The applicant must accept the vacancy offered within 5 working days of the date the offer is communicated (by phone, mail, or the method of communication designated by an applicant with disabilities) or be removed from the waiting list. All offers made over the phone will be confirmed by letter. If unable to contact an applicant by phone or first class mail, PHA will send a certified letter, return receipt requested.

6. If more than one unit of the appropriate size and type is available, the first unit to be offered will be the unit that is or will be ready for move-in first. "Ready for move-in" means the unit has no Housing Quality Standard deficiencies and is broom clean. If two units are ready for move-in on the same day, the first unit to be offered will be the unit that became vacant first.

C. Removing Applicant Names from the Waiting List

To ensure vacant units are filled in a timely manner, PHA needs a waiting list that is accurate. While each applicant must keep PHA apprised of changes in address, phone number , income or other circumstances, no applicant shall be removed from the waiting list except when one of the following situations occurs:

1. The applicant receives and accepts an offer of housing;
2. The applicant requests that his/her name be removed from the waiting list;
3. The applicant is rejected, either because he/she is ineligible for public housing at the time of

certification, or because he/she fails to meet the applicant selection criteria[xix]; or

4. The application is withdrawn because the PHA attempted to contact the applicant and was unable to do so. In attempting to contact to contact an applicant, the following methods shall be undertaken before an application may be withdrawn:

- The applicant will be sent a letter by first class mail to the applicant's last known address, asking the applicant to contact PHA[xx] either by returning the update postcard or in person, bringing proof of identity;
- When five working days have elapsed from the date when the PHA mails the letter, if there is no response from the applicant, the applicant will be sent the same letter by Certified Mail, return receipt requested;
- If an applicant contacts PHA as required within any of the deadlines stated above, he/she shall be reinstated at the former waiting list position;
- When PHA is unable to contact an applicant by first class mail to schedule a meeting, or interview or to make an offer, PHA shall suspend processing of that application until the applicant is either withdrawn (no contact by the applicant) or reinstated (contact by the applicant within the stated deadlines). While an application is suspended, applicants next in sequence will be processed.

5. Persons who fail to respond to PHA attempts to contact them because of verified situations related to a disability shall be entitled to reasonable accommodation. In such circumstances PHA shall reinstate these individuals to their former waiting list positions.

6. Families whose applications are withdrawn or rejected must reapply for housing when the waiting list is open. Families whose applications were withdrawn may not reapply for 12 months.

D. Good Cause for Applicant Refusal of Unit Offer

If an applicant is willing to accept the unit offered but is unable to move at the time of the offer and presents clear evidence ("good cause") that acceptance of the offer of a suitable vacancy will result in undue hardship not related to considerations of race, color, sex, religion or national origin, the applicant will not be dropped to the bottom of the list.

1. Examples of "good cause" for refusal of an offer of housing are:

- The unit is not ready for move-in at the time of the offer of housing. "Ready for move-in" means the unit has no Housing Quality Standard deficiencies and is broom clean. If an applicant refuses a unit because it is not ready for move-in, the applicant will be offered the next unit that **is** ready for move-in;
- Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities[xxi], so that accepting the unit offer would require the 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;

[xix] All rejected applicants are entitled to a complete explanation of the reason for their rejection and an informal hearing at which they may present reasons why they should not be rejected. See the Procedure on Informal Hearings for Rejected Applicants.

[xx] Except that PHA shall contact persons with disabilities according to the methods such individuals have previously designated. Such methods of contact could include verbal or in-person contact or contacting relatives, friends or advocates rather than the person with disabilities.

[xxi] If the applicant has a child participating in such a program.

- The family demonstrates that accepting the offer will place a family member's life, health or safety in jeopardy. The family must provide specific and compelling documentation such as restraining orders, other court orders, or risk assessments from a law enforcement agency. 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 (each as listed on final application) or live-in aide necessary to the care of the principal household member;
- The unit has lead paint and the family has children under the age of seven;
- 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;
- An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing; or
- The PHA has HUD-approved site-based waiting lists and the offer is not for one of the sites the applicant has selected.

2. If good cause is verified, the refusal of the offer shall not require that the applicant be dropped to the bottom of the waiting list or otherwise affect the family's position on the waiting list.

3. PHA will maintain a record of units offered, including location, date, and circumstances of each offer, and each acceptance or refusal, including the reason for the refusal.

D. Leasing Accessible Units

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

- First, to a current public housing resident having a disability that requires the special features of the vacant unit.
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

2. When offering an accessible/adaptable unit to a non-disabled applicant, PHA will require the applicant to agree to move to an available non-accessible unit within 30 days when a current resident or an applicant with a disability needs the unit. This requirement is also reflected in the lease signed with the applicant.

E. Administering the Applicant and Transfer Waiting Lists

Applications for admission and transfer will be processed centrally. Initial intake, waiting list management, screening, and assigning of housing (including transfers) will be made from the central office. Offers may be made in person, in writing or by phone from the central office or the development

F. Transfers

PHA has five possible types of transfers: Emergency, Administrative - Category 1, Category 2 and Category 3, and Incentive[xxii] transfers. The definition of each transfer is found in the Transfer section.

1. Emergency and Category 1 and 2 administrative transfers and Incentive transfers will take priority over admissions. Category 3 administrative transfers will be processed at the rate of four admissions to each transfer. The specific definitions of each type of transfer are covered in Section V, Transfers, below.

[xxii] If the PHA has no units appropriate for Incentive Transfers, but such units are developed or acquired in the future, this policy will be activated by Board resolution.

2. Tenants on the transfer list may refuse transfer offers for the "good cause" reasons cited in Section C above without losing their position on the transfer list.

3. Tenants who refuse a transfer offer without good cause may be removed from the transfer list and tenants whose transfers are mandatory are subject to lease termination.

4. Tenants may use the PHA Grievance Procedure if they are refused the right to transfer or if PHA is requiring them to transfer and they do not want to do so.

IV. Leasing Policies

A. General Leasing Policy

1. All units must be occupied pursuant to a lease that complies with HUD's regulations [57].

2. The lease shall be signed by the head, spouse, and all other adult members of the household and by the Executive Director or other authorized representative of PHA, prior to actual admission [58].

3. If a resident transfers from one PHA unit to another, a new lease will be executed for the dwelling into which the family moves [59].

4. 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 Executive Director or other authorized representative of PHA [60].

5. Residents must advise PHA if they will be absent from the unit for more than 7 days. Residents shall notify the manager, secure the unit and provide a means for PHA to contact the resident in an emergency. Failure to advise PHA of an extended absence is grounds for termination of the lease.

B. Showing Units Prior to Leasing

1. When offering units, PHA 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, the manager of the property 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, the manager 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 sent to the Occupancy department for a "good cause" determination.

3. No lease will have an effective date before the unit is ready for occupancy [61].

C. Additions to the Household and Visitors

1. Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit [62].

- Except for natural births to or adoptions by family members, or court awarded custody, any family seeking to add a new member must request approval in writing before the new member moves in.
- Also included, would be situations in which a person (often a relative) comes to the unit as a visitor but stayed on in the unit because the tenant needed support, for example, after a medical procedure [63].

- All persons listed on the most recent certification form and the lease must use the dwelling unit as their sole residence.

2. When a resident requests approval to add a new person to the lease, PHA will conduct pre-admission screening of any proposed new adult member to determine whether the PHA will grant such approval.

Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are exempt from the pre-admission screening process, although the resident still needs prior permission from PHA to add children other than those born to, adopted by or awarded by the court to the family.

3. Examples of situations where the addition of a family or household **member is subject to screening** are:

- Resident plans to be married and requests to add the new spouse to the lease;
- Resident desires to add a new family member to the lease, employ a live-in aide, or take in a foster child(ren) over the age for which juvenile justice records are available;
- A unit is occupied by a remaining family member(s) under age 18 (who is not an emancipated minor) and an adult, not a part of the original household, requests permission to take over as the head of the household.

4. Residents who fail to notify PHA of additions to the household or who permit persons to join the household without undergoing screening are violating of the lease. Persons added without PHA approval will be considered unauthorized occupants and the entire household will be subject to eviction [64].

5. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on PHA premises that would be a lease violation.

- Visits of less than three days need not be reported to or approved by the Manager.
- Visits of more than three and less than fourteen days are permitted, provided they are reported to the Manager within 72 hours and authorized by the manager.
- Visits of more than 14 calendar days shall be authorized only by the Executive Director with advance documentation of extenuating circumstances.
- Visitors remaining beyond this period shall be considered unauthorized occupants and the head of the household shall be guilty of a breach of the lease.

6. Roomers and lodgers shall not be permitted to move in with any family. Violation of this provision is ground for termination of the lease [65].

7. Residents <u>will not</u> be given permission to allow a former resident of PHA who has been evicted to occupy the unit for any period of time. Violation of this requirement is ground for termination of the lease.

8. Family members over age 17 or emancipated minors who move from the dwelling unit to establish new households shall be removed from the lease [66].

- The resident shall report the move-out within 30 calendar days of its occurrence.
- These individuals may not be readmitted to the unit and must apply as a new applicant households for placement on the waiting list.
- Medical hardship, or other extenuating circumstances shall be considered by PHA in making determinations under this paragraph.

V. Transfer Policy

A. General Transfer Policy

1. Transfers will be made without regard to race, color, national origin, sex, religion, or familial status. Residents can be transferred to accommodate a disability [67].

2. Residents will not be transferred to a dwelling unit of equal size except to alleviate hardship of the resident or other undesirable conditions as determined by the Executive Director or designee.

3. Residents will receive one offer of a transfer. Refusal of that offer without good cause will result in lease termination for mandatory transfers or the removal of the household from the transfer list for voluntary transfers.

B. Types of Transfers

1. The order in which families are transferred shall be subject to the hierarchy by category set forth below.

(a) Emergency Transfers are **mandatory** when PHA determines that conditions pose an immediate threat to resident life, health or safety. Emergency transfers may be made to: permit repair of unit defects hazardous to life, health, or safety; alleviate verified disability problems of a life threatening nature; or protect members of the household from attack by the criminal element in a particular property or neighborhood [xxiii].

These transfers shall take priority over new admissions.

(b) Category 1 Administrative transfers include **mandatory** transfers to: remove residents who are witnesses to crimes and may face reprisals; provide housing options to residents who are victims of hate crimes or extreme harassment; alleviate verified medical problems of a serious (but not life-threatening) nature; permit modernization or demolition of units; or permit a family that requires a unit with accessible features to occupy such a unit.

These transfers shall take priority over new admissions.

Requests for these transfers will be made to the manager with necessary documentation to substantiate the need for a such transfers. Transfers may also be initiated by PHA (e.g. moving a person with mobility problems to a unit with accessible features).

(c) Category 2 Administrative transfers correct serious occupancy standards problems.

These transfers will take priority over new admissions.

Category 2 transfers will only be made if the family size is so small that it includes fewer persons than the number of bedrooms, or so large that the household members over age 4 would equal more than two persons per bedroom. **These transfers are mandatory.**

If a family's size is between the smallest and largest size permissible for the unit, the family may request a transfer, but it shall be considered a Category 3 transfer.

(d) Category 3 Administrative transfers may be made to: avoid concentration of the most economically and socially deprived families, correct occupancy standards[xxiv], or address situations that interfere with peaceful enjoyment of the premises.

These transfers will not take priority over new admissions. They will be processed at

[xxiii] based on threat assessment by a law enforcement agency

[xxiv] Voluntary if the family is between the minimum and maximum occupancy standard but the family requests a transfer, e.g. to permit older children of opposite sexes to have separate bedrooms

the rate of one transfer to four admissions.

(e) Incentive Transfers: As described in detail below, Incentive Transfers are offered to new or recently modernized units, on a nondiscriminatory basis to residents with good rental histories.

2. Whenever feasible, transfers will be made within a resident's area.

C. Processing Transfers

1. A centralized transfer waiting list will be administered by the Occupancy Division. Managers submit requests for transfer, including necessary documentation, to the Occupancy Specialist Manager.

2. Transfers will be sorted into their appropriate categories by the Occupancy staff. Admissions will be made in the following order:

- First: Emergency transfers, then
- Category 1 Administrative Transfers,
- Category 2 Administrative Transfers,
- Incentive Transfers,
- Applicants, and, at a rate of four applicants to every transfer,
- Category 3 Administrative Transfers

Within each category, transfer applications will be sorted by the date the completed file (including any verification needed) is received from the manager.

3. Category 2 transfers to correct occupancy standards may be recommended at time of re-examination or interim redetermination.

4. Residents in a Category 2 over/under housed status will be advised in their 30 day "Notice of Result of Reexamination" that a transfer is recommended and that the family has been placed on the transfer list.

5. When a head of a household, originally housed in a bedroom by him/herself, has or adopts a child, the family will not be approved for a Category 2 transfer until the child is two (2) years of age. Exceptions: spouse or partner returns to the unit, marriage takes place, or family decides to remain in the unit and the unit is large enough (using the smallest-unit standard) to accommodate the number of persons now in the household.

6. Split-family transfers will be processed as Category 2 administrative transfers.

- Families that split into 2 "new" households may be transferred to two different units or
- a portion of the "old" household may be transferred to a single unit depending on family circumstances and unit availability.
- Such transfers will be made in a manner that minimizes the impact on vacant units.

D. Good Record Requirement for Transfers

1. In general, and in all cases of all resident-requested transfers, residents will be considered for transfers only if the head of household and any other family members for the past two years:

- have not engaged in criminal activity that threatens the health and safety of residents and staff;
- do not owe back rent or other charges, or evidence a pattern of late payment;

- meet reasonable housekeeping standards and have no housekeeping lease violations; and
- can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities).

2. Exceptions to the good record requirements may be made for emergency transfers or when it is to PHA's advantage[xxv] to make the transfer. The exception to the good record requirement will be made by the central transfer administrator taking into account the recommendation by the Manager.

Absent a determination of exception, the following policy applies to transfers:

- If back rent is owed, the resident will not be transferred until a payment plan is established or, if prior payment plans have failed, back rent is paid in full.
- A resident with housekeeping standards violations will not be transferred until he/she passes a follow-up housekeeping inspection.

E. Incentive Transfers

1. Incentive transfers are offered to residents who have good rental histories and want to move to units other than those they currently occupy on a non-discriminatory basis.

(a) Incentive Transfers - PHA may occupy recently modernized and scattered site units through incentive transfers. Modernized units will be filled with incentive transfers, new applicants, or a combination of both in a manner that has the least impact on vacant units.

(b) Resident requests for incentive transfers should be made to their Housing Manager. Managers may also recommend a resident for an incentive transfer. To be considered for an incentive transfer, the following conditions must be met:

(i) Residency in a PHA development for a least three years.

(ii) No more than two repayment agreements, or unpaid balances at any time in the past two (2) years.

(iii) 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.

(iv) Good housekeeping record.

2. Incentive transfers are Category 2 administrative transfers.
3. No exceptions will be granted to the good record requirement for incentive transfers.
4. A Manager's failure to process or recommend an Incentive Transfer is subject to the Grievance Procedure.

F. Paying for Transfers

1. Residents shall bear the cost of transfers to correct occupancy standards. However, where there is a hardship due to health, disability, or other factors, the manager may recommend that families be reimbursed their out-of-pocket expenses for an occupancy standards transfer in an amount not to exceed a reasonable moving allowance established by PHA. Transfers requested or required by PHA and all transfers for reasonable accommodations will be paid for or made by PHA.

[xxv] e.g. a single person is living alone in a three bedroom unit and does not want to move

VI. Eligibility for Continued Occupancy, Annual Reexaminations, and Remaining Family Members

A. Eligibility for Continued Occupancy

Residents who meet the following criteria will be eligible for continued occupancy:

1. Qualify as a family as defined in Section XII of this policy [xxvi].

2. Are in full compliance with the resident obligations and responsibilities as described in the dwelling lease.

3. Whose family members, age 6 and older, each have Social Security numbers or have certifications on file indicating they have no Social Security number.

4. Who meet HUD standards on citizenship or immigration status or are paying a pro-rated rent [68].

5. Who are in compliance with the PHA's 8 hour per month community service requirements[xxvii].

B. Remaining Family Members and Prior Debt

1. Remaining family members age 18 years or older will be held responsible for arrearages incurred by the former head or spouse. PHA will not hold remaining family members (other than the head or spouse) responsible for any portion of the arrearage incurred before the remaining member attained age 18.

2. Remaining family members under age 18 shall not be held responsible for the rent arrearages incurred by the former head of household.

C. Reexaminations

1. Regular reexaminations: PHA shall, at least once a year, re-examine the family composition and incomes of all resident families, except that families paying Flat Rent shall have their incomes reexamined only every three years [69].

2. Special Reexaminations: When it is not possible to estimate family income accurately, a temporary determination will be made with respect to income and a special reexamination will be scheduled every 60 days until a reasonably accurate estimate of income can be made.

3. Special reexamination shall be conducted when there is a change in the head of household that requires a remaining family member to take on the responsibilities of a leaseholder.

4. New Reexamination Date Following Income Disallowance: When a family qualifies for an earned income disallowance, the date for their next regular reexamination shall be permanently adjusted to be 12 months following the date that the income disallowance began.

5. Zero Income Families: Unless the family has income that is excluded for rent computation, families reporting zero income will have their circumstances examined every 60 days until they have a stable income. Monetary or non-monetary contributions from persons not residing in the dwelling unit for any purpose other than the payment or reimbursement of medical expenses shall be considered income.

6. Reexamination Procedures

(a) At the time of reexamination, all adult members of the household will be required to sign an application for continued occupancy and other forms required by HUD.

[xxvi] For purpose of continued occupancy, remaining family members qualify as a family so long as at least one of them is of legal age to execute a lease. Remaining family members can also include court recognized emancipated minors under age 18

[xxvii] applicable to certain adults who are neither elderly, disabled, working nor participating in qualifying educational or job training programs

(b) Income, allowances, Social Security numbers, and such other data as is deemed necessary will be verified, and all verified findings will be filed in the resident's folder.

(c) A credit check will be run on each family at recertification to help detect any unreported income, family members not reported on the lease, etc. [70].

(d) Verified information will be analyzed and a determination made with respect to:

(i) Eligibility of the resident as a family or as the remaining member of a family;

(ii) Unit size required for the family (using the Occupancy Guidelines); and

(iii) Rent the family should pay.

(e) Residents with a history of employment whose reexamination occurs when they are not employed will have income anticipated based on past and anticipated employment. Residents with seasonal or part-time employment of a cyclical nature will be asked for third party documentation of their employment including start and ending dates.

(f) Income shall be computed in accordance with the definitions and procedures set forth in Federal regulations and this policy [71].

(g) Families failing to respond to the initial reexamination appointment will be issued a final appointment within the same month. Failure to respond to the final request will result in the family being sent a notice of lease violation and referred to the Housing Manager for termination of the lease [72].

6. Action Following Reexamination

(a) If there is any change in rent, the lease will be amended, a new lease will be executed, or a Notice of Rent Adjustment will be issued [73].

(b) If any change in the unit size is required, the resident will be placed on a transfer list in accordance with the transfer criteria described above in this policy and moved to an appropriate unit when one becomes available [74].

VII. Interim Rent Adjustments: Fixed Rent System

A. Adjusting Rent Between Regular Reexaminations

1. **Residents are required to report all changes in family composition or status** to the housing manager within 10 calendar days of the occurrence. Failure to report within the 10 calendar days may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report income decreases promptly. **Residents are also required to report interim increases in income if they have been granted interim rent reductions.**

2. PHA wishes to encourage families to improve their economic circumstances, so most changes in family income between reexaminations will not result in a rent change. PHA will process interim changes in rent in accordance with the chart below:

INCOME CHANGE	PHA ACTION
(a) Decrease in income for any reason, except for decrease that lasts less than 30 days[xxviii]. Increase in income following PHA granting of interim rent decrease.	• PHA will process an interim reduction in rent if the income decrease will last more than 30 days. PHA will process an interim increase for income increases that follow interim rent reductions.
(b) Increase in earned income from the employment of a current household member.	• PHA will either defer the increase to the next regular reexamination or, if the individual is eligible for an earned income disallowance, will grant the disallowance.
(c) Increase in unearned income (e.g. COLA adjustment for social security).	• PHA will defer the increase to the next regular reexamination.
(d) Increase in income because a person with income (from any source) joins the household.	• PHA will defer the increase to the next regular reexamination.

(e) PHA will process an interim increase in rent if the resident has misrepresented or failed to report facts upon which rent is based, so the rent the Resident is paying is less than it should have been. PHA will apply any increase in rent retroactive to the month following the month in which the misrepresentation occurred.

3. Complete verification of the circumstances applicable to rent adjustments must be documented and approved by the Executive Director or his/her designee [75].

4. PHA will process interim adjustments in rent as follows:

(a) When a decrease in income is reported, and the Authority receives confirmation that the decrease will last less than 30 days, an interim adjustment will not be processed.

(b) Residents reporting decreases in income that are expected to last more than 30 days will have an interim adjustment processed.

5. Residents granted a reduction in rent under these provisions will be required to report for special

[xxviii] Decreases in income resulting from welfare fraud or from welfare cuts for failure to comply with economic self sufficiency requirements are not eligible for rent reductions.

reexaminations at intervals determined by the Housing Manager. Reporting is required until income increases or it is time for the next regularly scheduled reexamination, whichever occurs first.

B. Effective Date of Adjustments

Residents will be notified in writing of any rent adjustment including the effective date of the adjustment.

1. Rent decreases go into effect the first of the month following the reported change. Income decreases reported or verified after the tenant accounting cut-off date will be effective the first of the second month with a credit retroactive to the first month.

2. Rent increases (except those due to misrepresentation) require 30 days notice and become effective the first of the second month.

VIII. Lease Termination Procedures

A. General Policy: Lease Termination

No resident's lease shall be terminated except in compliance with HUD regulations and the lease terms [76].

B. Notice Requirements

1. No resident shall be given a Notice of Lease Termination without being told by PHA in writing the reason for the termination.

- The resident must also be informed of his/her right to request a hearing in accordance with the Grievance Procedure, and be given the opportunity to make such a reply as he/she may wish.
- Lease terminations for certain actions are not eligible for the Grievance Procedure, specifically: any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or PHA employees; and any drug-related criminal activity [77].

2. Notices of lease termination may be served personally or posted on the apartment door.

3. Notice shall include a statement describing right of any resident with a disability to meet with the manager and determine whether a reasonable accommodation could eliminate the need for the lease termination.

C. Recordkeeping Requirements

A written record of every termination and/or eviction shall be maintained by PHA, and shall contain the following information:

- Name of resident, race and ethnicity, number and identification of unit occupied;
- Date of the Notice of Lease Termination and any other state or local notices required, which may be on the same form and run concurrently;
- Specific reason(s) for the Notice(s), with section of the lease violated, and other facts pertinent to the issuing of the Notice(s) described in detail;
- Date and method of notifying resident; and
- Summaries of any conferences held with resident including dates, names of conference

participants and conclusions.

IX. Utilities

In some of PHA's developments, residents pay the cost of certain utilities directly to the supplier. At these properties, resident rents are reduced by an Allowance for Utilities developed by PHA in consultation with the utility supplier and reviewed by HUD [78].

A. Resident-Paid Utilities

The following requirements apply to residents living in developments with resident-paid utilities:

1. Each resident will receive a monthly utility allowance that reflects a reasonable amount of utilities for the specific size and type of unit occupied.

2. When a resident's Total Tenant Payment is less than the utility allowance, PHA will pay a utility reimbursement, equal to the difference between one month's total tenant payment and the utility allowance, to the utility company on the resident's behalf.

3. When the utility supplier offers a "Budget" payment plan, it shall be suggested to the resident to use this plan because it protects the resident from seasonal fluctuations in utility bills and ensures adequate heat in the winter.

4. When a resident makes application for utility service in his/her own name, he or she **shall** sign a third-party notification agreement so that PHA will be notified if the resident fails to pay the utility bill.

5. If an applicant is unable to get utilities connected because of a previous balance owed the utility company at a prior address, applicant will not be admitted and will receive a Notice of Rejection.

6. Paying the utility bill is the resident's obligation under the Authority's lease. Failure to pay utilities is grounds for lease termination and eviction.

B. Excess Utility Charges

1. Check-metered developments or buildings: In buildings that are check metered, residents shall have consumption-based utility allowances that reflect the size and type of units and actual equipment provided by PHA. Check meters shall be read by PHA and each tenant charged for consumption in excess of the utility allowance.

2. Residents with disabilities may be entitled to higher than normal utility allowances or 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.

X. Ceiling Rents/Flat Rents

A. Intent and Purpose

Ceiling rents provide an incentive to remain in public housing to families whose flat rents were reduced because of a hardship to income-based rents and whose incomes then increased so that the income-based rent is unreasonable for the housing being provided. The ceiling rent is thus in effect only for the portion of the year between the family's interim increase in rent and their next annual reexamination (when they can elect the Flat Rent).

