

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Small PHA Plan Update
Annual Plan for Fiscal Year Beginning in: 2002

SAINT JAMES HRA mn031v02

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

PHA Plan Agency Identification

PHA Name: SAINT JAMES HRA

PHA Number: MN031

PHA Fiscal Year Beginning: (mm/yyyy) 10/2002

PHA Plan Contact Information:

Name: Dorinda Wehde

Phone: 507-375-3827

TDD:

Email (if available): stjhra@rconnect.com

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting:
(select all that apply)

- Main administrative office of the PHA
- PHA development management offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- Main administrative office of the local, county or State government
- Public library
- PHA website
- Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA
- PHA development management offices
- Other (list below)

PHA Programs Administered:

- Public Housing and Section 8 Section 8 Only Public Housing Only

Annual PHA Plan
Fiscal Year 2002
 [24 CFR Part 903.7]

i. Table of Contents

Provide a table of contents for the Plan, including attachments, and a list of supporting documents available for public inspection. For Attachments, indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

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ii. Executive Summary

[24 CFR Part 903.7 9 (r)]

At PHA option, provide a brief overview of the information in the Annual Plan

Included in this PHA plan is a new Lease and ACOP that incorporate the changes required by QWHRA and any federal regulation changes that hadn't been incorporated in the existing Lease and ACOP. A new pet policy and Greivance Procedure are also incorporated into the new ACOP. Flat rent rates have been determined and will be incorporated at the beginning of this fiscal year along with the new lease and ACOP.

1. Summary of Policy or Program Changes for the Upcoming Year

In this section, briefly describe changes in policies or programs discussed in last year's PHA Plan that are not covered in other sections of this Update.

All changes are discussed elsewhere in this Plan.

2. Capital Improvement Needs

[24 CFR Part 903.7 9 (g)]

Exemptions: Section 8 only PHAs are not required to complete this component.

A. Yes No: Is the PHA eligible to participate in the CFP in the fiscal year covered by this PHA Plan?

B. What is the amount of the PHA's estimated or actual (if known) Capital Fund Program grant for the upcoming year? \$ 105,216.00

C. Yes No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete the rest of Component 7. If no, skip to next component.

D. Capital Fund Program Grant Submissions

(1) Capital Fund Program 5-Year Action Plan

The Capital Fund Program 5-Year Action Plan is provided as Attachment C

(2) Capital Fund Program Annual Statement

The Capital Fund Program Annual Statement is provided as Attachment B

3. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

Applicability: Section 8 only PHAs are not required to complete this section.

1. Yes No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If “No”, skip to next component ; if “yes”, complete one activity description for each development.)

2. Activity Description

Demolition/Disposition Activity Description (Not including Activities Associated with HOPE VI or Conversion Activities)
1a. Development name: 1b. Development (project) number:
2. Activity type: Demolition <input type="checkbox"/> Disposition <input type="checkbox"/>
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date application approved, submitted, or planned for submission: <u>(DD/MM/YY)</u>
5. Number of units affected: 6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development
7. Relocation resources (select all that apply) <input type="checkbox"/> Section 8 for units <input type="checkbox"/> Public housing for units <input type="checkbox"/> Preference for admission to other public housing or section 8 <input type="checkbox"/> Other housing for units (describe below)
8. Timeline for activity: a. Actual or projected start date of activity: b. Actual or projected start date of relocation activities: c. Projected end date of activity:

4. Voucher Homeownership Program

[24 CFR Part 903.7 9 (k)]

A. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to next component; if “yes”, describe each program using the table below (copy and complete questions for each program identified.)

B. Capacity of the PHA to Administer a Section 8 Homeownership Program

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- Establishing a minimum homeowner downpayment requirement of at least 3 percent and requiring that at least 1 percent of the downpayment comes from the family’s resources
- Requiring that financing for purchase of a home under its section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards
- Demonstrating that it has or will acquire other relevant experience (list PHA experience, or any other organization to be involved and its experience, below):

5. Safety and Crime Prevention: PHDEP Plan

[24 CFR Part 903.7 (m)]

Exemptions Section 8 Only PHAs may skip to the next component PHAs eligible for PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

A. Yes No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?

B. What is the amount of the PHA’s estimated or actual (if known) PHDEP grant for the upcoming year? \$ _____

C. Yes No Does the PHA plan to participate in the PHDEP in the upcoming year? If yes, answer question D. If no, skip to next component.

D. Yes No: The PHDEP Plan is attached at Attachment _____

6. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board (RAB) Recommendations and PHA Response

1. Yes No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?

2. If