B. Establishing Ceiling Rents

PHA has established ceiling rents for all dwelling units inventory-wide. Ceiling rents for a class of

units are based on the characteristics of the dwelling units, size, location or other characteristic that is unit-based.

PHA may revoke or raise ceiling rents at any time after giving reasonable notice to the affected tenants.

C. Calculating Ceiling Rents

PHA will determine the minimum ceiling rents that can be charged for a unit. Ceiling rents are based on the flat rent plus any applicable utility allowance but never less than 75% of the average operating cost for units at the development.

D. What the Resident Pays

Tenants in units where ceiling rents are in effect pay the lower of the ceiling rent or income-based rent.

E. Ceiling Rent Adjustments

The minimum ceiling rent will be adjusted annually to reflect operating expenses as reported on the Statement of Operating Receipts and Expenditures as of the end of the most recent fiscal year.

F. Flat Rents

Flat rents are market-based rents. They vary by unit size and type and also by development location. Once each year, at the annual recertification, all residents are offered the choice of paying an income-based rent or the Flat rent. Flat rents represent the actual market value of PHA's housing units. PHA will take the following information into account in developing its Flat rent Schedule:

- Rents of non-assisted rental units in the immediate neighborhood;
- Size of PHA's units compared to non-assisted rental units from the neighborhood;
- Age, type of unit and condition of PHA's units compared to non-assisted rental units from the neighborhood;
- Land use in the surrounding neighborhood;
- Amenities (childcare, laundry facilities, playgrounds, community rooms, social services, education/job training programs, etc.) at PHA's properties and in the surrounding neighborhood;
- Crime in PHA's developments and the surrounding neighborhood;
- Quality of local schools serving each PHA development;
- Availability of public transportation at each PHA development; and
- Availability of accessible units for persons with mobility impairments.

G. Annual Update of Flat Rents

PHA shall review the Flat Rent structure annually and adjust the rents as needed. When a resident chooses Flat rent, his/her rent shall be adjusted only at the next regular reexamination/ recertification rather than at the point the Flat rent may change.

H. Recertification of Families on Flat Rents

Families paying flat rents are required to recertify income only every three years, rather than

annually, although they are still required to participate in an Annual Reexamination in order to ensure that unit size is still appropriate and Community Service requirements (if applicable) are met.

XI. Definitions and Procedures to be used in Determining Income and Rent

A. Annual Income[79]

Annual income is the anticipated total income from all sources, including net income derived from assets, received by the family head and spouse (even if temporarily absent) and by each additional family member including all net income from assets for the 12-month period following the effective date of initial determination or reexamination of income, exclusive of income that is temporary, non-recurring, or sporadic as defined below, or is specifically excluded from income by other federal statute. 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 operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business;

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 the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be consider income when used to reimburse the family for cash or assets invested in the property;

If 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 payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts [See B. 14. below for treatment of delayed or deferred periodic payment of social security or supplemental security income benefits.];

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (But see paragraph B. 3. below concerning treatment of lump-sum additions as Family assets.);

6. All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any family member;

7. Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of family members; and

8. All regular pay, special pay, and allowances of a family member in the Armed Forces. (See paragraph B. 7. below concerning pay for exposure to hostile fire.)

B. Items not included in Annual Income[80]

Annual Income does not include the following:

1. Income from the 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 individuals with disabilities, unrelated to the resident 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, one-time lottery winnings, and settlement for personal property losses (but see paragraphs 4 and 5 above if the payments are or will be periodic in nature);

[See paragraph 14. below for treatment of delayed or deferred periodic payments of Social Security or Supplemental Security Income benefits.]

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, provided the person meets the definition of a live-in aide (See Section 12 of these policies);

6. The full amount of student financial assistance paid directly to the student or the educational institution;

7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

8. Certain amounts received that are related to participation in the following programs:

(a) Amounts received under HUD funded training programs (e.g. Step-up program: excludes stipends, wages, transportation payments, child care vouchers, etc. for the duration of the training);

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

(c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) to allow participation in a specific program;

(d) A resident services stipend. A resident services stipend is a modest amount (not to exceed $200/month) received by a public housing resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in public housing. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time; and

(e) Incremental earnings and/or benefits resulting to any family member from participation in qualifying state of local employment training program (including training programs not affiliated with the local government), and training of family members 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 a limited period as determined in advance by the PHA;

9. Temporary, non-recurring, or sporadic income (including gifts);

10. Reparation payments paid by foreign governments 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 the household and spouse);

12. Adoption assistance payments in excess of $480 per adopted child;

13. The incremental earnings and benefits to any resident 1) whose annual income increases due to employment of a family member who was unemployed for one or more years previous to employment; or 2) whose annual income increases as the result of increased earnings by a family member during participation in any economic self sufficiency or other job training program; or 3) whose annual income increases due to new employment or increased earnings of a family member during or within six months of receiving state-funded assistance, benefits or services, **will not be increased during the exclusion period**. For purposes of this paragraph, the following definitions apply:

(a) State-funded assistance, benefits or services means 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 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) During the 12 month period beginning when the member first qualifies for a disallowance, the PHA must exclude from Annual Income any increase in income as a result of employment. For the 12 months following the exclusion period, 50% of the income increase shall be excluded.

(c) Regardless of how long it takes a resident to work for 12 months (to qualify for the first exclusion) or the second 12 months (to qualify for the second exclusion), the maximum period for the disallowance (exclusion) is 48 months.

(d) The disallowance of increased income under this section is only applicable to current residents and will not apply to applicants who have begun working prior to admission (unless their earnings are less than would be earned working ten hours per week at minimum wage, under which they qualify as unemployed).

14. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

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 developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

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 the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.)

The following is a list of benefits excluded by other Federal Statute:

- The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 **[7 USC 2017 (h)];**
- Payments to volunteers under the Domestic Volunteer Service Act of 1973 **[42 USC 5044 (g), 5088]**;

  Examples of programs under this Act include but are not limited to:

  —the Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;

  — National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs;

  —Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).
- Payments received under the Alaska Native Claims Settlement Act **[43 USC.1626 (a)];**
- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes **[(25 USC. 459e];**
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program **[42 USC 8624 (f)]**;
- Payments received under programs funded in whole or in part under the Job Training Partnership Act **[29 USC 1552 (b)] ;**
- Income derived from the disposition of funds of the Grand River Band of Ottawa Indians **[Pub. L. 94-540, 90 State 2503-04];**
- The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims **(25 USC 1407-08),** or from funds held in trust for an Indian Tribe by the Secretary of Interior **[25 USC 117b, 1407];** and
- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs **[20 USC 1087 uu].**

  — Examples of Title IV programs include but are not limited to: Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.
- Payments received from programs funded under Title V of the Older Americans Act of 1965 **[42 USC 3056 (f)]:**

  — Examples of programs under this act include but are not limited to: Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.

- Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation;
- Payments received under the Maine Indian Claims Settlement Act of 1980 **(Pub. L. 96-420, 94 Stat. 1785)**;
- 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 USC 9858q)**;
- Earned income tax credit refund payments received on or after January 1, 1991 **(26 USC 32 (j)).**
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;

C. Anticipating Annual Income[81]

If it is not feasible to anticipate income for a 12-month period, the Authority may use the annualized income anticipated for a shorter period, subject to an Interim Adjustment at the end of the shorter period. (This method would be used for teachers who are only paid for 9 months, or for tenants receiving unemployment compensation.)

D. Adjusted Income[82]

Adjusted Income (the income upon which rent is based) means Annual Income less the following deductions and exemptions:

For All Families

1. **Child Care Expenses —** A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which Annual Income is computed, BUT ONLY when such care is necessary to enable a family member to be gainfully employed, to seek employment or to further his/her education. Amounts deducted must be unreimbursed expenses and shall not exceed: (a) the amount of income earned by the family member released to work; or (b) an amount determined to be reasonable by PHA when the expense is incurred to permit education or to seek employment.

2. **Dependent Deduction —** An exemption of $480 for each member of the family residing in the household (other than the head of household, or spouse, Live-in Aide, foster adult or foster child) who is under eighteen years of age or who is eighteen years of age or older and disabled, or a full-time student.

3. **Work-related Disability Expenses —** A deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for family members with disabilities where such expenses are necessary to permit a family member(s), including the disabled member, to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) freed to work.

Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for the visually impaired, and equipment added to cars and vans to permit their use by the disabled family member. Also included would be the annualized cost differential between a car and the cost of a van required by the family member with disabilities.

a. For non-elderly families and elderly or disabled families without medical expenses: the

amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.

b. For elderly or disabled families with medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income (provided the amount so calculated does not exceed the employment income earned) PLUS medical expenses as defined below.

For elderly and disabled families only:

4. **Medical Expense Deduction —** A deduction of unreimbursed Medical Expenses, including insurance premiums, anticipated for the period for which Annual Income is computed.

Medical expenses include but are not limited to: services of physicians and other health care professionals, services of health care facilities, health insurance premiums (including the cost of Medicare), prescription and non-prescription medicines, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by PHA for the purpose of determining a deduction from income, the expenses claimed must be verifiable.

a. For elderly or disabled families without work-related disability expenses: The amount of the deduction shall equal total medical expenses less three percent of annual income.

b. For elderly or disabled families with both work-related disability expenses and medical expenses: the amount of the deduction is calculated as described in paragraph 3 (b) above.

5. **Elderly/Disabled Household Exemption** — An exemption of $400 per household. See Definitions in Appendix II.

6. **Optional Deductions/Exemptions**: PHA may amend this policy and grant further deductions. Any such deduction would be noted here.

E. Computing Rent

1. The first step in computing rent is to determine each family's Total Tenant Payment. Then, if the family is occupying a unit that has tenant-paid utilities, the Utility Allowance is subtracted from the Total Tenant Payment. The result of this computation, if a positive number, is the Tenant Rent. If the Total Tenant Payment less the Utility Allowance is a negative number, the result is the utility reimbursement, which may be paid to the tenant or, directly to the utility company by the PHA.

2. **Total Tenant Payment is the highest of:**

- **30% of adjusted monthly income**; or
- **10% of monthly income;** but never less than the
- **Minimum Rent**; and never more than the
- **Flat Rent, if chosen by the family**

3. Tenant rent is computed by subtracting the utility allowance for tenant supplied utilities (if applicable) from the Total Tenant Payment. In developments where the PHA pays all utility bills directly to the utility supplier, Tenant Rent equals Total Tenant Payment.

4. The Minimum Rent shall be $___ per month, but a hardship exemption shall be granted to residents

who can document that they are unable to pay the $___ because of a long-term hardship (over 90 days). Examples under which residents would qualify for the hardship exemption to the minimum rent would be limited to the following:

- The family has lost eligibility for or is applying for an eligibility determination for a Federal, State or local assistance program;
- The family would be evicted as result of the imposition of the minimum rent requirements;
- The income of the family has decreased because of changed circumstances, including loss of employment;
- A death in the family has occurred; or
- Other circumstances as determined by PHA

The minimum rent hardship exemption is retroactive to October 21, 1998, so if any resident who qualified for the hardship exemption was charged a minimum rent since that time, the resident may be entitled to a retroactive credit.

5. At initial certification and at each subsequent annual reexamination the resident shall be offered a choice of paying either the income-based rent or the Flat Rent applicable to the unit they will be occupying.

Citations

[1] 24 CFR Part 1
[2] 24 CFR Part 100
[3] 24 CFR Part 8
[4] 24 CFR Part 146
[5] 24 CFR § 960.103
[6] 24 CFR § 960.203
[7] 24 CFR §§ 8.21, 8.23, 8.24, and 8.25
[8] 24 CFR § 100.204
[9] 24 CFR § 8.24(a)(2)
[10] 24 CFR § 8.24
[11] 24 CFR § 8.23(b)
[12] 24 CFR § 8.24 (a) (1)
[13] 24 CFR § 8.24 (b)
[14] 24 CFR § 8.32 (c)
[15] 24 CFR § 8.26
[16] 24 CFR § 8.26
[17] 24 CFR § 8.32 (c)
[18] .24 CFR § 8.32 (c) and § 40, Uniform Federal Accessibility Standards, 3.5 and 4.1.6(3)
[19] 24 CFR § 906. 202 (a)
[20] 24 CFR § 8.20 and 8.21
[21] 24 CFR § 8.6
[22] 24 CFR § 8.6
[23] 24 CFR § 8.6
[24] 24 CFR § 8.6
[25] 24CFR § 960.103(b)
[26] 24 CFR § 5.500 Subpart E
[27] 24 CFR § 5.216

[28] 24 CFR § 960.203
[29] 24 CFR 960.206
[30] 24 CFR § 85.42
[31] 24 CFR § 960.206 (c)
[32] 24 CFR § 960.206(e)
[33] 24 CFR § 960.206(a)(4)
[34] 24 CFR § 960
[35] 24 CFR § 960.203 (c)
[36] 24 CFR § 960.203 (c)
[37] 24 CFR § 960.203
[38] 24 CFR § 8.3 Definition: Qualified individual with disabilities
[39] 24 CFR §960.203
[40] 24 CFR § 960.203 (c)(1)
[41] 24 CFR § 960.208
[42] 24 CFR § 960.203 (c)(1)
[43] 24 CFR § 960.203 (c)(2)
[44] 24 CFR § 960.203 (c)(3)
[45] 24 CFR § 8.2 Definition: Qualified Individual with Disabilities
[46] 24 CFR § 960.202(a)
[47] 24 CFR § 8.2 Definition: Qualified Individual with Disabilities
[48] 24 CFR §960.203(d)
[49] 24 CFR § 960.203 (d)
[50] 24 CFR § 5.403
[51] 24 CFR § 5.603
[52] 24 CFR § 5.500
[53] 24 CFR § 5.400
[54] 24 CFR § 960.203
[55] 24 CFR § 960.208(b)
[56] 24 CFR § 960.208(a)
[57] 24 CFR § 966
[58] 24 CFR § 966.4 (p)
[59] 24 CFR § 966.4 (c)(3)
[60] 24 CFR § 966.4 (o)
[61] 24 CFR§ 966.4 (i)
[62] 24 CFR §§ 960.203 (c) and 966.4(a)(1)(v)
[63] 24 CFR § 966.4 (f)(3) & (c)(2)
[64] 24 CFR § 966.4 (f)(3)
[65] 24 CFR § 966.4 (f)(2)
[66] 24 CFR § 966.4 (f)(3)
[67] 24 CFR § 100.5
[68] 24 CFR § 5.508
[69] 24 CFR § 960.257
[70] 24 CFR § 960.259(c)
[71] 24 CFR § 5
[72] 24 CFR § 966.4 (c)(2)
[73] 24 CFR § 966.4(c) & (o)
[74] 24 CFR § 966.4 (c)(3)
[75] 24 CFR § 960.259 (c)
[76] 24 CFR § 966.4 (l)(2)
[77] 24 CFR § 966.4 (l)(3)
[78] 24 CFR § 965 & 966.4 (b)(2)
[79] 24 CFR 5.609
[80] 24 CFR § 5.609
[81] 24 CFR §5.609(d)

[82] 24 CFR § 5.611

Appendix IV

SAMPLE PUBLIC HOUSING AUTHORITY LEASE AGREEMENT

THIS LEASE IS IN TWO PARTS:

Part I establishes the Terms and Conditions of the lease. These apply to all residents;

Part II is a sample lease contract. This is executed by the resident and the PHA, includes Part I Terms and Conditions (by reference) and the following information specific to each family's circumstances:

- Identification of all members of Tenant household by relationship to the Head of the Household, their social security numbers, ages (at the time of lease execution) and dates of birth (DOB);
- Unit address, occupancy date, project name and number;
- Pro-rated and full monthly rent amount, security deposit required, pro-rated and full monthly utility allowance provided (if any), pro-rated and full monthly utility reimbursement (if any) and the amount of any other charges due under the lease;
- Utilities and appliances provided by the PHA with the unit;
- All pamphlets or informational materials provided to Tenant;
- Signature line for the parties to the lease (all adult members of Tenant household must sign the lease); and
- Emergency telephone number for Tenant to use if maintenance problems arise with the unit outside of normal PHA working hours.

PART I : SAMPLE RESIDENTIAL LEASE AGREEMENT: TERMS AND CONDITIONS

THIS LEASE AGREEMENT (called the "Lease") is between the _____ Housing Authority, (called "PHA") and Tenant named in Part II of this lease (called "Tenant"). [966.4 (a)]

I. Description of the Parties and Premises: [966.4 (a)]

(a) PHA, using data provided by Tenant about income, family composition, and needs, leases to Tenant, the property (called "premises" or "dwelling unit") described in Part II of this Lease Agreement, subject to the terms and conditions contained in this lease. [966.4 (a)]

(b) Premises must be used as the only private residence of the Tenant and the family members named on Part II of the Lease. The PHA may, by prior written approval, consent to Tenant's use of the unit for legal profit-making activities subject to the PHA's policy on such activities. [966.4 (d)(1 & 2)]

(c) Any additions to the household members named on the lease, including Live-in Aides and foster children, **but excluding natural births, adoptions,** and court awarded custody require the advance written approval of PHA. Such approval will be granted only if the new family members pass PHA's screening criteria and a unit of the appropriate size is available. Permission to add Live-in Aides and foster children shall not be unreasonably refused. [966.4 (a)(2) & (d)(3)(i)]

Tenant agrees to wait for PHA's approval before allowing additional persons to move into the Premises. Failure on the part of Tenant to comply with this provision is a serious violation of the material terms of the lease, for which PHA may terminate the lease in accordance with Section XVI. [966.4 (f)(3)]

(d) Tenant shall report deletions (for any reason) from the household members named on the lease to the PHA in writing, within 10 days of the occurrence. [966.4 (c)(1) & (2) & (f)(3)]

II. Lease and Amount of Rent

(a) Unless otherwise modified or terminated in accordance with Section XVI, this Lease shall automatically be renewed for successive terms of one calendar year. [966.4 (a)(1)]

The rent amount is stated in Part II of this Lease. Rent shall remain in effect unless adjusted by the PHA in accordance with Section VII herein. [966.4 (c)]

The amount of the Total Tenant Payment and Tenant Rent shall be determined by the PHA in compliance with HUD regulations and requirements and in accordance with PHA's Admissions and Occupancy Policy. [966.4 (c)]

(b) **Rent is DUE and PAYABLE in advance on the first day of each month and shall be considered delinquent after the seventh calendar day of the month.** Rent may include utilities as described in Section VII below, and includes all maintenance services due to normal wear and tear. [966.4 (e)(1) & (3)]

When PHA makes any change in the amount of Total Tenant Payment or Tenant Rent, PHA shall give written notice to Tenant. The notice shall state the new amount, and the date from which the new amount is applicable. Rent redeterminations are subject to the Administrative Grievance Procedure. The notice shall also state that Tenant may ask for an explanation of how the amount is computed by PHA. If Tenant asks for an explanation, PHA shall respond in a reasonable time. [966.4 (c)(4)]

III. Other Charges: In addition to rent, Tenant is responsible for the payment of certain other charges specified in this lease. The type(s) and amounts of other charges are specified in Part II of this Lease Agreement. Other charges can include: [966.4 (b)(2)]

(a) Maintenance costs -- The cost for services or repairs due to intentional or negligent damage to the dwelling unit, common areas or grounds beyond normal wear and tear, caused by Tenant, household members or by guests. When PHA determines that needed maintenance is not caused by normal wear and tear, Tenant shall be charged for the cost of such service, either in accordance with the Schedule of Maintenance Charges posted by PHA or (for work not listed on the Schedule of Maintenance Charges) based on the actual cost to PHA for the labor and materials needed to complete the work. If overtime work is required, overtime rates shall be charged. [966.4 (b)(2)]

(b) Excess Utility Charges --At developments where utilities are provided by PHA, a charge shall be assessed for excess utility consumption due to the operation of major tenant-supplied appliances. This charge does not apply to Tenants who pay their utilities directly to a utility supplier. [966.4 (b)(2)]

(c) Installation charges for tenant-supplied air conditioners.

(d) Late Charges -- A charge of $1.00 per day late for rent or other charges paid after the seventh calendar day of the month. [966.4 (b)(3)] PHA shall provide written notice of the amount of any charge in addition to Tenant Rent, and when the charge is due. Charges in addition to rent are due no sooner than two weeks after Tenant receives PHA's written notice of the charge. [966.4 (b)(4)]

IV. Payment Location: Rent and other charges can be paid at the Main Office located at _____or at other locations specified in Part II of this Residential Lease. PHA will not accept cash. Tenants who have submitted a check that is returned for insufficient funds shall be required to make all future payments by cashier's check or money order.

V. Security Deposit

(a) Tenant Responsibilities: Tenant agrees to pay an amount equal to the greater of $_____ or one month's Total Tenant Payment. The dollar amount of the security deposit is noted on Part II of this Residential Lease. [966.4 (b)(5)]

(b) PHA's Responsibilities: PHA will use the Security Deposit at the termination of this Lease:

1. To pay the cost of any rent or any other charges owed by Tenant at the termination of this lease.
2. To reimburse the cost of repairing any intentional or negligent damages to the dwelling unit caused by Tenant, household members or guests.

The Security Deposit may not be used to pay rent or other charges while Tenant occupies the dwelling unit. No refund of the Security Deposit will be made until Tenant has vacated, and PHA has inspected the dwelling unit.

The return of a security deposit shall occur within 30 days after Tenant moves out. PHA agrees to return the Security Deposit, if any, to Tenant when he/she vacates, less any deductions for any costs indicated above, so long as Tenant furnishes PHA with a forwarding address. If any deductions are made, PHA will furnish Tenant with a written statement of any such costs for damages and/or other charges deducted from the Security Deposit.

VI. Utilities and Appliances [966.4 (b)(1)]

(a) PHA Supplied Utilities: If indicated by an (X) on Part II, PHA will supply the indicated utility: electricity, natural gas, heating fuel, water, sewer service, trash collection. PHA will not be liable for the failure to supply utility service for any cause whatsoever beyond its control.

If indicated by an (X) on Part II of the Lease Agreement, PHA will provide a cooking range and refrigerator. Other major electrical appliances, air conditioners, freezers, extra refrigerators, washers, dryers, etc., may be installed and operated only with the written approval of PHA. A monthly service charge will be payable by Tenant for the electricity used in the operation of such appliances, as shown on the Schedule posted in the Project Office. [966.4 (b)(2)]

(b) Tenant-paid Utilities: If Tenant resides in a development where PHA does not supply electricity, natural gas, heating fuel, water, sewer service, or trash collection, an Allowance for Utilities shall be established, appropriate for the size and type of dwelling unit, for utilities Tenant pays directly to the utility supplier. The Total Tenant Payment less the Allowance for Utilities equals Tenant Rent. If the Allowance for Utilities exceeds the Total Tenant Payment, PHA will pay a Utility Reimbursement each month. [5.632]

PHA may change the Allowance at any time during the term of the lease, and shall give Tenant 60 days written notice of the revised Allowance along with any resultant changes in Tenant Rent or Utility Reimbursement. [965.473 (c)]

If Tenant's actual utility bill exceeds the Allowance for Utilities, Tenant shall be responsible for paying the <u>actual</u> bill to the supplier. If Tenant's actual utility bill is LESS than the Allowance for Utilities, Tenant shall receive the benefit of such saving.

(c) Tenant Responsibilities: Tenant agrees not to waste the utilities provided by PHA and to comply with any applicable law, regulation, or guideline of any governmental entity regulating utilities or fuels. [966.4 (f)(8)]

Tenant also agrees to abide by any local ordinance or House Rules restricting or prohibiting the use of space heaters in multi-dwelling units.

VII. Terms and Conditions: The following terms and conditions of occupancy are made a part of the Lease.

(a) Use and Occupancy of Dwelling: Tenant shall have the right to exclusive use and occupancy of the dwelling unit for Tenant and other household members listed on the lease. With the prior written consent of PHA, members of the household may engage in legal profitmakng activities in the dwelling unit. [966.4 (d) (1) & (2)]

This provision permits reasonable accommodation of Tenant's guests or visitors for a period not exceeding fourteen (14) days each year. Permission may be granted, upon written request to the Manager, for an extension of this provision. [966.4 (d)(1)]

(b) Ability to comply with Lease terms: If, during the term of this Lease, Tenant, by reason of physical or mental impairment is no longer able to comply with the material provisions of this lease, and cannot make arrangements for someone to aid him/her in complying with the lease, and PHA cannot make any reasonable accommodation that would enable Tenant to comply with the lease THEN; PHA will assist Tenant, or designated member(s) of Tenant's family, to find more suitable housing and move Tenant from the dwelling unit. If there are no family members who can or will take responsibility for moving Tenant, PHA will work with appropriate agencies to secure suitable housing and will terminate the Lease. [8.3]

At the time of admission, all Tenants must identify the family member(s) to be contacted if they become unable to comply with lease terms.

(c) Redetermination of Rent, Dwelling Size, and Eligibility. The rent amount as fixed in Part II of the Lease Agreement is due each month until changed as described below.

(1) The status of each family is to be re-examined at least once a year. Tenants paying Flat Rent shall have their incomes reexamined every three years. At the annual recertification Tenant shall certify to compliance with the 8 hour per month community service requirement, if applicable.[960.209]

(2) Tenant promises to supply PHA, when requested, with accurate information about: family composition, age of family members, income and source of income of all family members, assets, community service activities, and related information necessary to determine eligibility, annual income, adjusted income, and rent. [966.4 (c)(2)]

Failure to supply such information when requested is a serious violation of the terms of the lease and PHA may terminate the lease.

All information must be verified. Tenant agrees to comply with PHA requests for verification by signing releases for third-party sources, presenting documents for review, or providing other suitable forms of verification. [966.4 (c)(2)]

PHA shall give Tenant reasonable notice of what actions Tenant must take, and of the date by which any such action must be taken for compliance under this section. This information will be used by PHA to decide whether the amount of the rent should be changed, and whether the dwelling size is still appropriate for Tenant's needs.

This determination will be made in accordance with the Admissions and Continued Occupancy Policy, which is publicly posted in the Project Office. A copy of the policies can be furnished on request at the expense of the person making the request.

(3) Rent will not change during the period between regular re-examinations, UNLESS during such period: [960.209 (b)]

(a) Tenant can verify a change in his/her circumstances (such as decline in or loss of income) that would justify a reduction in rent, except that rent shall not be reduced because a tenant's TANF grant is reduced because Tenant committed welfare fraud or failed to comply with a welfare department economic self sufficiency requirement.

If a reduction is granted, Tenant must report <u>subsequent increases</u> in income within 10 days of the occurrence, until the next scheduled re-examination. (Failure to report within the 10 days may result in a retroactive rent charge.)

(b) It is found that Tenant has misrepresented the facts upon which the rent is based so that the rent Tenant is paying is less than the rent that he/she should have been charged. PHA then may apply an increase in rent retroactive to the first of the month following the month in which the misrepresentation occurred.

(c) Rent formulas or procedures are changed by Federal law or regulation.

(4) All changes in family composition must be reported to the Housing Manager within 10 days of the occurrence. Failure to report within the 10 days may result in a retroactive rent charge. [966.4 (c) (2)]

This Lease will NOT be revised to permit a change of family composition resulting from a request to allow adult children to move back into the unit unless it is determined that the move is essential for the mental or physical health of Tenant AND it does not disqualify the family for size unit it is currently occupying.

(d) Rent Adjustments: Tenant will be notified in writing of any rent adjustment due to the situations described above; All notices will state the effective date of the rent adjustment.

1. In the case of a rent decrease, the adjustment will become effective on the first day of the month following the reported change in circumstances, provided Tenant reported the change in a timely manner, as specified above.
2. In the case of a rent increase, when an increase in income occurs after a prior rent reduction and is reported within 10 calendar days of the occurrence, the increase will become effective the first day of the 2nd month following the month in which the change was reported.
3. In the case of a rent increase due to misrepresentation, failure to report a change in family composition, or failure to report an increase in income (after a reduction in rent per the fixed rent policy), PHA shall apply the increase in rent retroactive to the first of the month following the month in which the misrepresentation occurred.

(e) Transfers [966.4 (c)(3)]

1. Tenant agrees that if PHA determines that the size or design of the dwelling unit is no longer appropriate to Tenant's needs, PHA shall send Tenant written notice. Tenant further agrees to accept a new lease for a different dwelling unit of the appropriate size or design.
2. PHA may move a Tenant into another unit if it is determined necessary to rehabilitate or demolish Tenant's unit.
3. If a Tenant makes a written request for special unit features in support of a documented disability, PHA shall modify Tenant's existing unit. If the cost and extent of the modifications needed are tantamount to those required for a fully accessible unit, PHA may transfer Tenant to another unit with the features requested at PHA's expense.
4. A tenant without disabilities that is housed in a unit with special features must transfer to a unit without such features should a Tenant with disabilities need the unit.
5. In the case of involuntary transfers, Tenant shall be required to move into the dwelling unit made available by PHA. Tenant shall be given 15 days time in which to move following delivery of a transfer notice. If Tenant refuses to move, PHA may terminate the Lease. [966.4 (c)(3)]
6. Involuntary transfers are subject to the Grievance Procedure, and no such transfers may be made until either the time to request a Grievance has expired or the procedure has been completed. [966.4 (c)(4)]
7. PHA will consider any Tenant requests for transfers in accordance with the transfer priorities established in the Admissions and Occupancy Policies.

VIII. PHA Obligations [966.4 (e)]: PHA shall be obligated:

(a) To maintain the dwelling unit and the project in decent, safe and sanitary condition; [966.4 (e)(1)]

(b) To comply with the requirements of applicable building codes, housing codes, and HUD regulations materially affecting health and safety; [966.4 (e)(2)]

(c) To make necessary repairs to the dwelling unit; [966.4 (e)(3)]

(d) To keep project building, facilities, and common areas, not otherwise assigned to Tenant for maintenance and upkeep, in a clean and safe condition; [966.4 (e)(4)]

(e) To maintain in good and safe working order and condition electrical, plumbing, sanitary, heating, ventilating, and other facilities and appliances, including elevators supplied or required to be supplied with PHA; [966.4 (e)(5)]

(f) To provide and maintain appropriate receptacles and facilities (except container for the exclusive use of an individual tenant family) for the deposit of garbage, rubbish, and other waste removed from the premise by Tenant as required by this Lease; [966.4 (e)(6)]

(g) To supply running water and reasonable amounts of hot water and reasonable amount of heat at appropriate times of the year according to local custom and usage; EXCEPT where the building that includes the dwelling unit is not required to be equipped for that purpose, or where heat or hot water is generated by an installation within the exclusive control of Tenant and supplied by a direct utility connection; [966.4 (e)(7)]

(h) To notify Tenant of the specific grounds for any proposed adverse action by PHA. (Such adverse action includes, but is not limited to: a proposed lease termination, transfer of Tenant to another unit, change in amount of rent, or imposition of charges for maintenance and repair, or for excess consumption of utilities.) When PHA is required to afford Tenant the opportunity for a hearing under the PHA grievance procedure for a grievance concerning a proposed adverse action:

1. The Notice of the proposed adverse action shall inform Tenant of the right to request such hearing. In the case of lease termination, a notice of lease termination that complies with 966.4(l)(3) shall constitute adequate notice of proposed adverse action.
2. In the case of a proposed adverse action other than a proposed lease termination, PHA shall not take the proposed action until time to request such a hearing has expired or (if hearing was timely requested) the grievance process has been completed. [966.4 (e)(8)]

IX. Tenant's Obligations: Tenant shall be obligated:

(a) Not to assign the Lease, nor sublease the dwelling unit. [966.4 (f)(1)]

(b) 1. Not to give accommodation to boarders or lodgers; [966.4 f)(2)]

2. Not to give accommodation to long term guests (in excess of 14 days) without the advance written consent of PHA.

(c) To use the dwelling unit solely as a private dwelling for Tenant and Tenant's household as identified in PART II of the Lease, and not to use or permit its use for any other purpose. [966.4 (f)(3)]

This provision does not exclude the care of foster children or live-in care of a member of Tenant's family, provided the accommodation of such persons conforms to PHA's Occupancy standards, and so long as PHA has granted prior written approval for the foster child(ren), or live-in aide to reside in the unit. [966.4 (d)((3)(i)]

(d) To abide by necessary and reasonable regulations promulgated by PHA for the benefit and well-being of the housing project and Tenants. These regulations shall be posted in a conspicuous manner in the project office and incorporated by reference in this Lease. Violation of such regulations constitutes a violation of the Lease. [966.4 (f)(4)]

(e) To comply with the requirements of applicable state and local building or housing codes, materially affecting health and/or safety of Tenant and household. [966.4(f)(5)]

(f) To keep the dwelling unit and other such areas as may be assigned to Tenant for exclusive use in a clean and safe condition. [966.4(f)(6)] This includes keeping front and rear entrances and walkways for the exclusive use of Tenant, free from hazards and trash and keeping the yard free of debris and litter. Exceptions to this requirement may be made for Tenants who have no household members able to perform such tasks because of age or disability. [966.4 (g)]

(g) To dispose of all garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner only in containers approved or provided by PHA. [§ 966.4(f)(7)] To refrain from, and cause members of Tenant's household or guest to refrain from, littering or leaving trash and debris in common areas.

(h) To use only in reasonable manner all electrical, sanitary, heating, ventilating, air-conditioning, and other facilities and appurtenances including elevators. [966.4(f)(8)]

(i) To refrain from, and to cause household and guests to refrain from destroying, defacing, damaging, or removing any part of dwelling unit or project. [966.4 (f)(9)]

(j) To pay reasonable charges (other than for wear and tear) for the repair of damages to the dwelling unit, project buildings, facilities, or common areas caused by Tenant, household members or guests. [§ 966.4(f)(10)]

(k) To act, and cause household members or guests to act in a manner that will:

1. Not disturb other residents' peaceful enjoyment of their accommodations; and
2. Be conducive to maintaining all PHA projects in a decent, safe, and sanitary condition. [966.4 (f)(11)]

(l) To assure that Tenant, any member of the household, a guest, or another person under Tenant's control, shall not engage in:

1. Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of PHA's public housing premises by other residents or employees of PHA, or;
2. Any drug-related criminal activity. Any criminal activity in violation of the preceding sentence shall be cause for termination of tenancy, and for eviction from the unit. (For the purposes of this lease, the term drug-

related criminal activity means the illegal possession, manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use, of a controlled substance as defined in Section 102 of the Controlled Substances Act.) [966.4 (f)(12)]

(m) To make no alterations or repairs or redecorations to the interior of the dwelling unit or to the equipment, nor to install additional equipment or major appliances without written consent of PHA. To make no changes to locks or install new locks on exterior doors without PHA's written approval. To use no nails, tacks, screws, brackets, or fasteners on any part of the dwelling unit (a reasonable number of picture hangers excepted) without authorization by PHA.

(n) To give prompt prior notice to PHA, in accordance with Section XIII hereof, of Tenant's leaving dwelling unit unoccupied for any period exceeding one calendar week.

(o) To act in a cooperative manner with neighbors and PHA Staff. To refrain from and cause members of Tenant's household or guests to refrain from acting or speaking in an abusive or threatening manner toward neighbors and PHA staff.

(p) Not to display, use, or possess or allow members of Tenant's household or guests to display, use or possess any illegal firearms, (operable or inoperable) or other illegal weapons as defined by the laws and courts of the State of _____ anywhere on the property of PHA.

(q) To take reasonable precautions to prevent fires and to refrain from storing or keeping highly volatile or flammable materials upon the premises.

(r) To avoid obstructing sidewalks, areaways, galleries, passages, elevators, or stairs, and to avoid using these for purposes other than going in and out of the dwelling unit.

(s) To refrain from erecting or hanging radio or television antennas on or from any part of the dwelling unit, except that roof antennas may be installed in accordance with regulations set forth by PHA with the written approval of PHA.

(t) To refrain from placing signs of any type in or about the dwelling except those allowed under applicable zoning ordinances and then only after having received written permission of PHA.

(u) To refrain from, and cause members of Tenant's household to refrain from keeping, maintaining, harboring, or boarding any animal of any nature in the dwelling unit except in accordance with the PHA's pet policy, unless a verified disability warrants the possession of a service animal or companion animal.

(v) To remove from PHA property any vehicles without valid registration and inspection stickers. To refrain from parking any vehicles in any right-of-way or firelane designated and marked by PHA. Any inoperable or unlicensed vehicle as described above will be removed from PHA property at Tenant's expense. Automobile repairs are not permitted on project site.

(w) To remove any personal property left on PHA property when Tenant leaves, abandons or surrenders the dwelling unit. Property left for more than 30 days shall be considered abandoned and will be disposed of by PHA. Costs for storage and disposal shall be assessed against the former tenant.

(x) To use reasonable care to keep his dwelling unit in such condition as to ensure proper health and sanitation standards for Tenant, household members and neighbors. **TENANT SHALL NOTIFY THE AUTHORITY PROMPTLY OF KNOWN NEED FOR REPAIRS TO HIS DWELLING UNIT**, and of known unsafe or unsanitary conditions in the dwelling unit or in common areas and grounds of the Project. Tenant's failure to report the need for repairs in a timely manner shall be considered to contribute to any damage that occurs.

(y) 1. Not to commit any fraud in connection with any Federal housing assistance program, and

2. Not to receive assistance for occupancy of any other unit assisted under any Federal housing assistance program during the term of the lease.

(z) To pay promptly any utility bills for utilities supplied to Tenant by a direct connection to the utility company, and to avoid disconnection of utility service for such utilities.

(aa) For each adult in the Tenant household to perform at least 8 hours per month of qualifying community service (as specified by the PHA) unless the requirement is waived due to age, disability, or the fact that an adult is excused from this requirement because he/she is working, attending an educational institution, or participating in some other qualified training program.

X. Defects Hazardous to Life, Health or Safety: In the event that the dwelling unit is damaged to the extent that conditions are created that are hazardous to the life, health, or safety of the occupants: [966.4 (h)]

PHA Responsibilities:

(a) PHA shall be responsible for repair of the unit within a reasonable period of time after receiving notice from Tenant, provided, if the damage was caused by Tenant, household members, or guests, the reasonable cost of the repairs shall be charged to Tenant. [966.4 (h)(2)]

(b) PHA shall offer Tenant a replacement dwelling unit, if available, if necessary repairs cannot be made within a reasonable time. PHA is not required to offer Tenant a replacement unit if Tenant, household members, or guests caused the hazardous condition. [966.4 (h)(3)]

(c) Tenant shall accept any replacement unit offered by PHA.

(d) In the event PHA, as described above cannot make repairs, and alternative accommodations are unavailable, then rent shall abate in proportion to the seriousness of the damage and loss in value as a dwelling. No abatement of rent shall occur if Tenant rejects alternative accommodations or if Tenant, household members, or guests caused the damage. [966.4 (h)(4)]

(e) If PHA determines that the dwelling unit is untenantable because of imminent danger to the life, health, and safety of Tenant, and Tenant refuses alternative accommodations, this Lease shall be terminated, and any rent paid will be refunded to Tenant.

Tenant Responsibilities:

(a) Tenant shall immediately notify the Project Manager of the damage and intent to abate rent, when the damage is or becomes sufficiently severe that Tenant believes he/she is justified in abating rent. [966.4 (h)(1)]

(b) Tenant agrees to continue to pay full rent, less the abated portion agreed upon by PHA, during the time in which the defect remains uncorrected.

XI. Move-in and Move-out Inspections

(a) Move-in Inspection: PHA and Tenant or representative shall inspect the dwelling unit prior to occupancy by Tenant. PHA will give Tenant a written statement of the condition of the dwelling unit, both inside and outside, and note any equipment provided with the unit. The statement shall be signed by PHA and Tenant and a copy of the statement retained in Tenant's folder. [966.4 (i)] PHA will correct any deficiencies noted on the inspection report, at no charge to Tenant.

(b) Move-out Inspection -- PHA will inspect the unit at the time Tenant vacates and give Tenant a written statement of the charges, if any, for which Tenant is responsible. Tenant and/or representative may join in such inspection, unless Tenant vacates without notice to PHA. [966.4 (i)]

XII. Entry of Premises During Tenancy

(a) Tenant Responsibilities--

1. Tenant agrees that the duly authorized agent, employee, or contractor of PHA will be permitted to enter Tenant's dwelling during reasonable hours (_____A.M. to _____ P.M.) for the purpose of performing routine maintenance, making improvements or repairs, inspecting the unit, or showing the unit for releasing. [966.4 (j)(1)]

2. When Tenant calls to request maintenance on the unit, PHA shall attempt to provide such maintenance at a time convenient to Tenant. If Tenant is absent from the dwelling unit when PHA comes to perform maintenance, Tenant's request for maintenance shall constitute permission to enter.

(b) PHA's Responsibilities--

1. PHA shall give Tenant at least 48 hours written notice that PHA intends to enter the unit. PHA may enter only at reasonable times. [966.4 (j)(1)]

2. PHA may enter Tenant's dwelling unit at any time without advance notification when there is reasonable cause to believe that an emergency exists. [966.4 (j)(2)]

3. If Tenant and all adult members of the household are absent from the dwelling unit at the time of entry, PHA shall leave in the dwelling unit a written statement specifying the date, time and purpose of entry prior to leaving the dwelling unit. [966.4 (j)(3)]

XIII. Notice Procedures

(a) Tenant Responsibility -- Any notice to PHA must be in writing, delivered to the Project Office or to PHA's central office, or sent by prepaid first-class mail, properly addressed. [966.4 (k)(1)(ii)]

(b) PHA Responsibility -- Notice to Tenant must be in writing, delivered to Tenant or to any adult member of the household residing in the dwelling unit, or sent by first-class mail addressed to Tenant. [966.4 (k)(1)(i)]

(c) Unopened, cancelled, first class mail returned by the Post Office shall be sufficient evidence that notice was given.

(d) If Tenant is visually impaired, all notices must be in an accessible format. [966.4 (k)(2)]

XIV. Termination of the Lease: In terminating the Lease, the following procedures shall be followed by PHA and Tenant:

(a) This Lease may be terminated only for serious or repeated violations of material terms of the Lease, such as failure to make payments due under the lease or to fulfill Tenant obligations set forth in section IX above, or for other good cause. [966.4 (l)(2)]

Such serious or repeated violation of terms **shall include but not be limited to**:

1. The failure to pay rent or other payments when due; [966.4 (l)(2)]
2. Repeated late payment, which shall be defined as failure to pay the amount of rent or other charges due by the seventh of the month. Four such late payments within a 12 month period shall constitute a repeated late payment; [966.4 (l)(2)]
3. Failure to pay utility bills when Tenant is responsible for paying such bills directly to the supplier of utilities; [966.4 (l)(2)]
4. Misrepresentation of family income, assets, or composition; [966.4 (c)(2)]
5. Failure to supply, in a timely fashion, any certification, release, information, or documentation on Family income or composition needed to process annual reexaminations or interim redeterminations. [966.4 (c)(2)]
6. Serious or repeated damage to the dwelling unit, creation of physical hazards in the unit, common areas, grounds, or parking areas of any project site; [966.4 (l)(2)]
7. Criminal activity by Tenant, household member, guest, or other person under Tenant's control, including criminal activity that threatens the health, safety or right to peaceful enjoyment of PHA's public housing premises by other residents, or any drug-related criminal activity. [966.4 (l)(2)]
8. Offensive weapons or illegal drugs seized in a PHA unit by a law enforcement officer; [966.4 (l)(2)]
9. Any fire on PHA premises caused by carelessness or unattended cooking. [966.4 (l)(2)]

(b) PHA shall give written notice of the proposed termination of the Lease of:

1. 14 days in the case of failure to pay rent;
2. A reasonable time, but not to exceed thirty days, considering the seriousness of the situation (but not to exceed 30 days) when the health or safety of other tenants or PHA staff is threatened;
3. 30 days in any other case. [966.4 (l)(3)(i)(A), (B) & (C)]

(c) The notice of termination:

1. The notice of termination to Tenant shall state specific reasons for the termination, shall inform Tenant of his/her right to make such reply as he/she may wish, and Tenant's right to examine PHA documents directly relevant to the termination or eviction. [966.4 (l)(3)(ii)]
2. When PHA is required to offer Tenant the opportunity for a grievance hearing, the notice shall also inform Tenant of the right to request such a hearing in accordance with PHA's grievance procedures. [966.4 (l)(3)(ii)]
3. Any notice to vacate (or quit) that is required by State or local law may be combined with, or run concurrently with the notice of lease termination under this section. [966.4 (l)(3)(iii)] The Notice to Vacate must be in writing, and specify that if Tenant fails to quit the premises within the applicable statutory period, appropriate action will be brought against Tenant, and Tenant may be required to pay the costs of court and attorney's fees.
4. When PHA is required to offer Tenant the opportunity for a grievance hearing concerning the lease termination under PHA's grievance procedure, the tenancy shall not terminate (even if any Notice to Vacate under State of local law has expired) until the period to request a hearing has expired, or (if a hearing is requested) the grievance process has been completed. [966.4 (l)(3)(iv)]
5. When PHA is not required to offer Tenant the opportunity for a hearing under the grievance procedure and PHA has decided to exclude such grievance for PHA grievance procedure, the notice of lease termination shall (a) state that Tenant is not entitled to a grievance hearing on the termination; (b) specify the judicial eviction procedure to be used by PHA for eviction and state that HUD has determined that this eviction procedure provides the opportunity for a hearing in a court that contains the basic elements of due process as

defined in HUD regulations; and (c) state whether the eviction is for a criminal activity that threatens health or safety of residents or staff or for drug-related criminal activity. [966.4 (l)(3)(v)]

6. PHA may evict Tenant from the unit only by bringing a court action. [966.4 (l)(4)]

(d) Tenant may terminate this Lease at any time by giving thirty days written notice as described in Section XIII, above.

(e) In deciding to evict for criminal activity, PHA shall have discretion to consider (or not to consider) all of the circumstances of the case, including the seriousness of the offense, the extent of participation by or awareness of family members, and the effects that the eviction would have both on family members not involved in the proscribed activity and on the family's neighbors. In appropriate cases, PHA may permit continued occupancy by remaining family members and may impose a condition that family members who engaged in the proscribed activity will neither reside in nor visit the unit. PHA may require a family member who has engaged in the illegal use of drugs to present credible evidence of successful completion of a treatment program as a condition to being allowed to reside in the unit. [966.4 (l)(5)]

(f) When a PHA evicts a Tenant from a dwelling unit for criminal activity PHA shall notify the local post office serving that dwelling unit that such individual or family is no longer residing in the unit so the post office will stop mail delivery for such persons and they will have no reason to return to the unit. [966.4 (l)(5)(ii))]

XV. Waiver: No delay or failure by PHA in exercising any right under this lease agreement, and no partial or single exercise of any such right shall constitute a waiver (post or prospective) of that or any other right, unless otherwise expressly provided herein.

XVI. Housekeeping Standards: In an effort to improve the livability and conditions of the apartments owned and managed by PHA, uniform standards for resident housekeeping have been developed for all tenant families.

(a) PHA Responsibility: The standards that follow will be applied fairly and uniformly to all Tenants. PHA will inspect each unit at least annually, to determine compliance with the standards. Upon completion of an inspection PHA will notify Tenant in writing if he/she fails to comply with the standards. PHA will advise Tenant of the specific correction(s) required establishing compliance, and indicating that training is available. Within a reasonable period of time, PHA will schedule a second inspection. Failure of a second inspection will constitute a violation of the lease terms.

Training will be available at no cost to any Tenant requesting or needing assistance in complying with the Housekeeping Standards.

(b) Tenant responsibility: Tenant is required to abide by the standards set forth below. **Failure to abide by the Housekeeping Standards that results in the creation or maintenance of a threat to health or safety is a violation of the lease terms and can result in eviction.**

(c) Housekeeping Standards: Inside the Apartment

General--

(1) Walls: should be clean, free of dirt, grease, holes, cobwebs, and fingerprints.

(2) Floors: should be clean, clear, dry and free of hazards.

(3) Ceilings: should be clean and free of cobwebs.

(4) Windows: should be clean and not nailed shut. Shades or blinds should be intact.

(5) Woodwork: should be clean, free of dust, gouges, or scratches.

(6) Doors: should be clean, free of grease and fingerprints. Doorstops should be present. Locks should work.

(7) Heating units: should be dusted and access uncluttered.

(8) Trash: shall be disposed of properly and not left in the unit.

(9) Entire unit should be free of rodent or insect infestation.

Kitchen--

(1) Stove: should be clean and free of food and grease.

(2) Refrigerator: should be clean. Freezer door should close properly and freezer have no more than one inch of ice.

(3) Cabinets: should be clean and neat. Cabinet surfaces and countertop should be free of grease and spilled food. Cabinets should not be overloaded. Storage under the sink should be limited to small or

lightweight items to permit access for repairs. Heavy pots and pans should not be stored under the sink.

(4) Exhaust Fan: should be free of grease and dust.

(5) Sink: should be clean, free of grease and garbage. Dirty dishes should be washed and put away in a timely manner.

(6) Food storage areas: should be neat and clean without spilled food.

(7) Trash/garbage: should be stored in a covered container until removed to the disposal area.

Bathroom--

(1) Toilet and tank: should be clean and odor free.

(2) Tub and shower: should be clean and free of excessive mildew and mold. Where applicable, shower curtains should be in place, and of adequate length.

(3) Lavatory: should be clean

(4) Exhaust fans: should be free of dust.

(5) Floor should be clean and dry.

Storage Areas--

(1) Linen closet: should be neat and clean.

(2) Other closets: should be neat and clean. No highly volatile or flammable materials should be stored in the unit.

(3) Other storage areas: should be clean, neat and free of hazards.

(d) Housekeeping Standards: Outside the Apartment

The following standards apply to family and scattered site development only; some standards apply only when the area noted is for the exclusive use of Tenant:

(1) Yards: should be free of debris, trash, and abandoned cars. Exterior walls should be free of graffiti.

(2) Porches (front and rear): should be clean and free of hazards. Any items stored on the porch shall not impede access to the unit.

(3) Steps (front and rear): should be clean, and free of hazards.

(4) Sidewalks: should be clean and free of hazards.

(5) Storm doors: should be clean, with glass or screens intact.

(6) Parking lot: should be free of abandoned cars. There should be no car repairs in the lots.

(7) Hallways: should be clean and free of hazards.

(8) Stairwells: should be clean and uncluttered.

(9) Laundry areas: should be clean and neat. Remove lint from dryers after use.

(10) Utility room: should be free of debris, motor vehicle parts, and flammable materials.

TENANT AGREES THAT ALL THE PROVISIONS OF THIS LEASE HAVE BEEN READ AND ARE UNDERSTOOD AND FURTHER AGREES TO BE BOUND BY ITS PROVISIONS AND CONDITIONS AS WRITTEN. (SIGNATURE REQUIRED ON PART II OF THE LEASE.)

(IN FINAL LEASE COPY -- INSERT LEAD-BASED PAINT WARNING AS REQUIRED BY HUD.)

PART II: SAMPLE RESIDENTIAL LEASE AGREEMENT

THIS AGREEMENT is executed between the _____ Housing Authority (herein called "PHA"), and _____ (herein called the "Tenant"), and becomes effective as of this date: _____[966.4 (a)]

(l) Unit: That the PHA, relying upon the representations of Tenant as to Tenant's income, household composition and housing need, leases to Tenant, (upon Terms and Conditions set forth in Part I of this Lease agreement) the dwelling unit LOCATED at _____ (and hereinafter called the "premises") to be occupied exclusively as a private residence by Tenant and household. The Tenant UNIT NUMBER is:_____. [966.4 (a)]

(2) Household Composition: The Tenant's household is composed of the individuals listed below. (Other than the Head or Spouse each household member should be listed by age, oldest to youngest. [966.4 (a)(2)] All members of the household over age 18 shall execute the lease.

Name	Relationship	Age & Birthdate	Social Security #
1.	Head	___ / /	_ _ _- _ _- _ _ _ _
2		___ / /	_ _ _- _ _- _ _ _ _
3		___ / /	_ _ _- _ _- _ _ _ _
4		___ / /	_ _ _- _ _- _ _ _ _
5		___ / /	_ _ _- _ _- _ _ _ _
6		___ / /	_ _ _- _ _- _ _ _ _
7		___ / /	_ _ _- _ _- _ _ _ _
8		___ / /	_ _ _- _ _- _ _ _ _

(3) Term: The term of this lease shall be one calendar year, renewed as stipulated in Part I of the Lease.

(4) Rent: Initial rent (prorated for partial month) shall be $___.__ and, if applicable, the Tenant shall receive the benefit of $____.__ from PHA for Utility Reimbursement (for partial month) paid to the utility supplier for the period beginning ___/___/___ and ending at midnight on ___/___/___.

Thereafter, rent in the amount of $____.__ per month shall be payable in advance on the first day of each month, and shall be delinquent after the fifth (5th) day of said month. A utility reimbursement of $____.__per month (if applicable) shall be paid to the utility supplier by PHA for the Tenant. [966.4 (b)(1)]

☐ This is the flat rent for the Premises ☐ This rent is based on the income and other information reported by the Resident

(5) Utilities and Appliances: PHA-Supplied Utilities [966.4 (b)(1)]If indicated by an (X) below, PHA provides the indicated utility as part of the rent for the premises:

( ) Electricity ( ) Natural Gas ( ) Heating Fuel ( ) Water ( ) Sewerage ( )Other:_____

If indicated by an (X) below, PHA shall provide the following appliances for the premises: ( ) Cooking Range ( ) Refrigerator

(6) Utility Allowances: Tenant-Paid Utilities [5.632] If indicated by an (X) below, PHA shall provide Tenant with a Utility Allowance in the monthly amount totaling $_____ for the following utilities paid directly by the Tenant to the Utility supplier:

( ) Electricity ( ) Gas ( ) Heat ( ) Water ( ) Sewerage ( ) Trash removal ( ) Tenant-supplied cooking range ( ) Tenant-supplied refrigerator

(7) Charges for Excess Appliances (Not applicable to tenants who pay utilities directly to utility supplier.) Charges for excess appliances are due per the following: [966.4 (b)(2)]

Air Conditioners: An additional charge of $_____ per month will be payable for each air conditioner in the premises **for each month of occupancy**.
Other Appliances: If checked below, an additional charge of $_____ per month for each month of occupancy for each excess appliance on the premises.

( ) Freezer, type_____
( ) Second color TV
( ) Automatic washer
( ) Other:_____

( ) Extra Refrigerator
( ) Second Stereo
( ) Electric space heater
( ) Other: _____

(8) Security Deposit: Tenant agrees to pay _____as a security deposit. See Part I of this lease for information on treatment of the Security Deposit. [966.3 (b)(5)]

(9) Execution: By Tenant's signature below, Tenant and household agree to the terms and conditions of Part I and II of this lease and all additional documents made a part of the lease by reference.

By the signature(s) below I/we also acknowledge that the Provisions of Part I of this Lease Agreement have been received and thoroughly explained to me/us.

TENANT_____ DATE_____

CO-TENANT_____ DATE_____

CO-TENANT_____ DATE_____

MANAGER:_____ DATE_____

WITNESS:_____ DATE_____

TENANT'S CERTIFICATION

I, _____hereby certify that I, and other members of my Household, have not committed any fraud in connection with any federal housing assistance program, unless such fraud was fully disclosed to PHA before execution of the lease, or before PHA approval for occupancy of the unit by the Household member.

I further certify that all information or documentation submitted by myself or other Household members to PHA in connection with any federal housing assistance program (before and during the lease term) are true and complete to the best of my knowledge and belief.

_____ _____.
Tenant's Signature Date

ATTACHMENTS:

If indicated by an (X) below, PHA has provided the tenant with the following attachments and information:

( ) Part I of this Lease ( ) Pet Policy ( ) Standard Maintenance Charges (May be updated)

( ) Watch Out for Lead Paint Poisoning ( ) Grievance Procedure (May be updated)

( ) Housekeeping Standards ( ) Other:_____

STATEMENT ON RECEIPT OF INFORMATION

I/We have received a copy of the above information including "The Danger of Lead Poisoning to Homeowners" and "The Danger of Lead Poisoning to Renter." The above information has been thoroughly explained to me/us. I/We understand the possibility the lead-based paint may exist in the unit.

_____ _____.

Tenant's Signature Date

OFFICE ADDRESS:_____ HOURS_____

TELEPHONE NUMBER_____

EMERGENCY MAINTENANCE TELEPHONE NUMBER _____

Monday through Friday after 5:00 p.m., weekends and holidays

Appendix V

SAMPLE PUBLIC HOUSING GRIEVANCE PROCEDURE
(for a Due Process State)

1. Definitions applicable to the grievance procedure: (§ 966.53)

A. Grievance: Any dispute a Tenant may have with respect to PHA action or failure to act in accordance with the individual Tenant's lease or PHA regulations that adversely affects the individual Tenant's rights, duties, welfare or status.

B. Complainant: Any Tenant (as defined below) whose grievance is presented to the PHA (at the central office or the development office) in accordance with the requirements presented in this procedure.

C. 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:

(1) Adequate notice to the Tenant of the grounds for terminating the tenancy and for eviction;

(2) Right of the Tenant to be represented by counsel;

(3) Opportunity for the Tenant to refute the evidence presented by the PHA, including the right to confront and cross examine witnesses and to present any affirmative legal or equitable defense which the Tenant may have;

(4) A decision on the merits of the case.

D. Hearing Officer: A person selected in accordance with **24 CFR § 966.550** and this procedure to hear grievances and render a decision with respect thereto.

E. Hearing Panel: A three member panel selected in accordance with **24 CFR § 966.55** and this procedure to hear grievances and render a decision with respect thereto.

F. Tenant: The adult person (or persons other than a Live-in aide): (1) Who resides in the unit, and who executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit, (2) Who resides in the unit, and who is the remaining head of the household of the Tenant family residing in the dwelling unit.

G. Resident Organization: An organization of residents, which also may include a resident management corporation.

II. Applicability of this grievance procedure (966.51)

In accordance with the applicable Federal regulations **(24 CFR § 966.50)** this grievance procedure shall be applicable to all individual grievances (as defined in Section I above) between Tenant and the PHA with the following two exceptions:

A. Because HUD has issued a due process determination that the law of the State that requires that a Tenant be given the opportunity for a hearing in court which provides the basic elements of due process (as defined above) before eviction from the dwelling unit, the grievance procedure shall not be applicable to any termination of tenancy or eviction that involves:

(1) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the PHA, or

(2) Any violent or drug-related criminal activity on or off such premises; or

(3) Any criminal activity that resulted in felony conviction of a household member. **[966.51 (2)(i) (A) (B) and (C)]**

B. The PHA grievance procedure shall not be applicable to disputes between Tenants not involving the PHA or to class grievances. The grievance procedure is not intended as a forum for initiating or negotiating policy changes between a group or groups of tenants and the PHA's Board of Commissioners. **[966.51 (b)]**

This grievance procedure is incorporated by reference in all Tenant dwelling leases and will be furnished to each Tenant and all resident organizations. **[966.52 (b) and (d)]**

Any changes proposed in this grievance procedure must provide for at least 30 days notice to Tenants and Resident Organizations, setting forth the proposed changes and providing an opportunity to present written comments. Comments submitted shall be considered by the PHA before any revisions are made to the grievance procedure. **[966.52 (c)]**

111. Informal settlement of a grievance [966.54]

Any grievance must be personally presented, either orally or in writing, to the PHA's central office or the management office of the development in which the complainant resides **within ten days after the grievable event.**

Grievances related to complaints about operational matters that are received by the PHA's central office will be referred to the person responsible for the management of the development in which the complainant resides. Grievances involving complaints related to discrimination, harassment, or disability rights will be referred to the Civil Rights Administrator or Director of Operations.

As soon as the grievance is received, it will be reviewed by the management office of the development or the Civil Rights Administrator (if applicable) to be certain that neither of the exclusions in paragraphs II.A or II.B above applies to the grievance. Should one of the exclusions apply, the complainant will be notified in writing that the matter raised is not subject to the PHA's grievance procedure, with the reason therefor.

If neither of the exclusions cited above apply, the complainant will be contacted to arrange a mutually convenient time **within ten working days** to meet so the grievance may be discussed informally and settled without a hearing. At the informal hearing the complainant will present the grievance and the person in charge of the

management office or the Civil Rights Administrator will attempt to settle the grievance to the satisfaction of both parties.

Within five working days following the informal discussion, the PHA shall prepare and either hand deliver or mail to Tenant a summary of the discussion that must specify the names of the participants, the dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefor, and shall specify the procedures by which a formal hearing under this procedure may be obtained if the complainant is not satisfied. A copy of this summary shall also be placed in Tenant's file. A receipt signed by the complainant or a return receipt for delivery of certified mail, whether or not signed, will be sufficient proof of time of delivery for the summary of the informal discussion. **[966.55 (a)]**

IV. Formal Grievance Hearing

If the complainant is dissatisfied with the settlement arrived at in the informal hearing, the complainant must submit a written request for a hearing to the management office of the development where Tenant resides **no later than five working days after the summary of the informal hearing is received.**

The written request shall specify:

The reasons for the grievance;

The action of relief sought from the PHA; and

Several dates and times **in the following ten working days** when the complainant can attend a grievance hearing.

If the complainant requests a hearing in a timely manner, the PHA shall schedule a hearing on the grievance at the earliest time possible for the complainant, PHA and the hearing officer or hearing panel, **but in no case later than ten working days** after the PHA received the complainant's request.

If the complainant fails to request a hearing within five working days after receiving the summary of the informal hearing, the PHA's decision rendered at the informal hearing becomes final and the PHA is not obligated to offer the complainant a formal hearing unless the complainant can show good cause why he failed to proceed in accordance with this procedure. **[966.55 (c) and (d)]**

Failure to request a grievance hearing does not affect the complainant's right to contest the PHA's decision in a court hearing. **[966-54 (c)]**

V. Selecting the Hearing Officer or Hearing Panel [966.55 (b)(2)(ii)]

A grievance hearing shall be conducted by an impartial person or persons appointed by the PHA after consultation with resident organizations, as described below:

A. The PHA shall nominate a slate of impartial persons to sit as hearing officers or hearing panel members. Such persons may include PHA Board members, PHA staff members, residents, professional arbitrators, or others. The initial slate of nominees should be at least nine persons.

The PHA will check with each nominee to determine whether there is an interest in serving as a hearing officer or panel member, whether the nominee feels fully capable of impartiality, whether the nominee can serve without compensation, and what limitations on the nominee's time would affect such service.

Nominees will be informed that they will be expected to disqualify themselves from hearing grievances that involve personal friends, other residents of developments in which they work or reside, or grievances in which they have some personal interest.

Nominees who are not interested in serving as hearing officers or whose time is too limited to make service practical will be withdrawn and other names will be substituted.

B. A slate of potential hearing officers or hearing panel members nominated by the PHA shall be submitted to the PHA's Resident Organizations. Written comments from the organizations shall be considered by the PHA before the nominees are appointed as hearing officers or panel members.

C. When the comments from Resident Organizations have been received and considered, the nominees will be informed that they are the PHA's official grievance hearing committee. The PHA will subsequently contact committee members in random order to request their participation as hearing panel members or hearing officers.

VI. Escrow deposit required for a hearing involving rent [966.55 (e)]

Before a hearing is scheduled in any grievance involving the amount of rent which the PHA claims is due under this lease, the complainant shall pay to the PHA an amount equal to the rent due and payable as of the first of the month preceding the month in which the act or failure to act took place. The complainant shall, thereafter, deposit the same amount of the monthly rent in an escrow account monthly until the complaint is resolved by decision of the hearing officer or hearing panel.

This requirement will not be waived by the PHA unless the complainant is paying minimum rent and the grievance is based on a request for a hardship exemption or the tenant's welfare benefits have been reduced for welfare fraud or failure to comply with economic self sufficiency requirements. **In these cases only**, rent need not be escrowed.

VII Scheduling hearings [966.55 (f)]

When a complainant submits a timely request for a grievance hearing, the PHA will immediately contact three members of the hearing committee to schedule the hearing within the following ten working days on one of the dates and times indicated by the complainant. If three committee members can agree on a date and time for the hearing, the complainant will be so notified.

If two of the panel members can meet on a date convenient for the complainant, the PHA will approach another member of the hearing committee to find a third member to complete the panel.

If only one member of the hearing committee can meet on a date named by the complainant, that single committee member shall serve as the hearing officer.

Once the hearing panel or hearing officer have agreed upon the hearing date and time, the complainant, the manager of the development in which the complainant resides, and hearing panel members or officer shall be notified in writing. Notice to the complainant shall be in writing, either personally delivered to complainant or sent by mail, return receipt requested.

The written notice will specify the time, place and procedures governing the hearing.

VIII. Procedures governing the hearing **[966.56]**

The hearing shall be held before a hearing panel or hearing officer as described above in Section VII. The complainant shall be afforded a fair hearing, which shall include:

A. The opportunity to examine before the hearing any PHA documents, including records and regulations, that are directly relevant to the hearing.

   The Tenant shall be allowed to copy any such document at the Tenant's expense. If the PHA does not make the document available for examination upon request by the complainant, the PHA may not rely on such document at the grievance hearing.

B. The right to be represented by counsel or other person chosen as the Tenant's representative and to have such person make statements on the Tenant's behalf.

C. The right to a private hearing unless the complainant requests a public hearing. The right to present evidence and arguments in support of the Tenant's complaint to controvert evidence relied on by the PHA or project management, and to confront and cross examine all witnesses upon whose testimony or information the PHA or project management relies; and

D. A decision based solely and exclusively upon the fact presented at the hearing. **[966-56 (b)]**

The hearing panel or officer may render a decision without proceeding with the hearing if they determine that the issue has been previously decided in another proceeding. **[966-56 (c)]**

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and, thereafter, the PHA must sustain the burden of justifying the PHA action or failure to act against which the complaint is directed. **[966.56 (e)]**

The hearing shall be conducted informally by the hearing panel or officer. Oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings. **[966.56 (f)]**

The hearing panel or officer shall require the PHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing panel or officer to obtain order may result in

exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate. **[966.56 (f)]**

The complainant or the PHA may arrange in advance, at expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript. **[966.56 (g)]**

The PHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the Tenant is visually impaired, any notice to the Tenant which is required under this procedure must be in an accessible format. **[966.56 (h)]**

If a hearing panel member or officer fails to disqualify himself/herself as required in Section V.A,, the PHA will remove the panel member or officer from the hearing committee, invalidate the results of the hearing and schedule a new hearing with a new hearing panel or officer.

XI. Failure to appear at the hearing

If the complainant or the PHA fails to appear at the scheduled hearing, the hearing panel or officer 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 has right to a hearing. **[966.56 (d)]**

Both the complainant and the PHA shall be notified of the determination by the hearing panel or officer; Provided, that a determination that the complainant has waived his right to a hearing shall not constitute a waiver of any right the complainant may have to contest the PHA's disposition of the grievance in court. **[966.56 (d)]**

XII. Decision of the hearing panel or officer [966.57]

The hearing panel or officer shall prepare a written decision, together with the reasons for the decision **within ten working days** after the hearing. A copy of the decision shall be sent to the complainant and the PHA.

The PHA shall retain a copy of the decision in the Tenant's folder. A copy of the decision with all names and identifying references deleted, shall also be maintained on file by the PHA and made available for inspection by a prospective complainant, his representative, or the hearing panel or officer.

The decision of the hearing panel or officer shall be binding on the PHA, which shall take all actions, or refrain from any actions, necessary to carry out the decision unless the PHA's Board of Commissioners determines within ten working days, and promptly notifies the complainant of its determination that:

A. The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease or PHA regulations, which adversely affect the complainant's rights, duties, welfare or status.

B. The decision of the hearing panel or officer is contrary to applicable Federal, State or local law, HUD regulations, or requirements of the annual contributions contract between HUD and the PHA.

C. A decision by the hearing panel or officer or Board of Commissioners in favor of the PHA or which denies the relief requested by the complainant in whole or in part shall not constitute a waiver of, nor affect in any way, the rights of the complainant to a trial or judicial review in any court proceedings which may be brought in the matter later. **[966.57]**

Appendix VI

COMMUNITY SERVICE AND SELF SUFFICIENCY POLICY

A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all non-exempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes 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 - volunteer work which includes, but is not limited to:

- Work at a local institution including but not limited to: school, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc.;
- Work with a non-profit organization that serves PHA residents or their children such as: Boy Scouts, Girl Scouts, Boys or Girls clubs, 4-H program, PAL, Garden Center, Community clean-up programs, beautification programs, other youth or senior organizations;
- Work at the Authority to help improve physical conditions;
- Work at the Authority to help with children's programs;
- Work at the Authority to help with senior programs;
- Helping neighborhood groups with special projects;
- Working through resident organization to help other residents with problems, serving as an officer in a Resident organization, serving on the Resident Advisory Board; and
- Caring for the children of other residents so they may volunteer.

NOTE: **Political activity is excluded.**

Self Sufficiency Activities - activities that include, but are not limited to:

- Job readiness programs;
- Job training programs;
- GED classes;
- Substance abuse or mental health counseling;
- English proficiency or literacy (reading) classes;
- Apprenticeships;

- Budgeting and credit counseling;
- Any kind of class that helps a person toward economic independence; and
- Full time student status at any school, college or vocational school.

Exempt Adult - an adult member of the family who

- Is 62 years of age or older;
- Has a disability that prevents him/her from being gainfully employed;
- Is the caretaker of a disabled person;
- Is working at least 20 hours per week; or
- Is participating in a welfare to work 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 Authority will make the determination of whether to allow or disallow a deviation from the schedule.
3. Activities must be Performed within the community and not outside the jurisdictional area of the Authority.
4. Family obligations
   - At lease execution or re-examination after February 1, 2000, all adult members (18 or older) of a public housing resident family must
     1 provide documentation that they are exempt from Community Service requirement if they qualify for an exemption, and
     2 sign a certification that they have received and read this policy and understand that if they are not exempt, failure to comply with the Community Service requirement will result in nonrenewal of their lease.
   - At each annual re-examination, non-exempt family members must present a completed documentation form (to be provided by the Authority) of activities performed over the previous twelve (12) months. This form 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 re-examination, he/she and the Head of Household will sign an agreement with the Authority to make up the deficient hours over the next twelve (12) month period.
5. Change in exempt status:
   - If, during the twelve (12) month period, a non-exempt person becomes

exempt, it is his/her responsibility to report this to the Authority and provide documentation of such.

- If, during the twelve (12) month period, an exempt person becomes non-exempt, it is his/her responsibility to report this to the Authority. The Authority will provide the person with the Recording/Certification documentation form and a list of agencies in the community that provide volunteer and/or training opportunities.

D. Authority obligations

1. To the greatest extent possible and practicable, the Authority will:

   - provide names and contacts at agencies that can provide opportunities for residents, including disabled, to fulfill their Community Service obligations. *(According to the Quality Housing and Work Responsibility Act, a disabled person who is otherwise able to be gainfully employed is not necessarily exempt from the Community Service requirement)*; and
   - provide in-house opportunities for volunteer work or self sufficiency programs.

2. The Authority will provide the family with exemption verification forms and Recording/Certification documentation forms and a copy of this policy at initial application and at lease execution.

3. The Authority will make the final determination as to whether or not a family member is exempt from the Community Service requirement. Residents may use the Authority's Grievance Procedure if they disagree with the Authority's determination.

4. Noncompliance of family member:

   - At least thirty (30) days prior to annual re-examination and/or lease expiration, the Authority will begin reviewing the exempt or non-exempt status and compliance of family members;
   - If the Authority finds a family member to be noncompliant, the Authority will enter into an agreement with the noncompliant member and the Head of Household to make up the deficient hours over the next twelve (12) month period;
   - If, at the next annual re-examination, the family member still is not compliant, the lease will not be renewed and the entire family will have to vacate, unless the noncompliant member agrees to move out of the unit;
   - The family may use the Authority's Grievance Procedure to protest the lease termination.

Appendix 1

Community Service Exemption Certification

I certify that I am eligible for an exemption from the Community Service requirement for the following reason:

( ) I am 62 or older

( ) I have a disability which prevents me from working

(Certification of Disability Form will serve as documentation)

( ) I am working

(Employment Verification form will serve as documentation)

( ) I am participating in a Welfare to Work Program

(Must provide verification letter from agency)

( ) I am receiving TANF and am participating in a required economic self sufficiency program or work activity

(Must provide verification from *the funding agency that you are complying with job training or work requirements)*

( ) I am a full time student

(Must provide verification letter from school attended)

_____

Resident

_____

Date

Community Service Compliance Certification

I/We have received a copy of, have read and understand the contents of the Authority's Community Service/Self Sufficiency Policy.

I/We understand that this is a requirement of the Quality Housing and Work Responsibility Act of 1998 and that if we do not comply with this requirement, our lease will not be renewed.

Resident_____Date_____

Resident_____Date_____

Resident_____Date_____

Appendix VII
PET OWNERSHIP POLICY OUTLINE

The table of contents for a model pet policy is outlined and described below. PHAs have significant flexibility in defining certain aspects of the pet policy and the comments reflect options open to the PHA.

In drafting the policy, PHAs should keep in mind that the Part 5 rules apply to properties for the elderly or persons with disabilities and the Part 960 rules properties for general occupancy. For the purposes of administrative consistency, PHAs are free to apply uniform requirements across all sites but are not required to do so. The policy document could be divided into sections that reflect the requirements imposed by the different developments. The outline below is for a uniform agency-wide policy.

As required by 24 CFR 960.707 (e), the Pet Policy is a supporting document to the annual plan.

	Table of Contents	Reference 24 CFR	Comment
1	Introduction	5.300 & 960.703 903.7 (n) 5.312 5.380 5.309	See reference for statutory source of policy. Also PHA can outline purpose and indicate when the policy was reviewed by the Resident Advisory Board and adopted by the PHA Board. It is appropriate to mention how the policy was developed by the PHA citing compliance with the notice requirements and resident participation for developments for the elderly or persons with disabilities. Content of the notice for the elderly and persons with disabilities is very specific. PHAs are required to consult with the tenants or tenant councils of these properties. For general occupancy properties consultation may include resident councils and must involve the RAB for the Annual Plan. This is also an appropriate place to state the prohibition against discrimination.
2	Policy not applicable to assistive animals	5.303 & 960.705	This section should address the exclusion of assistive animals for persons with disabilities from the requirements of the pet policy. This is also a good place to note the definition of assistive animal and the documentation requirements to support the need for an assistive animal. The documentation provided must demonstrate that: the tenant or family meet the definition of person with a disability; the animal is trained to assist a person with that specific disability; and, the animal actually assists the person with a disability.
3	Definitions	5.318 (a)	The PHA is permitted to define common household pet. The term may exclude dangerous animals (poisonous snakes, a wolf,

	Table of Contents	Reference 24 CFR	Comment
		960.707 (b) (3)	bobcats) and the breeding of animals in a unit for commercial or other purposes. Other restrictions applicable to the type of pet (size or weight of dog, breed of dog. number of birds, number of pets per household, etc.) are referenced below.
4	Pet Rules Designated Pet Areas Density	5.318 (g) 960.707 (b) (4) 5.318 (b) 960.707 (b) (2) and (4)	PHAs may designate buildings, floors, or sections of buildings as no pet areas. The PHA should clearly describe these areas in the policy or in attachment to the policy. Areas may vary from property to property. The PHA may, in combination with designation or independently, set pet density requirements. Such rules would limit the number of pets permitted in an area.
4	Pet rules Other Requirements placed on pets	960.707 (b) (5) 5.318 (f)	The PHA should describe and list applicable requirements related to keeping a pet. Topics might include: Number of pets permitted in the household; Registration requirements including: documentation required to demonstrate inoculations as required by State Law or Local Authority; requirement that pets be licensed and evidence of compliance with licensing requirements; name, address and phone number of responsible parties; statement that the resident has read and understands the policy and agrees to comply with the policy.
4	Pet rules		Statement that the Authority may refuse to register a pet, reasons for declining registration, and notification required if the Authority makes that decision; Size, type or breed restrictions.
4	Pet rules Other Requirements placed on pets	960.707 (b) (6)	Requirements to have animals neutered or spayed; Requirements for a pet deposit and the maximum that can be charged (higher of TTP or reasonable fixed amount, for elderly or persons with disabilities the deposit cannot exceed one months rent); other requirements apply and should be included in the policy statement.
4	Pet rules Other Requirements placed on pets	5.318 (e) 5.318 (h)	Standards of pet care and handling; Exclusion of pets not owned by the tenant; Restrictions on breeding, or keeping animals for fighting; restrictions on participating in fighting or gambling related to such fights. Other reasonable rules as applied by the PHA, e.g. keeping birds in cages.
5	Pet Rule Violations		This section describes the PHA notice process in the event of a pet rule violation, including manner of service, notice contents, time for compliance or response by the resident, requirements to

	Table of Contents	Reference 24 CFR	Comment
			meet with management, etc. This section should also describe the ground rules for a pet rule violation meeting and notice requirements if the PHA requires the resident to remove the pet.
6	Lease Provisions	5.321	The policy should describe the relationship of the pet policy to the lease and how the lease will be revised to incorporate pet rules. (E.g. use of pet agreement or addendum to the lease.)
7	Nuisance Statement	5.327	The policy should include a statement of the PHA's right to act if the pet becomes a nuisance or a threat to health and safety.
8	Policy Attachments		E.g. Pet Agreement, Pet Policy Certification, Sample Rules Violation Notice.

Appendix VIII

SAMPLE VERIFICATION FORMS

The sample forms provided are, roughly, in the order in which they would be used to process an applicant for admission.

Application Forms

Pre-application
Application
Annual Income Checklist
Annual Income Worksheet
Asset Checklist
Asset Divestiture Data-gathering Worksheet
Asset Income Worksheet
Allowance Checklist
Adjusted Income Worksheet
Rent Calculation Worksheet
Reasonable Accommodations Notice
Special Unit Requirements Questionnaire
Verification of Special Unit Features

Income Verification Forms

Employment
Public Assistance
Social Security/SSI
Child Support
Military Pay
VA Benefits
Unemployment Benefits
Pension or Annuity
Self Employment
Zero Income
Asset Income

Allowances/Deductions from Income

Fulltime Student
Non-reimbursement of Child Care Expenses
Child care costs – Babysitter
Child care costs – Day care center
Medical Costs
Prescription Costs
Checklist for Disability Expense Verifications

Verification of disability
Disability Allowance
Certification of need for attendant care or auxiliary apparatus
Attendant care
Employer's certification of need for auxiliary apparatus
Cost of auxiliary apparatus
Certification for disability reimbursement

Screening

Screening Cover Letter
Landlord
Notice of Rejection
Police Record
Certification for Assistance to an Applicant Complying with Lease Terms
Verification of Ability to Comply with Lease Terms
Checklist: Ability to Comply with Lease Terms
Home Visit
Utilities

Miscellaneous

Threat Assessment
Imputed Welfare Income

HOUSING AUTHORITY
Administration Building
Street, City, State, Zip
Telephone: (__) _____ Fax: (__) _____.

Mail-in PRE-APPLICATION for PUBLIC HOUSING

Instructions: Please read Carefully. Incomplete applications will not be processed.

1. To be qualified for admission to public housing an applicant must:
   (a) Be a family as defined in PHA's Admission and Continued Occupancy policy;
   (b) Meet the HUD requirements on citizenship or immigration status;
   (c) Have an Annual Income at the time of admission that does not exceed the income limits established by HUD posted in PHA offices;
   (d) Provide documentation of Social Security numbers for all family members, age 6 or older, or certify that they do not have Social Security numbers;
   (e) Meet or exceed the Applicant Selection Criteria, including attending and successfully completing a PHA-approved pre-occupancy orientation session; and
   (f) Meet the screening requirements related to criminal activity and alcohol abuse.
2. Complete applications will be entered on the waiting list in the order received. The waiting list will then be sorted according to unit type and size and applicant admission preferences.
3. Applications will be accepted by mail only, sent to the following address, postmarked within dates when PHA is accepting applications:

   _____ Housing Authority, LIPH Admissions
   Administration Building
   Street
   City, State, Zip

   except

4. Applicants with disabilities may seek assistance with the completion of the application at PHA's Admissions and Occupancy Department, at the address above.
5. Be sure to include the name, social security number, date of birth and all income for every family member who will live in the household.
6. Be sure to provide your complete address and telephone number so we can reach you to schedule an application interview.

The Housing Authority is an Equal Housing Provider

PHA use Only:	Lottery Number_____
Date of application: _____	Time of Application:_____

Pre-application for Public Housing

1. Name of head of household:_____
2. Name of adult co-head of household:_____
3. Current address, Street, Apt. #_____
   Current City, State and Zip_____
   Current Area Code and Phone #_____

For Statistical Purposes Only

4. Race of Head: ❒ African American/Black ❒ Asian or Pacific Islander
   ❒ Native American/ Alaskan Native ❒ Caucasian/White
5. Ethnicity of Head: ❒ Hispanic/Latino ❒ Non-Hispanic/Non-Latino

FAMILY INFORMATION

	First Name & Last Name if different from Head's	Date of Birth	Sex	Social Security Number	Relation to Head	Disabled Person?	Birthplace: Country	Full-time Student?
H				___ __ ____	Head			
2				___ __ ____				
3				___ __ ____				
4				___ __ ____				
5				___ __ ____				
6				___ __ ____				
7				___ __ ____				
8				___ __ ____				

6. Is the applicant family displaced by a declared Natural Disaster, such as a flood, hurricane, earthquake, tornado, etc.? ❒ Yes ❒ No
7. Is the applicant family displaced by governmental action through no fault of their own? ❒ Yes ❒ No
8. Is the applicant family displaced by domestic violence? ❒ Yes ❒ No
9. Is any adult family member employed ? ❒ Yes ❒ No

10. Is any adult family member enrolled in a job training program, including one required under the welfare program? ❒ Yes ❒ No

11. Is any adult family member enrolled in an education program full-time? ❒ Yes ❒ No

12. **Family Income Information**: Please list the source and amount of all current income received by all family members, including yourself. Include all earnings and benefits received from AFDC/TANF, VA, Social Security, SSI, SSID, Unemployment, Worker's Compensation, Child Support, etc.

Family Member Name	Income Source	Amount $	Frequency – Per
			❒ Week ❒ Month ❒ Year
			❒ Week ❒ Month ❒ Year
			❒ Week ❒ Month ❒ Year
			❒ Week ❒ Month ❒ Year

13. Current Landlord's name and phone #_____
    Date Family Moved to this location _____

13. Most recent former address, Street, Apt. #_____
    Most recent former City, State and Zip_____
    Most recent former Area Code and Phone #_____

14. Most recent prior landlord's name, phone # _____
    Date Family Moved to this location_____

PHA will be contacting all former landlords for the period three years from the date of application

I/we certify that the statements on this application are true to the best of my/our knowledge and belief and understand that they will be verified. I/we authorize the release of information to the Housing Authority by my/our employer(s), the Department of Public assistance, the Social Security Administration, and/or other business or government agencies. I/we understand that any false statement made on this application will cause me/us to be disqualified for admission.

_____

Applicant Signature Date

_____

Co-applicant Signature Date

Warning: 18 U.S.C. 1001 provides, among other things that whoever knowingly and willfully makes or uses a document or writing containing false, fictitious or fraudulent statement or entry in any matter within the jurisdiction of an department or agency of the United States shall be fined not more than $10,000 or imprisoned for not more than five years or both.

HOUSING AUTHORITY (PHA)
Administration Building
Street, City, State Zip
Telephone: (__) _____ Fax: (__) _____.

APPLICATION for PUBLIC HOUSING

This is not a Section 8 application and cannot be used for the Housing Voucher program.

Instructions: Please read Carefully. Incomplete applications will not be processed.

1. This application is valid for all public housing properties operated by the Housing Authority
2. To be qualified for admission to public housing an applicant must:
   (a) Be a family as defined in PHA's Admission and Continued Occupancy policy;
   (b) Meet the HUD requirements on citizenship or immigration status;
   (c) Have an Annual Income at the time of admission that does not exceed the income limits established by HUD that are posted in PHA offices.
   (d) Provide documentation of Social Security numbers for all family members, age 6 or older, or certify that they do not have Social Security numbers;
   (e) Meet or exceed the Applicant Selection Criteria, including attending and successfully completing a PHA-approved pre-occupancy orientation session, if requested to do so;
   (f) Pay any money owed to PHA or any other housing authority;
   (g) Not have had a lease terminated by PHA in the past 12 months;
   (h) Be able and willing to comply with the Housing Authority lease; and
   (i) Not have any family members engaged in any criminal activity that threatens the life, health, safety, or right to peaceful enjoyment of the premises by other residents, and not have any family members engaged in any drug-related criminal activity.
3. Complete applications will be entered on the waiting list in the order received. The waiting list will then be processed in order according to unit type and size and admission preferences.
4. Each applicant who meets the above qualifications will receive one unit of the size and type needed. If the applicant accepts the offer, the applicant will be offered a lease. If the applicant refuses the offer without good cause, the application will be withdrawn from the waiting list and the applicant will not be permitted to reapply for 12 months.
5. Applicants with disabilities may seek assistance with the completion of the application at PHA's Admissions and Occupancy Department, at the address above.
6. PHA will conduct a criminal record check on all applicants age 15 years and older.

The Housing Authority is an Equal Housing Provider

PHA use Only: Pre-app Pref claimed: ❒ Displacement ❒ Upward Mobility
Date of application: _____Time of Application:_____App #_____❒ Tier I ❒ Tier II

1. Name of head of household:_____
3. Name of adult co-head of household:_____
3. Current address, Street, Apt. #_____
   Current City, State and Zip_____
   Current Area Code, Home & Work Phone #s_____

For Statistical Purposes Only

4. Race of Head: ❒ Caucasian/White ❒ African American/Black ❒ Asian or Pacific Islander
   ❒ Native American/ Alaskan Native
5. Ethnicity of Head: ❒ Hispanic/Latino ❒ Non-Hispanic/Non-Latino

FAMILY INFORMATION

Beginning with yourself, list all persons who will live in the PHA unit, including foster children, live-in aides (if needed for the care of a family member). Each box must be completed for each family member. No one except those listed on this form may live in the unit.

	First Name & Last Name if different from Head's	Date of Birth	Sex	Social Security Number	Relation to Head	Disabled Person?	Birthplace: Country	Full-time Student?
H				___ __ ____	Head			
2				___ __ ____				
3				___ __ ____				
4				___ __ ____				
5				___ __ ____				
6				___ __ ____				
7				___ __ ____				
8				___ __ ____				

14. Is the applicant family displaced by a declared Natural Disaster, such as a flood, hurricane, earthquake, etc.? ❒ Yes ❒ No. If yes, who can verify this? Please give name, address and phone #._____

15. Is the applicant family displaced by governmental action through no fault of their own? ❒ Yes ❒ No If yes, who can verify this? Please give name, address & phone #:_____
    _____

16. Is the applicant family displaced by domestic violence? ❒ Yes ❒ No If yes, who can verify this? Please give name, address, and phone number _____

_____

17. Is any adult family member employed ? ❒ Yes ❒ No If yes, name, address & phone # of employer:_____

18. Is any adult family member enrolled in a job training program, including one required under the Welfare program? ❒ Yes ❒ No If yes, who can verify this? Please give name, address & phone #:_____

19. Is any adult family member enrolled in an education program full-time? ❒ Yes ❒ No If yes, who can verify this? Please give name, address and phone #:_____

_____

20. **Family Income Information**: Please list the source and amount of all income expected for the coming 12 months for all family members, including yourself. Include all earnings and benefits received from AFDC/TANF, VA, Social Security, SSI, SSID, Unemployment, Worker's Compensation, Child Support, etc. Example: Wages, $150/week, SSI, $421/month

Family Member Name	Income Source	Amount $	Frequency – Per
			❒ Week ❒ Month ❒ Year
			❒ Week ❒ Month ❒ Year
			❒ Week ❒ Month ❒ Year
			❒ Week ❒ Month ❒ Year

21. Do you have a checking or savings account or own any Certificates of Deposit, stocks, bonds, etc? ❒ Yes ❒ No If yes, describe the type of asset(s) please: _____
What is the market value of all assets? _____

22. Do you own any real estate? ❒ Yes ❒ No If yes, what is the address?_____

_____

23. Have you sold any real estate in the past two years? ❒ Yes ❒ No If yes, what was the address?_____

24. Current Landlord's name and phone #_____
Date Family Moved to this location _____

13. Most recent former address, Street, Apt. #_____
Most recent former City, State and Zip_____
Most recent former Area Code and Phone #_____

14. Most recent prior landlord's name, phone #_____
Date Family Moved to this location_____

Screening Questions: A "yes" answer will not necessarily disqualify you for admission.

15. Have you ever been evicted from housing? ❒ Yes ❒ No If yes, why?_____
_____

16. Have you ever lived in public housing before? ❒ Yes ❒ No If yes, where?_____
Dates: From_____ To_____ Name of Lessee:_____
Do you owe any money to the housing authority? ❒ Yes ❒ No

17. Do you have any past due utility bills? ❒ Yes ❒ No If yes, please describe and give amount owed:_____

18. Have you, or any member of the applicant household ever been arrested or convicted of a crime other than a traffic violation? ❒ Yes ❒ No If yes, please explain the nature of the problem and who was involved:_____
_____

19. Is anyone in your household currently on parole or probation? ❒ Yes ❒ No If yes, please explain:_____

Qualifying for Deductions in Calculating Rent:

20. Is the head of household or spouse age 62 or older or a person with a disability? ❒ Yes ❒ No If yes, please answer the following questions. If no, please skip down to question # 22.

21. Does your household have any medical expenses (include insurance, medicare deduction, doctor visits, hospital, clinic costs, medicine, therapy, supplies, medical transportation, etc.)? ❒ Yes ❒ No If yes, please describe the type of expense (not your medical condition) and the unreimbursed amount you spend per month on all medical expenses: Type of expense:_____
_____
_____
Monthly medical expense:$_____ Please give us the name, address & phone # of someone who can verify the expense:_____
_____

22. Do you have any expenses on behalf of a household member with disabilities so an adult in the family can work? ❒ Yes ❒ No If yes, describe the nature of the expense and the monthly amount:_____
Please give us the name, address & phone # of someone who can verify the expense:_____
_____

23. Do you have child care expenses for children under age 13 so an adult in the family can work, go to school or attend job training? ❒ Yes ❒ No If yes, please list the name, address and phone # of your child care provider:_____
Monthly unreimbursed child care cost: $_____

24. Is any member of the household age 18 or older other than the family head and spouse a full time student or a person with a disability? ❒ Yes ❒ No If yes, please give us the name of the family member and the name and address of someone who can verify this information: Name of family member:_____ Please give us the name, address & phone # of someone who can verify this information:_____
_____

25. Drivers License or State ID #: Applicant:_____ Co-applicant:_____
Automobile: Year:_____ Make:_____ Model:_____ License:_____

PHA will be contacting all former landlords for the period three years from the date of application

I/we certify that the statements on this application are true to the best of my/our knowledge and belief and understand that they will be verified. I/we authorize the release of information to the Housing Authority by my/our employer(s), the Department of Public assistance, the Social Security Administration, and/or other business or government agencies. I/we understand that any false statement made on this application will cause me/us to be disqualified for admission.

_____

Applicant Signature Date

_____

Co-applicant Signature Date

Warning: 18 U.S.C. 1001 provides, among other things that whoever knowingly and willfully makes or uses a document or writing containing false, fictitious or fraudulent statement or entry in any matter within the jurisdiction of an department or agency of the United States shall be fined not more than $10,000 or imprisoned for not more than five years or both.

Housing Authority

ANNUAL INCOME CHECKLIST

INSTRUCTIONS: At the certification and recertification interviews, head of household should answer the questions below about Annual Income and sign the certification statement.

Family Member Name	**Income Amount**	**Date Verified**

1) a. Will any household members be receiving any type of income from employment? ❑ Yes ❑ No

b. If yes, list names of such family members who will receive employment income.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

2) a. Will any household members be receiving income from a family-operated business or be otherwise self-employed? ❑ Yes ❑ No

b. If yes, list names of such family members who will receive income from self employment.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

3) Will anyone in the household receive Social Security or SSI Benefits? ❑ Yes ❑ No

If yes, list names of such recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

4) Will anyone in the household receive **periodic** payments from Annuities, Insurance policies, retirement funds, pensions, disability or death benefits, or other similar amounts? ❑ Yes ❑ No

If yes, list first names of recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

Family Member Name	Income Amount	Date Verified

5) Will anyone in the household receive unemployment compensation, disability compensation, workers' compensation or severance pay? ❑ Yes ❑ No

If yes, list family members who are recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

6) Will anyone in the household be receiving public assistance benefits? ❑ Yes ❑ No

If yes, list recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

7) Will anyone in the household be receiving alimony or child support payments? ❑ Yes ❑ No

If yes, list first names of such family members who are recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

8) Will anyone in the household be receiving income from assets? ❑ Yes ❑ No

If yes, list first names of such family members who are recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

9) Is any household member, 18 or older, receiving pay as a member of the Armed Services? ❑ Yes ❑ No If yes, list family members who are recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

Family Member Name	Income Amount	Date Verified

10) Is any household member receiving lottery winnings, paid periodically? ❑ Yes ❑ No

If yes, list family members who are recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

11) Is any household member receiving recurring monetary contributions or other gifts or payments from a non-household member? ❑ Yes ❑ No

If yes, list family members who are recipients.

_____	$_____	____/____/____
_____	$_____	____/____/____
_____	$_____	____/____/____

Resident's Certification

I hereby certify that I have answered the questions on this checklist truthfully and that the income listed on this form represents all the income available to my household.

_____ Head of Household's name

_____ Head of Household's signature

_____ PHA witness

Housing Authority

ANNUAL INCOME WORKSHEET

Use this form in connection with the verified information collected from the Annual income Checklist. In the left-hand column list the family member who receives income and in the columns to the right enter the amount of income anticipated for the next 12 months, by category.

Family Member Name	Earned Income	Welfare, Soc Sec, SSI	Pension, Annuity, Retire.	Unemplymnt Workers comp	Contribution Other Income
1.	$	$	$	$	$
2.	$	$	$	$	$
3.	$	$	$	$	$
4.	$	$	$	$	$
5.	$	$	$	$	$
6.	$	$	$	$	$
7.	$	$	$	$	$
8.	$	$	$	$	$
9.	$	$	$	$	$
Totals	$	$	$	$	$

Once you have every family member's income entered in the correct column, total each column. Next, total all columns and enter the total below:

SUM OF TOTALS: _____

ASSET INCOME _____ **From Asset Income Worksheet**

ANNUAL INCOME: _____

Housing Authority

ASSET CHECKLIST

INSTRUCTIONS: At the certification and recertification interviews, the head of household should answer the questions below about Assets and sign the certification statement.

Family Member Name	**Value of Asset**	**Date Verified**
1) Do you have cash		
• in a savings account? ❑ Yes ❑ No	_____	____/____/__
• in a checking account? ? ❑ Yes ❑ No	_____	____/____/___
• in a safety deposit box? ? ❑ Yes ❑ No	_____	____/____/___
• at home? ? ❑ Yes ❑ No	_____	____/____/___
• anywhere else? ❑ Yes ❑ No	_____	____/____/___
2) Do you have trust funds available to your household? ❑ Yes ❑ No	_____	____/____/___
3) Do you have any equity in rental property or other capital investments? ❑ Yes ❑ No	_____	____/____/___
4) Do you have any stocks, bonds, treasury bills, certificates of deposit or money market funds? ? ❑ Yes ❑ No	_____	____/____/___
5) Do you have any retirement or pension funds? ? ❑ Yes ❑ No	_____	____/____/___
6) Will you receive any lump sum receipts? ❑ Yes ❑ No	_____	____/____/___
7) Are you holding any personal items as investments (antique cars, coin or stamp collections, etc.)? ❑ Yes ❑ No	_____	____/____/___
8) Do you have a "Whole Life" Life Insurance Policy? ❑ Yes ❑ No	_____	____/____/___

Tenant's Certification

I hereby certify that I have answered the questions on this checklist truthfully and have no assets other than those claimed on this form.

_____ Head of Household's name

_____ Head of Household's signature

_____ PHA witness

Housing Authority

ASSET DIVESTITURE DATA-GATHERING SHEET

PART I. LAND

a) Date divested _____

b) Amount received $_____

c) Location of land _____

d) Size of parcel _____

e) Purchaser/recipient _____

f) Best source of Market Value _____

g) Reasonable costs absorbed during divestiture $_____

PART II. HOUSES OR OTHER REAL ESTATE

a) Date divested _____

b) Amount received _____

c) Address of divested property _____

d) Purchaser/recipient _____

e) Best source of Market Value _____

f) Reasonable $ absorbed by tenant during divestiture _____

PART III. STOCKS OR BONDS

a) Date divested _____

b) Amount received $_____

c) Issuer of Stock/Bond _____

d) Purchaser/recipient _____

e) Best source of Market Value _____

f) Reasonable costs absorbed by tenant during divestiture $_____

PART IV. CASH, CERTIFICATES OF DEPOSIT

a) Date divested _____

b) Recipient _____

c) Amount of Cash, CD $_____

d) Reasonable costs of divestiture (penalty) $_____

PART V. PERSONAL PROPERTY HELD AS AN INVESTMENT

a) Date divested _____

b) Amount received $_____

c) Issuer of Stock/Bond _____

d) Purchaser/recipient _____

e) Best source of Market Value _____

f) Reasonable costs absorbed by tenant during divestiture $_____

PART VI. BUSINESS EQUIPMENT

a) Date divested _____

b) Amount received $_____

c) Issuer of Stock/Bond _____

d) Purchaser/recipient _____

e) Best source of Market Value _____

f) Reasonable costs absorbed by tenant during divestiture $_____

Housing Authority

ASSET INCOME WORKSHEET

Use this form in connection with the verified information collected from the Asset Checklist. In the column 1 list the type of asset (e.g. bank account, CD, real estate). Check column 2 or 3 depending on whether the asset is current or has been divested. In column 4 indicate the date any divested assets were sold or given away. In column 5 list the actual cash value of each asset and in column 6 indicate the actual income (if any) from the assets listed.

1. Type of Asset	2. Current	3. Divested	4. Date Divested	5. Market Value of Asset	6. Cash income from assets
a)			/ /	$	$
b)			/ /	$	$
c)			/ /	$	$
d)			/ /	$	$
e)			/ /	$	$
Totals				$	$

When two years have elapsed since any assets were divested, you need not enter them on this form, since they are no longer used to compute income from assets.

.

If the sum of the amounts in column 5, market value of assets is less than $5,000, income from assets equals the total of the amounts in column 6, Cash Income from Assets.

If the sum of the amounts in the column 5, market value of assets, exceeds $5,000, you must compute imputed income from assets using the following formula.

Total Cash Value of Assets X passbook savings rate % = _____ imputed income from assets.

When the total value of assets exceeds $5,000, asset income equals the higher of actual income from assets or imputed income from assets. Enter this amount on the Annual Income Worksheet

Housing Authority

ALLOWANCE CHECKLIST

INSTRUCTIONS: At the certification and recertification interviews, the head of household should answer the questions below about Allowances and sign the certification statement.

Family Member Name	**Date Verified**
1) **Dependent Deduction**	
a. Do you have any household members**, other than head, spouse, foster children, and live-in attendants** who are under age 18? ❑ Yes ❑ No	____/____/___
b. 18 or older **and** either a full-time student or disabled? ❑ Yes ❑ No	____/____/___
c. If yes, list names of such family members	
_____	____/____/___
_____	____/____/___
_____	____/____/___
_____	____/____/___
_____	____/____/___
2. **Child care Allowance**	
a) Is the family paying for care of children under age 13 so: an adult can work? ❑ Yes ❑ No a family member can go to school? ❑ Yes ❑ No	
b) List the names of children for whom care is provided.	
_____	____/____/___
_____	____/____/___
_____	____/____/___
_____	____/____/___
_____	____/____/___
3. **Disability Expense Allowance**	
a) Is the family paying for care or apparatus for a disabled family member so that an adult family member can work? ❑ Yes ❑ No	
If yes, list family member for whom care/apparatus is being provided.	
_____	____/____/___

Family Member Name	Date Verified

4. **Elderly/Disabled Household Allowance**
   Is the head, spouse or sole member of the household 62 or older or disabled? ❑ Yes ❑ No

   If yes, list any members who are elderly or disabled.

   _____ ____/____/___
   _____ ____/____/___

5. **Medical Expenses Allowance**
   Is the head, spouse or sole member of the household at least 62 or disabled? ❑ Yes ❑ No

   Does the household expect unreimbursed medical expenses for the 12 months to be covered by the certification? ❑ Yes ❑ No

   If Yes, list the household member(s) with unreimbursed medical expenses:
   _____ ____/____/___
   _____ ____/____/___

Note: List any optional PHA deductions here

Tenant's Certification

I hereby certify that I have answered the questions on this checklist truthfully and that I qualify for the allowances claimed on this form.

_____ Head of Household's name

_____ Head of Household's signature

_____ PHA witness

Housing Authority

ADJUSTED INCOME WORKSHEET

1. _____ **Annual Income (From Annual Income Worksheet)**

2. **Dependent Deduction**

   _____(a) Enter the number of family members other than head, spouse, foster children and live-in aids who are either: under 18, or 18 or older and either a full-time student, or disabled.

   _____**(b) 2a x $480 = Dependent Deduction.**

3. **Child care Expenses**

   _____(a) Enter the cost of care for family members under age 13 paid so that either an adult family member can work, or further his/her education.

   _____(b) Is an adult being freed to work by the care? If yes, enter the employment income made possible by the care. Otherwise, enter zero.

   _____**Child care allowance.** Enter 3a, but never greater than 3b for families where child care has enabled an adult to work.

4. **Disability Expense Allowance**. Answer the two questions below to determine whether you must compute these amounts.

(a) Does the family include a disabled individual? ❑ Yes ❑ No	(b) Will the family be paying for care or apparatus for a disabled family member so that someone in the family can earn income in the next 12 months? ❑ Yes ❑ No

Complete 4(c) through 4(f) **only if you answered both 4(a) and 4(b) "YES."** Otherwise, leave 4(c) through 4(f) blank and go on to item 5.

   _____(c) Enter the total of verified, unreimbursed, care/apparatus expenses the family will be paying for disabled members so an adult family member can work.

   _____(d) 3% of Annual Income. (.03 x Line 1.)

   _____(e) Enter employment income made possible by the care/apparatus.

   _____**(f) Disability Expense Allowance.** Enter 4c minus 4d**, BUT NEVER MORE THAN** 4e. If 4c minus 4d is less than or equal to zero, enter zero.

5. **Medical Expenses**: Complete item 5 only if head or spouse is elderly or has a disability

   _____(a) Enter total, verified, unreimbursed medical expenses for the next 12 months.

   _____(b) 3% of Annual Income. (.03 x Line 1)

_____(c) **Medical Expense Allowance.** Check the applicable statement and complete the appropriate calculation. **ONLY ONE STATEMENT WILL APPLY.**

[ ] If 4(c) through 4(f) are blank: 5(a) minus 5(b) = _____

[ ] If 4(c) is less than 4(d): [4(c) + 5(a)] minus 5B = _____

[ ] If 4(c) is greater than or equal to 4(d): 5A = _____

6. **$400_____** **Elderly/Disabled Household Allowance.** (Head or spouse is elderly or has a disability)

7. _____Total Allowances. 2b + 3c + 4f + 5c + 6 + 7 = Total Allowances.

8. _____Adjusted Income. Line 1 minus Line 7 equals Adjusted Income.

RENT CALCULATION WORKSHEET (Non-welfare rent state)

Expressed verbally, the current public housing income-based rent formula is:

- Total Tenant Payment is the greatest of 10% of Monthly Income, or 30% of Adjusted Monthly Income,
- but never less than the Minimum Rent ($50)

The worksheet below performs this operation.

1. _____ **Enter Annual Income divided by 12** (from the Annual Income Worksheet). This is Monthly Income.
2. _____ **Enter Adjusted Income divided by 12** (from the Adjusted income Worksheet). This is Monthly Adjusted Income .
3. _____ Enter # 1 times .10. This is 10% of Monthly Income.
4. _____ Enter # 2 times .30. This is 30% of Adjusted Monthly Income.
5. ___$___ Enter Minimum Rent, if any, applicable to your PHA.

Calculating income-based rent

6. _____ Enter the **higher** of # 3, or # 4
   This is the basic rent formula.
7. _____ Enter the **higher** of # 5 or # 6.
   This ensures that no one pays less than the minimum rent. This is the Income-based Rent

Choice of Rent

8. _____Enter the income based rent from step 7
9. _____Enter the Flat rent for the Unit the Tenant will be occupying.
10. _____Enter the rent (# 8 or #9) chosen by the Tenant

Calculating Tenant Rent (Tenant-paid Utility Developments & Income-based Rent)

11._____Enter the utility allowance applicable to the unit being leased.

12._____Subtract the utility allowance from the income-based rent
This is Tenant rent.

13._____ Enter the amount by which the Utility Allowance exceeds income-based rent, if applicable. This is the Utility Reimbursement.

Notice to all Applicants:

Reasonable Accommodations for Applicants with Disabilities

The Housing Authority is a public agency that provides low rent housing to eligible families, elderly families and single people. PHA is not permitted to discriminate against applicants on the basis of their race, religion, sex, color, national origin, age, disability or familial status. In addition, PHA has a legal obligation to provide "reasonable accommodations" to applicants if they or any family members have a disability. A reasonable accommodation is some modification or change PHA can make to its apartments or procedures that will assist an otherwise eligible applicant with a disability to take advantage of PHA's programs. Examples of reasonable accommodations would include:

- Making alterations to a PHA unit so it could be used by a family member with a wheelchair;
- Adding or altering unit features so they may be used by a family member with a disability;
- Installing strobe type flashing light smoke detectors in an apartment for a family with a hearing impaired member;
- Permitting a family to have a large dog to assist a family member with a disability in a PHA family development where the size of dogs is usually limited;
- Making large type documents, Braille documents, cassettes or a reader available to an applicant with a vision impairment during the application process;
- Making a sign language interpreter available to an applicant with a hearing impairment during the interview or meetings with PHA staff;
- Permitting an outside agency or individual to assist an applicant with a disability to meet the PHA's applicant screening criteria.

An applicant family that has a member with a disability must still be able to meet essential obligations of tenancy. They must be able to pay rent, to care for their apartment, to report required information to the Housing Authority, to avoid disturbing their neighbors, etc, but there is no requirement that they be able to do these things without assistance.

If you or a member of your family have a disability and think you might need or want a reasonable accommodation, you may request it at any time in the application process or at any time you need an accommodation. This is up to you. If you would prefer not to discuss your situation with the housing authority, that is your right.

SPECIAL UNIT REQUIREMENT(S) QUESTIONNAIRE

This questionnaire is to be administered to every applicant for public housing at the _____ Housing Authority. It is used to determine whether an applicant family needs special features in their housing unit. The need for special adaptations must be verified in order to assure that the limited number of units with special features go to families that actually need the features.

Applicant Name_____ File_____

Interview Conducted By_____ Date_____

1. Will you, or any member of your family require any of the following:

- ❑ A separate bedroom
- ❑ A barrier-free apartment
- ❑ One-level unit
- ❑ Other modifications to unit
- ❑ Unit for Vision-Impaired
- ❑ Unit for Hearing-Impaired
- ❑ Bedroom &Bath on 1st floor
- ❑ Extra Bedroom
- ❑ **Live In Attendant**

2. Can you and all family members use the stairs unassisted? Yes ❑ No ❑

   If No, please indicate how the PHA should accommodate your family: _____

   _____

3. Will you or any of your family members need a live-in aide to assist you? Yes ❑ No ❑

   If Yes, please explain _____

4. If you checked any of the above listed categories of units, please explain exactly what you need to accommodate your situation. Attach additional sheets if needed.

   _____

   _____

5. What is the name of the family member needing the features identified above?

_____

Whom should we contact to verify your need for a special apartment?

Name_____

Address_____ Phone #_____

_____

Applicant Signature Date

VERIFICATION OF NEED FOR UNIT WITH SPECIAL FEATURES

Name_____ Date_____

Address_____ Applicant_____

_____ _____

Dear Sir/Madam:

The above-named person is applying for admission to public housing and has expressed a need for either a unit with the special features, or a live-in aide. The applicant has named you as a person who can verify the need for the features/aide. It would be appreciated if you would review the information provided and verify the applicant's need for the listed characteristics, if, in your best professional opinion, such is needed. If you have any questions, please call me at _____.Your prompt return of this form in the attached stamped, self-addressed envelope would expedite processing.

Sincerely;_____

Name Signature

---

1. Name of family member with special housing need: _____

2. Nature of need(s):

Special Unit:

- ❑ A separate bedroom
- ❑ A barrier-free apartment
- ❑ One-level unit
- ❑ Other modifications to unit
- ❑ Unit for Vision-Impaired
- ❑ Unit for Hearing-Impaired
- ❑ Bedroom &Bath on 1st floor
- ❑ Extra Bedroom

❑ **Live In Attendant**

3. Verification and explanation of need(s): Please do not provide any information about the nature or extent of the applicant's disability. Simply indicate whether, in your professional judgment, the applicant needs the above feature in an apartment: _____

_____

_____

4. Name of person providing verification_____

Signature :_____Name of Agency_____

Phone #_____Agency address_____Date_____

I _____hereby authorize the release of the requested information

Signature_____Date_____

Verification of Income from Employment

Re._____ Social Security #_____

Dear Sir/Madam;

We are required to verify the incomes of all family members living in or applying for public housing or Section 8 housing. We ask your cooperation by supplying the information requested below about the referenced person. We will use any information you provide only to determine the family's eligibility and rent, and pledge to keep the data in strict confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped return envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____.

Sincerely:_____

---

1. Employed Since: _____ 2. Job Title: _____

3. Salary, Base Pay Rate: $_____ per hour $ _____per week $_____ per month

4. Average hours worked at Base Pay Rate: _____ hrs/week, or_____ hrs/month in year.

5. Is this person likely to get Overtime? ❑ Yes ❑ No If yes,Overtime Pay Rate $_____ Hr

6. Average number of Overtime hours expected during the next 12 months: _____ Hrs/Month

7. Any other compensation not listed above? Please specify for commissions, bonuses, tips, etc.?

For _____ $ _____ per _____

8. Is pay received for vacation? ❑ Yes ❑ No If yes, number of days/year: _____

9. Total Base Pay Earnings for last 12 months: $_____

10. Total Overtime Earnings for the last 12 months: & _____

Firm Name: _____ Address:_____

Name of Person Completing this Form: _____ Date:_____

Title: _____ Signature: _____

Applicant/Tenant Release

I _____ hereby authorize the release of the requested information.

_____

Signature Date

Verification of Receipt of Public Assistance Income

Re._____ Social Security #_____

Dear Sir/Madam;

We are required to verify the incomes of all family members living in or applying for public housing or Section 8 housing. We ask your cooperation by supplying the information requested below about the referenced person. We will use any information you provide only to determine the family's eligibility and rent, and pledge to keep the data in strict confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped return envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____.

Sincerely:_____

Number in Family: _____ $ per Month

Temporary Assistance to Needy Families $ _____

General Assistance $ _____

Amount specifically designated for shelter and utilities (if any)$ _____

Other Assistance: Please specify:_____ $ _____

TOTAL MONTHLY GRANT $ _____

Total Amount of Public Assistance provided in the past 12 Months$ _____

Agency Name: _____Address: _____

Name of Person Completing this Form: _____Date: _____

Title: _____Signature: _____

Applicant/Tenant Release

I _____ hereby authorize the release of the requested information.

_____

Signature Date

Verification of Receipt of Social Security/SSI Income

Re._____ Social Security #_____

Dear Sir/Madam;

We are required to verify the incomes of all family members living in or applying for public housing or Section 8 housing. We ask your cooperation by supplying the information requested below about the referenced person. We will use any information you provide only to determine the family's eligibility and rent, and pledge to keep the data in strict confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped return envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____.

Sincerely:_____

---

1. Gross Monthly Payment $ _____

2. Please check Type of Benefits Received by this family

(a) Social Security Retirement ❑

Disability ❑

Widow(er) ❑

Child(ren) ❑

(B) Supplemental Security Income (Including State Supplement)

Old Age ❑

Disability ❑

Blind ❑

3. Monthly Medicare/Medicaid Deduction $ _____

Agency Name: _____Address: _____

Name of Person Completing this Form: _____Date: _____

Title: _____Signature: _____

Applicant/Tenant Release

I _____ hereby authorize the release of the requested information.

_____

Signature Date

Verification of Receipt of Child Support Income

Re._____ Social Security #_____

Dear Sir/Madam;

We are required to verify the incomes of all family members living in or applying for public housing or Section 8 housing. We ask your cooperation by supplying the information requested below about the referenced person. We will use any information you provide only to determine the family's eligibility and rent, and pledge to keep the data in strict confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped return envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____.

Sincerely:_____

Number of children on whom support is paid : ___

Names of child(ren) on whom child support is paid: _____

_____

Name(s) and Address(es) of person(s) paying child support:

1_____ 2. _____

_____

_____

Is Child Support Court Ordered? Yes ❑ No ❑

Amount of Child Support Paid: $ _____ per week, $ ___ per month $ ___per year

---

Agency Name: _____Address: _____

Name of Person Completing this Form: _____Date: _____

Title: _____Signature: _____

Applicant/Tenant Release

I _____ hereby authorize the release of the requested information.

_____

Signature Date

Verification of Military Pay

Re._____ Social Security #_____

Dear Sir/Madam;

We are required to verify the incomes of all family members living in or applying for public housing or Section 8 housing. We ask your cooperation by supplying the information requested below about the referenced person. We will use any information you provide only to determine the family's eligibility and rent, and pledge to keep the data in strict confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped return envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____.

Sincerely:_____

_____Years and _____ Months of Service of Pay Purposes

INCOME

Base Pay and Longevity Pay $ _____

Proficiency Pay $ _____

Sea and Foreign Duty Pay $ _____

Hostile Fire Pay $ _____

Subsistence Allowance $ _____

Quarters Allowance (Government contribution only) $ _____

Number of Dependents claimed: _____

Other: Please Explain:_____$ _____

TOTAL MONTHLY AMOUNT RECEIVED $ _____

Service Agency: _____Address: _____

Name of Person Completing this Form: _____Date: _____

Title: _____Signature: _____

Applicant/Tenant Release

I _____ hereby authorize the release of the requested information.

_____

Signature Date

Verification of Receipt of V.A. Benefits

Re_____ Claim #:_____Serial #:_____

Social Security Number:_____Ins.Policy #: _____ Pmt.Due Date: _____

Date of Birth: _____WWI ❑ WWII ❑ Korea ❑ Viet Nam ❑ Other:_____

Dear Sir/Madam:

Federal requirements oblige us to verify the incomes of families living in or applying for public housing or Section 8 housing. We ask your cooperation in supplying the information requested below about the referenced person. We will use the information you provide only to determine the family's eligibility and rent, and pledge to keep all data in strictest confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____

Sincerely:_____

---

1. **Period of Active Duty**: From_____To:_____ & From_____ To _____

2. **Allowance for Education or Training**: School ❑ On-the-Job ❑ $_____ / Month
   Tuition, Fees, Books, Equip. Etc. $ _____/Month Subsistence: $_____/Month
   Effective Date of Current Award: _____Ending Date: _____
   Name & Address of School/Training Institution: _____
   _____
   Name $ Address of Employer: _____
   _____

3. **Compensation**: $ _____ /Month
   For Service-connected: Disability ❑ Death ❑ Dependency and Indemnity ❑
   Non-Service-connected pension: Disability ❑ Death ❑ Effective Date of Award: _____

4. **Other Payments** (Monthly Insurance, etc.)_____$ _____ /Month

---

Agency Name: _____Address: _____

Name of Person Completing this Form: _____Date: _____

Title: _____Signature: _____

Applicant/Tenant Release

I _____hereby authorize the release of the requested information.

_____

Signature Date

Verification of Receipt of Unemployment Benefits

Re._____ Social Security #_____

Claim #_____

Dear Sir/Madam;

We are required to verify the incomes of all family members living in or applying for public housing or Section 8 housing. We ask your cooperation by supplying the information requested below about the referenced person. We will use any information you provide only to determine the family's eligibility and rent, and pledge to keep the data in strict confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped return envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____.

Sincerely:_____

Gross Weekly Payment: $ _____

Is Claimant eligible for further benefits? ❑ Yes ❑ No

Date of Initial Payment: _____

Duration of Benefits _____

How many weeks of Benefits remaining? _____

Amount of Benefits remaining? $ _____

Termination date of Benefits is? _____

Agency Name: _____Address: _____

Name of Person Completing this Form: _____Date: _____

Title:_____ Signature: _____

Applicant/Tenant Release

I _____ hereby authorize the release of the requested information.

_____

Signature Date

Verification of Pension or Annuity Income

Re._____ Social Security #_____

ID #_____

Dear Sir/Madam;

We are required to verify the incomes of all family members living in or applying for public housing or Section 8 housing. We ask your cooperation by supplying the information requested below about the referenced person. We will use any information you provide only to determine the family's eligibility and rent, and pledge to keep the data in strict confidence.

We would greatly appreciate your prompt return of this letter. A self-addressed, stamped return envelope is enclosed. Note that the person referenced has authorized your release of the information. If you have any questions, please call _____.

Sincerely:_____

Current Gross Monthly amount of Pension $ _____ / Month

Current Gross Monthly amount of Annuity $ _____ /Month

Deductions for Gross Medical Insurance Premium $ _____ /Month

Other Deductions, Please specify: _____$ _____ /Month

Date of Initial Award: _____

Effective Date of Current amount _____

Agency Name: _____Address: _____

Name of Person Completing this Form: _____Date: _____

Title: _____Signature: _____

Applicant/Tenant Release

I _____ hereby authorize the release of the requested information.

_____

Signature Date

Self Employment Income Verification Form

Full Name of Applicant or Tenant; _____

Present Address of Applicant or Tenant _____

_____

I hereby certify that I, _____(Name) received a total of

$_____for the following work:

_____

_____

I expect to earn $ _____for the coming 12 months (from _____

To_____) for the following work:

_____

_____

I understand that if my actual earnings are different from those reported above, that I may be required to report any changes to the Housing Authority.

_____ _____

Signature of Applicant or Tenant Date

_____ _____

Signature of Notary Public Date

Name of Notary Public: _____

Date Commission Expires: _____

Zero Income Checklist and Worksheet: Verification of Non-case Contributions

This Checklist and Worksheet is to be completed for all families whose Total Tenant Payment equals the minimum rent, or, for PHA's without minimum rents, for all families reporting less than $100 per month in total income. The Form should be completed prior to admission and at each recertification (which may be monthly or quarterly depending on the PHA's policy on re-examination of tenant's with minimum rents or zero income). The form first lists all the cash and non-cash contributions the family is receiving and then assists PHA staff to compute the annual value of such contributions. This form should be completed after the Home Visit to an applicant or a home inspection of a resident. The family is required to submit documentation of amounts claimed.

1. Food Expenses

Is the family receiving Food Stamps? ❑ Yes ❑ No. If yes, what is the monthly value of food stamps? $_____ If no, what is the family's weekly grocery bill? $_____ How does the family pay the weekly grocery bill?_____

If someone other than a member of the applicant/tenant family contributes to groceries, who contributes?_____ What is the average cash weekly amount for groceries contributed from all sources? **$_____ This amount is income**.

Does anyone contribute groceries or prepared food to the family on a regular basis? ❑ Yes ❑ No If yes, what is the average weekly value of groceries or prepared food contributed? **$_____ This amount is income.**

Note: Food contributed by food banks, received from the surplus commodity program, the WIC program, or consumed at publicly or non-profit funded meals programs does not count as income. Food or cash for food contributed by private persons does count as income.

Verification: The family should bring in at least one month's worth of grocery receipts. Check the receipts to make sure a family of that size could manage on the amount of food documented.

2. Cleaning, Grooming and Paper Products Expenses

What is the weekly value of paper products used by the family? Include paper napkins, toilet paper, paper towels, trash bags, other paper goods, and disposable diapers. **$_____** How does the family pay for these paper products?_____ If someone other than a member of the applicant/tenant family contributes to paper products, who contributes? _____What is the average weekly value of cash contributions for paper products? **$_____This amount is income.**

Does anyone contribute paper products to the family on a regular basis? ❑ Yes ❑ No. If yes, what is the average weekly value of paper products contributed to the family? **$_____ This amount is income.**

What is the weekly value of grooming products and services used by the family? Include soap, deodorant, shampoo, toothbrushes, toothpaste, dental floss, cosmetics, hair color, barber, beautician services etc. $_____ How does the family pay for the cost of grooming products and services? _____ If someone other than a member of the applicant family contributes to grooming products, who contributes?_____ What is the average weekly value of contributions (cash or products) for grooming products? **$_____ This amount is income.**

What is the weekly value of cleaning products used by the family? Include dishwashing soap, laundry detergent, and household cleaning products. $_____ How does the family pay for cleaning products?_____ If someone other than a member of the applicant/tenant family contributes to cleaning products, who contributes?_____ What is the average weekly value of cash contributions for cleaning products? **$_____ This amount is income.**

Does anyone contribute cleaning products to the family on a regular basis? ❑ Yes ❑ No. If yes, what is the average weekly value of cleaning products contributed to the family? **$_____ This amount is income.**

Verification: Most families buy cleaning supplies, grooming products and paper products at the grocery store. Review the families grocery receipts to help verify amount spent.

3. Transportation Expenses

Does the family own a car? ❑ Yes ❑ No. If yes, are there still payments due on the car? ❑ Yes ❑ No. If yes, what is the amount of the monthly car payment? $_____ How does the family make the car payment? _____ If someone other than a member of the applicant/tenant household contributes to the car payment, who contributes?_____ What is the monthly amount of contribution toward the car payment? **$_____This amount is income. The amount is income whether it is cash paid to the family or cash paid directly to the holder of the car note.**

If the family owns a car outright (no payments are due), what are the average monthly amounts the family pays for the following:

Gas $_____ Maintenance $_____ Insurance $_____ Tires $_____

How does the family pay for these auto-related expenses?_____ If someone other than a member of the applicant/tenant family contributes to the car's operating costs, who contributes?_____ What is the average monthly amount of cash or direct payment contribution to the car's operating costs? **$_____ This amount is income.**

Verification: The family should bring in one month's gas receipts, proof of insurance and proof of car payment (if applicable).

Note: Uninsured automobiles cannot be parked on PHA property.

If the family does not own a car, what does the family use for transportation?_____ How does the family pay for this transportation?_____ If someone other than a member of the applicant/tenant family contributes to other transportation costs, what is the average monthly amount of cash or other contribution to transportation? **$_____This amount is income.**

Verification: A family without a car should provide a credible statement of the way they pay for transportation to shop, attend school, visit friends, take care of medical needs, attend church, etc.

4. Entertainment Expenses

Does the family have a cable TV connection? ❑ Yes ❑ No. If yes, does the family have the basic minimum service or do they also have any premium channels? ❑ Yes ❑ No. What is the average monthly cost of cable TV service? $_____ How does the family pay for the cable TV service?_____ If someone other than a member of the

applicant/tenant family contributes to the cost of cable TV service, who contributes? _____ _____ What is the average monthly contribution (in cash or direct payment to the cable company) for cable TV? **$_____ This amount is income.**

What are the average weekly costs of other types of entertainment to the family? Include the following:

Magazines $_____ Movies $_____ Video Rentals $_____ Club memberships $_____ Sporting events $_____ Liquor/Beer/Wine $_____ Lottery tickets $_____ Vacations $_____ Other entertainment $_____

How does the family pay for the other entertainment costs? _____ If someone other than a member of the applicant/tenant family contributes to the cost of other entertainment, who contributes?_____ What is the average monthly contribution (in cash or entertainment provided) for other entertainment? **$_____ This amount is income.**

Verification: The family should bring in two monthly bills for cable TV, plus receipts for other entertainment costs.

5. Clothing Expenses

What are the ages and sexes of all family members?_____
_____

What is the average monthly cost for clothing and shoes for the family?_____
How does the family pay for clothing and shoes?_____ If someone other than a member of the applicant/tenant family contributes to the cost of clothing, who contributes? ____ _____ What is the average monthly contribution (in cash or new clothes and shoes) for clothing? **$_____ This amount is income.**

What is the weekly amount spent by the family for laundry/dry cleaning clothing? $_____
How does the family pay for cleaning its clothing?_____ If someone other than a member of the applicant/tenant household contributes to the cost of cleaning clothing, who contributes?_____ What is the average monthly contribution for clothes cleaning? **$_____ This amount is income.**

Note: Clothing acquired from Clothing banks or given to the family second hand is not counted as income.

Verification: The family should provide a schedule that shows when clothing and shoes are purchased and the amounts spent. Remember that children will need more clothing and shoes than adults because they are growing.

6. Smoking Expenses

Does anyone in the applicant/tenant household smoke cigarettes or cigars? ❑ Yes ❑ No. If yes, how many packs per day, are smoked by the smokers in the household?_____ How does the family pay for the cost of cigarettes/cigars? _____ If someone other than a member of the applicant/tenant household contributes to the cost of smoking, who contributes?_____

What is the average monthly contribution (in cash, cigarettes or cigars) **$_____This amount is income.**

Verification: The family should document the brand of cigarettes/cigars smoked and the staff will document the least expensive price for that brand in the locality to impute cost.

7. Communications Expenses

Does the family have a telephone? ❑ Yes ❑ No. If yes, how many lines does the family have into its house/apartment? _____ Does the family have any special telephone services? (For example, call waiting, call forwarding, caller ID, etc.) ❑ Yes ❑ No. Does anyone in the family have a cell phone? ❑ Yes ❑ No. What is the average monthly cost for telephone service? $_____ How does the family pay for the cost of telephone service? _____ If someone other than the a member of the applicant/tenant household contributes to the cost of telephone service, who contributes?_____ What is the average monthly contribution (in cash or direct payment of the telephone bill) for telephone service? **$_____ This amount is income.**

Does anyone in the family have a pager/beeper? ❑ Yes ❑ No. If yes, how many members have beepers/pagers? _____ What is the average monthly cost for the beepers/pagers? $_____ How does the family pay for the cost of beepers/pagers?_____ If someone other than a member of the applicant/tenant household contributes to the cost of beeper/pager service, who contributes? _____ What is the average monthly contribution (in cash or direct payment of the beeper/pager bill)? **$_____ This amount is income.**

Does the family have an internet connection? ❑ Yes ❑ No. If yes, who is the internet provider?

_____ What is the monthly cost of the internet connection? Is there a dedicated telephone line for the internet? ❑ Yes ❑ No. If yes, does the telephone line show on the family's telephone bill? ❑ Yes ❑ No. If no, get a copy of the family's other telephone bill. How does the family pay for the internet connection? _____ What is the average monthly cost of the internet connection?$_____ If someone other than a member of the applicant/tenant family contributes to the cost of the internet connection, who contributes?_____ What is the average monthly contribution (in cash or direct payment to the internet provider) for internet services? **$_____ This amount is income.**

Verification: The family should bring in at least two month's worth of bills for telephone, beeper/pager and internet services, as applicable. Review the bills carefully to determine the average monthly cost for communications services.

8. Shelter Expenses

For applicants, what is the average monthly cost for housing and utilities? $_____ How does the applicant pay the cost of shelter?_____ If someone other than a member of the applicant household contributes to housing or utility costs, who contributes? _____ What is the average monthly contribution to shelter (housing plus utilities)?_____ Will the person(s) contributing toward shelter continue to do so when the

applicant is admitted to public housing? ❑ Yes ❑ No. If no, why not? _____

_____

For tenants, what is the average monthly cost for housing and utilities? $_____ How does the tenant pay the cost of shelter?_____ If someone other than a member of the tenant household makes a contribution toward the shelter cost, who contributes? _____ What is the value of the contribution toward shelter?**$_____**
This amount is income.

Verification: Families should bring in documentation of their actual cost for housing and utilities.

9. Medical Expenses

Does the family have any unreimbursed medical expenses? ❑ Yes ❑ No. If yes, what is the average monthly cost of unreimbursed medical expenses? $_____ How does the family pay for unreimbursed medical expenses?_____ If someone other than a member of the applicant/tenant household contributes toward medical expenses, who contributes? _____ **Such contributions are not income.**

10. Miscellaneous Expenses

Listed below are a series of expenses the family might have. Indicate the monthly amount the family spends on any applicable expenses and the amounts contributed toward the expenses:

Church contributions$_____ Unreimbursed Educational Expenses $_____
Unreimbursed Child care Expenses $_____ Unreimbursed Job Expenses $_____

Review the information provided above against the observations of staff conducting the home visit/home inspection. Does the information appear to be consistent? If not, insist that the applicant explain any variations. For example, if the applicant does not admit to having telephone or cable TV service but they have been observed in the home, press the point.

Worksheet for Income from Contributions

1. What is the family's verified Annual Income? $_____ Does the Annual Income include any contributions from persons outside the applicant/tenant household? ❑ Yes ❑ No. If no, it may be necessary to increase the annual income to reflect such contributions, which will also increase rent.
2. Does the family have any income that is excluded from Annual income? ❑ Yes ❑ No. What is the annual amount of excluded income? _____ Such excluded income would include foster care payments, the first 12 months of increased income of a person who was formerly unemployed and is now working, scholarships and student loans, and all other income specifically excluded in the PHA's A & O Policy. If a family can verify receipt of excluded income sufficient to cover the family's annual expenses shown below, it will not be necessary to increase annual income to reflect contributions. Remember, the applicant/tenant must verify excluded income just like Annual Income.
3. On the matrix below, compute the family's annual expenses using the amounts from the worksheet above:

   To compute annual expenses, multiply weekly average costs by 52 and monthly average costs by 12.

Type of Cost	$ Weekly Expenses	$ Monthly Expenses	$ Annual Expenses	$ Contributed Toward Expenses
1. Food				
2.Cleaning, Grooming and Paper products				
3. Transportation				
4. Entertainment				
5. Clothing				
6. Smoking				
7. Communications				
8. Shelter (Housing and Utilities)				
9. Medical				
10. Miscellaneous				
TOTALS				

4. When the matrix is completed, total the two columns on the left: $ Annual Expenses and $ Contributed Toward Expenses. From some source, the family has sufficient income to pay the total in the $ Annual Expenses column. If the Annual Income shown in # 1 above plus any excluded income shown in # 2 above is less than $ Annual Expenses, Annual Income has been understated and must be increased.

5. Review the amounts included in Annual Income. Are all the $ Contributed included in Annual Income? If not, add any Contributions not included to Annual Income. Once again, add Annual income and Excluded income. If the total of these two income sources still does not equal $ Annual Expenses, some form of income, usually Contributions, has been understated. Unless the family can verify additional excluded income, the Contributions amount should be increased until the total of Annual Income and Excluded Income equal Annual Expenses.

Housing Authority

ASSET VERIFICATION

VETERANS ADMINISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT and PUBLIC HOUSING AGENCIES

Request for Verification of Deposit

PRIVACY ACT NOTICE STATEMENT - This information is to be used by the agency collecting it in determining whether you qualify as a prospective Tenant or mortgagor for mortgage insurance or guaranty as a borrower for rehabilitation loan under the agency's program. It will not be disclosed outside the agency without your consent except to financial institutions for verification of your deposits and as required and permitted by law. You do not have to give us this information, but, if you do not, your application for approval as a prospective tenant or mortgagor for mortgage insurance or guaranty or as a borrower for a rehabilitation loan may be delayed or rejected. This information request is authorized by Title 38, U.S.C., Chapter 37 (if VA); by 12 U.S.C., Section 1701 at seq., (if HUD/FA); and by 42 U.S.C., Section 1452b (if HUD/CPD).

Instructions

Public Housing Authority: Complete Items 1 through 8. **Applicant:** complete Item 9. Forward directly to the Depository named in Item 1. **Depository:** Please complete Items 10 through 15 and return DIRECTLY to Public Housing Authority named in Item 2.

Part 1. Request

1. TO (Name and Address of Depository)

_____

_____

_____

2. FROM (Name and Address of Public Housing Authority

_____

_____

_____

I certify that this verification has been sent directly to the bank or depository and has not passed through the hands of the applicant or any other party.

3._____
Signature of Lender or Official of Local Processing Age

4._____
Title

5._____
Date

6._____
Lender's Number (optional)

7. INFORMATION TO BE VERIFIED:

Type of Account and/ or Loan	Account/Loan in Name of	Account/Loan #	Balance

TO DEPOSITORY: I have applied for public housing and stated that the balance on deposit and/or outstanding loans with you are as shown above. You are authorized to verify this information and to supply the lender or the local processing agency identified above with the information requested in Items 10 through 12. Your response is solely a matter of courtesy for which no responsibility is attached to your institution or any of your officers.

8. Name and Address of applicant(s)

_____

_____

_____

9. Signature(s) of Applicant(s)

_____

_____

_____

To be Completed by Depository

Part II - Verification of Depository

10. DEPOSIT ACCOUNTS OF APPLICANT(S)

Type of Account	Number	Current Balance Previous 2 months	Average Balance	Date Opened
		$	$	
		$	$	
		$	$	
		$	$	
		$	$	

11. LOANS OUTSTANDING TO APPLICANT(S)

Loan #	Date of	Original	Current	Installments	Secured	# of Late
				per		
				per		
				per		

12. ADDITIONAL INFORMATION WHICH MAY BE OF ASSISTANCE IN DETERMINATION OF CREDIT WORTHINESS: (Please include information on loans paid-in-full as in Item 11 above).

_____

_____

_____

13._____ 14._____

Signature of Depository Official Date

_____

Title

The confidentiality of the information you have furnished will be preserved except where disclosure of this information is required by applicable law. The completed form is to be transmitted directly to the lender or local processing agency and is not to be transmitted through the applicant or any other party.

Housing Authority

FULL-TIME STUDENT VERIFICATION

Re: _____

Dear Sir/Madam:

We are required to verify the full-time student status of individuals applying for admission to or living in federally assisted housing. To comply with this requirement, we ask your cooperation in supplying the information requested below regarding the referenced individual. This information will be used only to determine eligibility or rent.

Your prompt return of this letter will be appreciated. A self-addressed return envelope is enclosed. If you have any questions, please call_____

Sincerely, _____

Name of Educational Institution: _____

Address: _____

_____

Check Applicable Space:

Referenced individual ❑ is ❑ is not a full-time student in good standing at this institution.

Years Remaining to Complete Degree or Program: _____

Remarks: _____

_____

_____

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information.

_____

Signature Date

Housing Authority

APPLICANT/TENANT CERTIFICATION FOR CHILD CARE EXPENSES

I/We hereby certify that the following represent true and accurate statements regarding our household circumstances related to child care:

❑ Child/children cared for are under 13 years of age.

Reason for care (check one)

❑ Such care enables the following family member to work: _____

Occupation: _____

Employer, address & phone number: _____

_____

_____

Hours worked: _____per _____ week, ____month

❑ Such care enables a family member to attend vocational or academic courses:

Member's name:_____

Course:_____

Institution name, address & phone #:

_____

_____

Hours at school:_____

Child care costs are not paid to anyone living in our household; they are paid to:

Name:_____

Address & Phone # :

_____

_____

❑ No adult household member can provide care during the hours care is required.

❑ I/We do not receive reimbursement for child care costs from any agency or individual outside the household.

❑ I/We recognize that the above statements are subject to third-party verification.

Signature, _____

Housing Authority

CHILD CARE VERIFICATION

TO WHOM IT MAY CONCERN: Public Housing Authorities are required by Federal Law to verify any child care costs paid by their residents so that the costs may be taken into consideration when rent is computed for the family. You will note that the head of household has signed a release below, giving you permission to provide us with this information. If you could fill out the form below and return it in the self-addressed stamped envelope, at your earliest convenience, it would be most appreciated.

Sincerely yours,

VERIFICATION

I hereby certify that I provide care (first names of children cared for) for _____

_____,

who reside in the household of (person signing the release below).

I care for the children so that a family member can: (check as applicable)

❑ Work ❑ Go to school

In the year beginning _____ and ending_____, I will be caring for the child(ren) _____hours per week, _____weeks of the year. My rate of pay is _____ per hour, and I will be paid:

❑ once a week ❑ every two weeks ❑ once a month

Care during the week will be offered as follows:

Monday:	_____ hours
Tuesday:	_____ hours
Wednesday:	_____ hours
Thursday:	_____ hours
Friday:	_____ hours
Saturday:	_____ hours
Sunday:	_____ hours

Name:_____ Date:_____

Signature:_____ Phone #:_____

Title:_____

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information.

_____

Signature Date

Housing Authority

CHILD CARE EXPENSES VERIFICATION

- Organization or Institution Provides Care -

Dear Sir/Madam:

_____ has applied for or is a tenant in Public Housing. Since the rental rates for the apartments here are reduced for families with child care expenses, we must obtain verification of such expenses in our files.

Please fill in the blanks below and return this letter to us as soon as possible. We will keep the information in strict confidence and will only use it to determine the applicant's eligibility for reduced rent.

Sincerely, _____

Name(s) and age(s) of child(ren) cared for:

1. _____ _____ 4. _____ _____
2. _____ _____ 5. _____ _____
3. _____ _____ 6. _____ _____

Day care facility: _____

Address: _____

Phone # _____ Contact Person: _____

Child care is provided on the following days for the hours indicated:

Monday: _____ hours Tuesday: _____ hours
Wednesday: _____ hours Thursday: _____ hours
Friday: _____ hours Saturday: _____ hours
Sunday: _____ hours

Total hours per week: _____ Total hours per month: _____

Cost of Care: $_____, per ❒ week ❒ month.

$ received for care from family named above: $_____, ❒ week ❒ month.

$ received for care from others (if any): $_____, ❒ week ❒ month.

Name of individual, program, or other third-party source providing child care funds for this family: _____

Address: _____

_____

Estimated cost of care to the family for the upcoming 12 months: _____

_____ _____

Signature Date

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information.

_____

Signature Date

Housing Authority

MEDICAL VERIFICATION

Date:_____

RE:_____

Dear Sir/Madam:

Since the rental rates on apartments can be reduced for some families with medical expenses, we are required by law to obtain certain information with regard to these medical expenses. To comply with this requirement, we ask your cooperation in supplying the information requested below regarding the referenced individual.

Your prompt return of this letter will be appreciated. If you have any questions, please call _____.

Sincerely, _____

Is this Individual's Condition likely to continue for the coming 12 months? ❑ yes ❑ no

Type of Service You Provide to Applicant (check all appropriate):

❑	Physician Care	❑	Dental Care
❑	Hospital/Clinic Care	❑	Prescriptions
❑	Therapy	❑	Medical Insurance
❑	Medical Transportation	❑	Other (Please specify)

Projected Cost of Services During Next 12 Months $_____

Does the applicant require a private bedroom for medical reasons? ❑ yes ❑ no

Does applicant need any special features in the unit because of a disability ❑ yes ❑ no

_____ _____

Signature Date

_____

Title

_____

Address

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information.

_____

Signature Date

Housing Authority

PRESCRIPTION VERIFICATION

TO WHOM IT MAY CONCERN: Federal Law requires Public Housing Authorities to verify medical expenses incurred by elderly residents so that such expenses may be taken into consideration when computing rents. You will note that the resident has signed a release, below, giving you permission to supply us with this information. If you could fill out the form below and return it at your earliest convenience in the self-addressed stamped envelope, it would be greatly appreciated.

Sincerely yours, _____

I hereby certify that ____ (Person signing the release below) may anticipate the following costs for prescription medicines in the year beginning _____ and ending_____, based on his/her past medical history.

	Cost per Refill	Frequency of Refill	Paid by Insurance? Yes ❑ No ❑
1.			
2.			
3.			
4.			
5.			
6.			

_____ _____

Signature and Title Date

_____ _____

Pharmacy Phone

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information.

_____

Signature Date

Housing Authority

CHECKLIST FOR DISABILITY ASSISTANCE EXPENSE VERIFICATIONS

- ❒ Attendant care frees a family member, including the handicapped family member, to work:
- ❒ Written certification from attendant as to cost incurred.
- ❒ Copies of cancelled checks used to make attendant care payments, receipts from care source.
- ❒ Written certification from Rehabilitation Agency or doctor that handicapped person requires care to be employed, or that care enables another family member to work.
- ❒ Auxiliary apparatus frees a family member, including handicapped family member, to work:
- ❒ Receipts for purchase of apparatus.
- ❒ Evidence of monthly payments or total payments for apparatus.
- ❒ Where handicapped family member is employed, a statement from the employer that the apparatus is necessary for employment.
- ❒ Written certificate from Rehabilitation Agency or doctor that handicapped person requires auxiliary apparatus to be employed, or to enable another family member to work.
- ❒ Certification by family that no repayment is received for the costs associated with attendant care or auxiliary apparatus provided.

Housing Authority

DISABILITY VERIFICATION FORM

Public Housing Authorities are required to verify the disability of applicants claiming to be disabled to determine the applicant's eligibility for the housing and to compute rent. The resident has signed a release form below giving you permission to supply us with this information. Please fill out the form below and return it at your earliest convenience.

Sincerely yours, _____

The Department of Housing and Urban Development defines a disabled person in 3 ways:

(1) A disabled person is one with an inability to engage in any substantial gainful activity because of any physical or mental impairment that is expected to result in death or has lasted or can be expected to last continuously for at least 12 months; or for a blind person at least 55 years old, inability because of blindness to engage in any substantial gainful activities comparable to those in which the person was previously engaged with some regularity and over a substantial period.

(2) A developmentally disabled person is one with a severe chronic disability that:

- (a) is attributable to a mental and/or physical impairment;
- (b) as manifested before age 22;
- (c) is likely to continue indefinitely;
- (d) results in substantial functional limitations in three or more of the following areas: capacity for independent living, self-care, receptive and expressive language; learning, mobility, self-direction, and economic self-sufficiency AND
- (e) requires special interdisciplinary or generic care treatment, or other services which are of extended or lifelong duration and are individually planned or coordinated.

(3) A disabled person is also one who has a physical, emotional or mental impairment that:

- (a) is expected to be of long-continued or indefinite duration;
- (b) substantially impedes the person's ability to live independently;
- (c) is such that the person's ability to live independently could be improved by more suitable housing conditions.

I, _____, hereby certify that _____ (person signing the release below should be considered disabled in accordance with definition number _____ above.)

Name and Title_____Date_____
Signature_____Phone_____

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information.

Signature_____Date_____

Housing Authority

DISABILITY EXPENSE ALLOWANCE VERIFICATION

(Transmittal Letter)

Dear Sir or Madam:

Special considerations in public housing are authorized for families with expenses related to the attendant care or auxiliary apparatus required for a family member with disabilities. The availability of the care or the apparatus must enable the person with disabilities or other family member to work. Verification of the need for and amount of such expenses can result in a reduced rent for the family. Such verifications must be retained in our files.

Will you please fill in the information or certify as to the need for attendant care or auxiliary apparatus as requested on the attached form? Once completed please return it to us as soon as possible. We will keep the information in strict confidence and will use it to determine the family's eligibility for reduced rent.

Sincerely,

TENANT/APPLICANT RELEASE

I/We, _____, hereby give consent for the information sought by this letter to be released as requested.

_____

Signature Date

Housing Authority

CERTIFICATION OF NEED FOR PERSON WITH DISABILITIES

FOR ❒ ATTENDANT CARE ❒ AUXILIARY APPARATUS

Name of family member with disability:_____

Full name and address of professional completing this certification:

Name: _____

Address: _____

_____

I certify that the above-named person requires the services of an attendant or the use of auxiliary apparatus to enhance his/her ability to live independently.

The availability of the care or auxiliary apparatus enables:

❒ the person with a disability named above to work, and/or

❒ other family member(s) to work.

If further information is required, please contact _____
by calling (____) _____ - _____.

_____ _____
Signature Date

_____
Title

Housing Authority

ATTENDANT CARE VERIFICATION

TO WHOM IT MAY CONCERN: Public Housing Authorities are required by Federal Law to verify the cost of attendant care for residents with disabilities so that the costs may be taken into consideration when computing rent. You will note that the resident has signed a release form below, giving you permission to supply us with this information. If you could fill out the form below and return it, it would be most appreciated.

Sincerely yours,

VERIFICATION

I hereby certify that I provide care for _____ (disabled person) and that this care enables _____ to earn employment income.

During the year beginning _____ and ending _____, I will be providing care _____ hours per week, for _____ weeks of the year. My rate of pay is _____ per hour, and I will be paid once every _____. Hours when I will be providing care area as follows:

Monday: _____ hours
Tuesday: _____ hours
Wednesday: _____ hours
Thursday: _____ hours
Friday: _____ hours
Saturday: _____ hours
Sunday: _____ hours

Name:_____ Date:_____

Signature:_____ Phone #:_____

Title:_____

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information

_____

Signature Date

Housing Authority

EMPLOYER'S CERTIFICATION OF NEED FOR AUXILIARY APPARATUS TO PERMIT EMPLOYMENT

Name of family member with disabilities:_____

Full name and address of employer completing this certification:

Name: _____

Address: _____

_____

I certify that the above-named person is employed by our agency/firm; and that the use of auxiliary apparatus is necessary for his/her employment.

If further information is required, please contact _____ by calling (____) _____ -_____.

_____ _____

Signature Date

_____

Title

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information

_____

Signature Date

Housing Authority

AUXILIARY APPARATUS COST VERIFICATION SHEET

FAMILY MEMBER WITH DISABILITY

Family member's name: _____ Age:_____

_____ Age:_____

Indicate the type of apparatus furnished to the handicapped or disabled family member:

❒ wheelchair ❒ reading device

❒ walker ❒ other: _____

Indicate if apparatus is leased or purchased:

Date purchased: _____/_____/_____ Cost: $_____

Date leased: _____/_____/_____ Cost: $_____

Are installment or lease payments being made? ❒ yes ❒ no

If yes, indicate frequency and amount: $_____, _____ weekly _____ monthly

Term of installment purchase or lease:_____ (# of months), from

_____ to_____.

Estimated apparatus costs for upcoming 12 months_____.

Equipment added to vehicles to permit use by a handicapped or disabled individual:

Describe type of equipment: _____

_____

_____

Estimated cost (labor and materials): $_____

Type of vehicle modified:

Car: _____ make _____ model _____ year _____ tag # _____

Truck: _____ make _____ model_____ year _____ tag # _____

Van: _____ make _____ model_____ year _____ tag # _____

Date modified: _____/_____/_____.

Are payments being made on vehicle modifications? ❒ yes ❒ no

If yes, indicate frequency and amount: $_____

_____ weekly _____monthly other:_____

Term of installment purchase:_____

(# of months), From _____ To_____

Estimated vehicle modification costs for upcoming 12 months: $_____

Name of individual or company that has or will provide apparatus or vehicle modification:

Name:_____ Phone #:_____

Address:_____

_____

Contact person:

_____

_____ _____
Signature Date

_____
Title

Housing Authority

FAMILY CERTIFICATION FOR
DISABILITY EXPENSE REIMBURSEMENT

Name of family member with disability:_____

I/We _____ certify that the above-named person is being provided with attendant care or the use of auxiliary apparatus to enhance his/her ability to live independently. The circumstances related to the cost of the care or apparatus are as follows:

- ❑ We do not receive reimbursement from any outside source such as insurance, Medicare, state grants, or individuals.

- ❑ We are receiving reimbursement for a portion of these costs from _____ _____ in the amount of $_____ per _____ week _____ month. We will provide third party documentation as to the frequency and amount of this reimbursement.

- ❑ The cost of attendant care or auxiliary equipment is not paid to a family member living in our household.

_____ _____
Signature Date

_____
Title

Housing Authority

SCREENING COVER LETTER

Date: _____

RE: Name: _____

Address: _____

_____

Dear Sir/Madam:

Our tenant selection policy obliges us to verify certain information about all members of families applying for admission to our developments. To comply with this requirement, we ask your cooperation in supplying the information on the history of the family listed above. This information will be used only in determining whether the family can be accepted for admission. You will note that the family has authorized you to provide this information to us.

Your prompt return of this letter will be appreciated. A self-addressed return envelope is enclosed. If you have any questions, please call _____.
(phone number)

Sincerely yours,

_____ _____
Signature Date

_____
Title

TENANT/APPLICANT RELEASE

I, _____, hereby authorize the release of the requested information.

_____
Signature Date

Housing Authority

LANDLORD VERIFICATION FORM

Name of Applicant:_____

Current Address:_____

Name of Landlord_____

Are you a relative or friend of the applicant? If so, please describe relationship: _____

_____

Current Landlord _____Previous Landlord _____Other_____

Dates of Applicant's Tenancy: From_____To_____

Does (Did) the Applicant have a lease? ❑ YES ❑ NO

1. Rent Payment

A. Amount of monthly rent: $_____

B. Does (did) applicant pay rent on time? ❑ YES ❑ NO

C. Has(had) he/she ever paid l late? ❑ YES ❑ NO

How late?_____How often?_____

D. Have (had) you ever begun/completed eviction for non-payment? ❑ YES ❑ NO

E. Was a Court judgment rendered in your favor for eviction for non-payment? ❑ YES ❑ NO

F. Do you provide any of the utilities for the unit? ❑ YES ❑ NO

G. Have tenant-paid utilities ever been disconnected? ❑ YES ❑ NO

2. Caring for the Unit

A. Does (did) the applicant keep the unit clean, safe and sanitary? ❑ YES ❑ NO

B. Has (had) the applicant damaged the unit? ❑ YES ❑ NO

Describe:_____

Cost to repair? $_____How often?_____

C. Has (had) the applicant paid for the damage? ❑ YES ❑ NO

D. Will (did) you keep any security deposit? ❑ YES ❑ NO

E. Does (did) the applicant have problems with insect/rodent infestation? ❑ YES ❑ NO

F. Does (did) the applicant's housekeeping contribute to infestation? ❑ YES ❑ NO

G. Did the applicant make any alterations to the unit without your permission? ❑ YES ❑ NO

3. General

A. Is (was) the applicant listed on the lease for the unit ? ❑ YES ❑ NO

B. Does (did) the applicant permit persons other than those on the lease to live in the unit on a regular basis? ❑ YES ❑ NO

Describe:_____

C. Has (had) the applicant, family members or guests damaged or vandalized the common areas? ❑ YES ❑ NO

If Yes, Describe:_____

D. Does (did) the applicant, family members or guests create any physical hazards to the project or other residents? ❑ YES ❑ NO

If yes, Describe:_____

E. Does (did) the applicant, family members or guests interfere with the rights and quiet enjoyment of other tenants? ❑ YES ❑ NO

If yes, Describe:_____

F. Have the applicant, family members or guests engaged in any criminal activity, including drug-related criminal activity? ❑ YES ❑ NO

If yes, Describe:_____

G. Has (had) the applicant given you any false information? ❑ YES ❑ NO

If yes, Describe:_____

G. Has (had) the applicant, family members or guests acted in a physically violent and/or verbally abusive manner toward neighbors, landlord, or landlord's staff? ❑ YES ❑ NO

If yes, Describe:_____

I. Would you rent to this applicant again? ❑ YES ❑ NO

If not, why?_____

Signature of Landlord _____Date_____

(Name of authorized project staff: telephone verification)_____Date_____

Applicant Release

I, _____hereby authorize the release of the requested information.

Signature _____Date

Housing Authority
Applicant Notice of Rejection

To: Applicant_____ Date_____
Address_____
Dear_____,

Your application for public housing has been rejected. This letter explains the reason(s) for your rejection and your rights.

1. You did not meet our basic eligibility requirement(s), specifically:
____a. Your income exceeds our income limits;
____b. You have failed to provide social security numbers for all family members.
____c. You have failed to provide citizenship/immigration information for all family members.

2. Your family is not likely to comply with the terms of our lease, as follows:
____a. Your family has not paid rent or utilities, or paid late;
____b. Your family has not taken proper care of an apartment, or has damaged it;
____c. Your family has interfered with other residents' rights or peaceful enjoyment of the premises;
____d. Your family has engaged in criminal activity that will threaten the health, safety or welfare of other residents or has engaged in drug-related criminal activity.
____e. Other: _____

This rejection is based on the following facts:_____
_____
_____

If you disagree with this determination, you may request an informal hearing to present information about why you should be admitted. If you desire such an informal hearing, it must be requested in writing at the PHA address within ten working days of the date of this notice. If we do not hear from you by _____, the Authority's determination shall be considered final.

Hearings are conducted by a staff member not involved in making the decision to reject your application. The staff person(s) who made the decision will attend the hearing. You may bring witnesses and/or legal counsel or other representatives to the hearing. You may also review your application file, upon request, at a mutually convenient time before or during the hearing.

NOTICE: If you are a person with a disability you are entitled to another interview before we decide whether to reject you. At the interview we will discuss whether there may be reasonable accommodations that can be made that will enable you to comply with the terms of our lease, and allow us to accept your application. Please contact us. as soon as possible to schedule this interview.

Sincerely, _____
Signature Name and title

Housing Authority
PHA POLICE RECORD VERIFICATION

Police Department:_____Date: _____

Dear Sir/Madam:

Federal law requires us to verify certain information about all members of families living in or applying for admission to our developments. Specifically, the PHA wishes to avoid admitting a family any one of whose members is involved in criminal activity that would adversely affect the health, safety or welfare of other tenants. Federal law also requires your cooperation in supplying information on criminal activity (if any) of any persons listed below. Your prompt return of this information will be appreciated. A stamped, self-addressed return envelope is enclosed. If you have any questions, please call me.

Sincerely,_____

(Manager's Name) (Signature)

Using the numbers below, please indicate whether any family members have been arrested for or convicted of any crimes relating to the following:

1. Homicide/Murder
2. Rape or child molesting
3. Burglary/Robbery/Larceny/Theft
4. Threats or Harassment
5. Destruction of Property/Vandalism
6. Assault or fighting
6. Drug Trafficking/Use/Possession/Manufacture
7. Child Abuse/Domestic Violence
8. Public Intoxication./Drunk & Disorderly
9. Receiving Stolen Goods
10. Fraud
12. Prostitution
13. Disorderly conduct

Family Member Names	S.S #	D.O.B.	Crime(s)#	Status/Disposition

---

APPLICANT'S RELEASE

I hereby authorize the release of the information requested above.

Applicant's Signature_____Date_____

Applicant's Signature_____Date_____

Applicant's Signature_____Date_____

Applicant's Signature_____Date_____

Housing Authority

CERTIFICATION OF INDIVIDUAL OR AGENCY PROVIDING ASSISTANCE TO AN APPLICANT NEEDING HELP TO COMPLY WITH LEASE TERMS

Name _____Date_____PHA File Number _____

Dear Sir/Madam:

The above-named person has applied for admission to public housing and has requested that you complete the information below. We have determined that this person needs assistance in the activities indicated below in order to comply with our lease terms.

- ❑ Rent & utility paying
- ❑ Rule compliance
- ❑ Cleaning/Housekeeping
- ❑ Avoiding disturbances
- ❑ Avoiding criminal activity
- ❑ Maintaining peaceful, safe occupancy

Please complete the form below and return it in the attached stamped, self-addressed envelope. If you have any questions, please call me at_____. Your prompt return of this form will help us expedite the processing of this application.

Sincerely,_____

Name Signature

Eligibility for Services: Agency Certification

(Not applicable for individual service providers)

The above named applicant is or will be eligible for services in the areas indicated above:

_____

Name Signature_____

Agency Name Telephone Number _____Date_____

Description of How Assistance will be Provided

Description of assistance provided: _____.

_____

This assistance will be provided:

Several times each day _____ Daily _____Weekly _____ Twice each week _____ Twice each month _____ Monthly _____Other

I, _____of _____ (Agency, if applicable) will provide assistance set forth above when the applicant is admitted to PHA housing. I understand that this application is being considered for admission and acceptance subject to having this assistance.

._____.

Name Signature Date

._____.

Address and Telephone Number

For PHA use only:

The agency/individual indicated above has verbally agreed to deliver assistance services for the above-cited activities when the applicant is admitted to PHA housing if the applicant will accept such assistance.

Name of agency staff contacted: _____

Date of contact: _____

Signature of PHA staff: _____

Statement of Applicant Certifying Willingness to Accept Services Needed for Lease Compliance

I hereby certify that I will accept service(s) shown on the reverse of this form, which I need to be able to comply with the PHA lease terms, from the above-named agency or individual at the time of my admission. I understand that my application is being considered for acceptance and admission subject to my having this assistance at the time of admission.

Applicant Signature _____Date:_____

Housing Authority

VERIFICATION OF ABILITY TO COMPLY WITH PHA LEASE TERMS

Name of Applicant_____File Number_____

1. Please briefly describe your relationship and/or involvement with the above-named applicant:

_____

_____

_____

2. If you represent an agency please indicate the name and address of the agency:

_____

_____

3. How long have you known/been involved with the applicant?

   Years _____ Months _____ Weeks

4. Can you give a personal or professional opinion about the applicant's ability to comply with a public housing lease? ❑ YES ❑ NO If No, whom may we contact to determine potential lease compliance?

   Name:_____ phone_____

5. Dates of applicant's affiliation/tenancy with you/your agency: From_____To_____

6. Does the applicant have a lease/occupancy agreement? ❑ YES ❑ NO

7. Does the applicant share your home? ❑ YES ❑ NO

8. Rent Payment

   A. Amount of monthly rent (if any): $_____

   B. Does (did) applicant pay rent on time? ❑ YES ❑ NO

   C. Has(had) he/she ever paid late? ❑ YES ❑ NO

   How late _____How often?_____

   D. Have (had) you ever begun/completed eviction for nonpayment? ❑ YES ❑ NO

   E. Do you provide any of the utilities for the unit? ❑ YES ❑ NO

   F. Have tenant-paid utilities ever been disconnected? ❑ YES ❑ NO

   G. If the applicant paid no rent, has the applicant made other regular payments while living with you (e.g. utility or telephone bill)? ❑ YES ❑ NO

   Please describe your reasons for believing the applicant will pay rent:_____

   _____

9. Caring for the Unit

   A. Does (did) the applicant keep the unit clean, safe and sanitary? ❑ YES ❑ NO

B. Has (had) the applicant damaged the unit?
❑ YES ❑ NO

Describe:_____Cost to repair?$_____ How often_____

C. Has (had) the applicant paid for the damage? ❑ YES ❑ NO

D. Will (did) you keep any security deposit (if applicable) ? ❑ YES ❑ NO

E. Did the applicant have problems with insect/rodent infestation? ❑ YES ❑ NO

F. Did the applicant's housekeeping contribute to infestation? ❑ YES ❑ NO

10. General Lease Compliance

A. Is (was) the applicant listed on the lease or occupancy agreement for the unit?
❑ YES ❑ NO

B. Does (did) the applicant permit persons other than those on the lease to live in the unit on a regular basis? ❑ YES ❑ NO

C. Has (had) the applicant, family members or guests damaged or vandalized the common areas? ❑ YES ❑ NO

D. Does (did) the applicant, family members or guests create any physical hazards to the property or other persons? ❑ YES ❑ NO

Describe:_____

E. Does (did) the applicant, family members or guests interfere with the rights and quiet enjoyment of other persons? ❑ YES ❑ NO

Describe:_____

F. Have the applicant, family members or guests engaged in any criminal activity, including drug-related criminal activity, on the property? ❑ YES ❑ NO

G. Is the applicant, family members or guests currently involved in the use or sale of illegal drugs, or has there been involvement in the recent past? ❑ YES ❑ NO

H. Has (had) the applicant given you any false information? ❑ YES ❑ NO

Describe:_____

I. Has (had) the applicant, family members or guests acted in a physically violent and/or verbally abusive manner toward other persons including staff? ❑ YES ❑ NO

Describe:_____

K. Can the applicant be expected to comply with contractual duties, such as making timely rent and utility payments, maintaining an apartment in a safe and sanitary condition, and respecting the rights of his/her neighbors? ❑ YES ❑ NO

11. Ability to Comply with Lease Terms: Need for Assistance

In your best professional and personal opinion can the applicant perform the following activities that relate to lease compliance alone, or is assistance needed?

Activity	Can Perform Alone	Needs Assistance
Keep unit clean, sanitary and hazard-free	❑	❑
Avoid destruction of property	❑	❑
Manage finances/pay rent	❑	❑
Make timely utility payments	❑	❑
Respond to mail	❑	❑
Report income/status changes	❑	❑
Follow appropriate rules	❑	❑
Avoid disturbing neighbors	❑	❑
Avoid criminal activity	❑	❑

---

12. To your knowledge, will the applicant **have** reliable assistance with the activities noted above as needing assistance if admitted to the PHA? ❑ YES ❑ NO

13. Does the applicant live alone and comply with a lease now? ❑ YES ❑ NO

14. In your opinion, can the applicant comply with a lease in a public housing apartment?

❑ YES ❑ NO Describe: _____

Name of person completing this form_____ Signature_____

Title of person completing this form _____Agency/business name_____

Date_____Agency/business address/phone _____

APPLICANT RELEASE

I _____hereby authorize the release of the information requested on this form.

Signature _____ Date_____

Housing Authority

PHA CHECKLIST: ABILITY TO COMPLY WITH LEASE TERMS

This form is only to be completed if landlord verifications are unavailable. It is to be completed for every applicant without landlord references. INSTRUCTIONS: The questions in Section I are to be asked at the interview.

The questions in Section II are to be completed by the interviewer.

Statement to Applicant: We need to ask you some questions to see how you are getting along where you live now and how you will get along if you move into one of our apartments.

Applicant Name:_____ **File #:** _____

Interviewer Name: _____**Date:** _____

I. QUESTIONS FOR APPLICANTS on CARING FOR CURRENT RESIDENCE

1. Do you care for your current room, house, apartment? ❑ YES ❑ NO If no, who helps you care for your current room, house, apartment?

   Name and Phone #:_____

2. Can you keep an apartment clean enough to avoid health or sanitation problems and conditions that contribute to insect or rodent infestation? ❑ YES ❑ NO

3. Have you damaged or destroyed anything in your current room, house, or apartment? ❑ YES ❑ NO

   If yes, please explain what happened and why: _____

   _____

MEETING FINANCIAL OBLIGATIONS, ESPECIALLY RENT

1. Do you pay rent where you are currently living? ❑ YES ❑ NO

2. If no, do you make any regular payments (car loan, installment loan, credit card, utility bills, other_____.)? ❑ YES ❑ NO

3. If you make no regular payments, how can we verify your ability to make

   rent payments in the future?_____

4. Do you pay your own bills at this time? ❑ YES ❑ NO If no, who currently pays your bills? Name and Phone #:_____

REPORTING CHANGES IN INCOME OR FAMILY STATUS

1. Can you report changes in income or family status? ❑ YES ❑ NO If no, please explain why not_____

2. Can you respond to notices that are mailed to you at your home? ❑ YES ❑ NO If no, how should we get in touch with you? _____

FOLLOWING APPROPRIATE RULES

1. Do you have a lease where you live now? ❑ YES ❑ NO
2. If yes, with whom is your current lease? Name and Phone #: _____

_____

If no, whom may we contact to verify your responsibilities of occupancy?

Name and Phone:_____

4. If no, are there rules of tenancy where you now live? ❑ YES ❑ NO
5. If there are such rules where you now live, do you have any trouble following them?

❑ YES ❑ NO If yes, please explain_____

AVOIDING DISTURBING THE NEIGHBORS

1. Are there neighbors near where you presently live? ❑ YES ❑ NO
2. Do you have any trouble getting along with your neighbors where you live now?

❑ YES ❑ NO If yes, please explain_____

3. Have you or any family members ever engaged in physical violence toward your neighbors, landlord, or landlord's staff? ❑ YES ❑ NO If yes, please explain:

_____

_____

4. Have you or any family members ever engaged in verbal abuse (threats, swearing, etc) toward your neighbors, housing provider, or staff? ❑ YES ❑ NO If yes, please explain:_____

_____

AVOIDING CRIMINAL ACTIVITY

1. Have you or any family members listed on this application been involved in any criminal activity that might adversely affect the health safety or welfare of PHA tenants if it happened at the PHA? ❑ YES ❑ NO

Examples of Criminal Activity include but are not limited to:

1. Homicide/Murder
2. Rape or child molesting
3. Burglary/Robbery/Larceny
4. Threats or Harassment
5. Destruct. of Prop./Vandalism
6. Assault or fighting
7. Drug Trafficking/Use/Possession
8. Child Abuse/Domestic Violence
9. PublicIntox/Drunk&Disorderly
10. Receiving Stolen Goods
11. Fraud
12. Prostitution
13. Disorderly conduct

2. Can and will you avoid being involved in any criminal activity in a PHA apartment?

❑ YES ❑ NO PHA will also be checking with the police for any history of criminal activity.

OTHER LEASE COMPLIANCE ISSUES

1. Have there been instances when you have not complied with an occupancy agreement or lease or have had trouble doing so? ❑ YES ❑ NO

   If Yes, please explain_____

2. Whom should we contact to verify your ability to comply with our lease? _____

   _____

II. QUESTIONS TO BE COMPLETED BY INTERVIEWER

1. Did the applicant exhibit any behavior that might cause a problem with lease compliance if the applicant were admitted? ❑ YES ❑ NO

   If Yes, describe behavior in detail: _____

   _____

2. Did the applicant engage in any verbal abuse, threats, or swearing during the application interview? ❑ YES ❑ NO

   If Yes, please describe behavior and what triggered it:

   _____

   _____

If the interview and subsequent verifications demonstrate that the applicant is currently complying with rules and responsibilities comparable to the PHA's lease, no further documentation of ability to comply with lease terms is needed.

If a friend or family member is presently assisting the applicant with cleaning, personal finances, rule compliance, avoiding disturbances, or avoiding criminal activity, will that assistance be continued if the applicant is admitted to the PHA? Is the person providing the assistance (or alternate) prepared to continue to provide such assistance?

If applicant is receiving assistance with the activities described above from a social service or government agency, is the agency prepared to continue to provide such assistance?

Housing Authority

HOME VISIT REPORT

Name of Applicant_____File Number _____
Address_____Date _____

Home Visit Conducted by: _____

Dates of Applicant's Residency in This Unit: From:_____ To_____

In rating the condition of the applicant's unit, the inspector is reminded that the purpose of the home visit is to avoid admitting applicants who are unwilling or unable to comply with the PHA's lease and housekeeping standards. An unacceptable rating should be used to denote a condition that represents a health or safety hazard, and such hazard should be described by the inspector in an objective manner.

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1. General cleanliness

A. Living/Dining Room:_____ Good _____Acceptable _____Unacceptable

Describe:_____

B. Bedrooms_____Good _____Acceptable _____Unacceptable

Describe:_____

C. Kitchen/ Cabinets/Appliances_____Good _____Acceptable _____Unacceptable

Describe:_____

D. Bathroom_____Good _____Acceptable _____Unacceptable

Describe:_____

E. Halls, stairways, laundry area: _____Good _____Acceptable _____Unacceptable

Describe:_____

F. Yard (if applicable): _____Good _____Acceptable _____Unacceptable

Describe_____

2. Applicant-Caused Damages to the Unit

A. Are there any applicant-caused damages to the unit? ❑ YES ❑ NO

Describe_____

Why do you believe the applicant caused the damages? _____

_____

B. What is your estimate of the cost to repair applicant damages? Itemize: _____

_____

C. Is there evidence of vermin infestation? ❑ YES ❑ NO

Describe_____

D. Does the housekeeping contribute to vermin infestation? ❑ YES ❑ NO

Describe_____

E. Do you think this unit was ❑ standard or ❑ substandard before the applicant moved in?

Please explain: _____

3. Are there any pets or evidence of pets in this unit? ❑YES ❑ NO

If yes, what is the pet?_____

Are there any pet-caused problems in the unit?_____

4. Other comments

A. Did the applicant have any comments/explanations on the unit or its condition?

_____

B. Other comments by the PHA Staff:

_____

5. Other areas of lease compliance:

A. Are the appearance and condition of the unit consistent with the number of people in the applicant family? ❑ YES ❑ NO

Describe_____

B. Is there any evidence of criminal activity, including drug-related criminal activity in the unit?

❑ YES ❑ NO

Describe_____

C. Are there any other conditions present in the unit that are inconsistent with the information provided on the application? ❑ YES ❑ NO

Describe_____

Housing Authority

UTILITY VERIFICATION FORM

Name of Applicant:_____PHA file # _____

Current Address_____

Name of Utility Supplier_____

Utilities Provided ❑ Electricity. ❑ Gas ❑ Water ❑ Other

Dates of Applicant's Service: From_____ To_____

A. Average amount of monthly bill: $_____

B. Does (did) applicant pay on time? ❑ YES ❑ NO

C. Has(had) he/she ever paid late? ❑ YES ❑ NO

How late?_____ How often?_____

D. Have (had) you ever begun/completed disconnection for non-payment? ❑ YES ❑ NO

E. At what other addresses has this applicant had utility service?

F. Has any utility equipment been damaged at this unit? ❑ YES ❑ NO

G. Will you keep the applicant's utility deposit? ❑ YES ❑ NO

H. Can this applicant get utility service in his/her name in the future? ❑ YES ❑ NO

Signature of Utility Co. Representative_____ Date _____

Telephone Number_____

I _____authorize the release of the information requested on this form.

Signature_____Date _____

Housing Authority
THREAT ASSESSMENT VERIFICATION

Police Department:_____Date: _____

Dear Sir/Madam:

Federal law requires us to verify certain information about all members of families living in or applying for admission to our developments. The purpose of this letter is to determine:

- whether the family listed below is, in your professional opinion, subject to a specific threat from crime (not simply because may be crime in the neighborhood, for example);
- the crime that the family is being threatened by and the source of the threat, if known;
- whether any member of the family is contributing to the threat; and
- whether moving the family to a different development in a different part of town or issuing the family a housing voucher would remove the crime threat.

Your prompt return of this information will be appreciated. A stamped, self-addressed return envelope is enclosed. If you have any questions, please call me.

Sincerely,_____

(Manager's Name) (Signature)

Description of the Threat claimed by the Family

1. Name of Family head of household:_____
2. Current address:_____
3. Name of Family member(s) claiming threat (if different from head):_____
   _____
   _____
4. Reason for threat:_____
5. Nature of the threat claimed:_____

Law Enforcement Assessment of Threat

1. In your opinion, is any member of this family reasonably subject to a threat? ❑ Yes ❑ No

   If yes, please explain:_____
2. Please describe the specific danger to the family:_____
   _____
3. Is any member of the family contributing to the threat? ❑ Yes ❑ No If yes, please explain:
   _____
4. Will the family be safe if we move them to another public housing development?
   ❑ Yes ❑ No

5. If the family will not be safe in another public housing development, will they be safe if we issue the family a housing voucher? ❑ Yes ❑ No
6. How far will the family have to move to be safe?_____

FAMILY'S RELEASE

I hereby authorize the release of the information requested above.

Family head's Signature_____Date_____

Imputed Welfare Income Verification Form

Public Assistance Office
_____
_____
_____

(*date*)

RE: Reason for Reduction in Public Assistance Benefits
Client Name:_____
Client Address:_____
Social Security Number:_____

Dear _____:

The individual named above has reported a reduction in public assistance benefits and requested a reduction in rent. The Quality Housing and Work Responsibility Act of 1998 requires that we verify in writing whether the reduction in benefits is because of one of the reasons listed below. Please review these statements and check whichever is the case for this individual:

_____Benefits have been reduced because the named individual committed welfare fraud; or

_____Benefits have been reduced because the named individual has not participated in required economic self sufficiency activities; or

_____Benefits have been reduced for some other reason. Please specify:
_____
_____
_____
_____

The amount by which benefits will be cut is $_____ per month, resulting in a new monthly benefit of $_____. The number of months that this benefit reduction will apply is _____ months.

Thank you for your cooperation.

Sincerely;

Property Manager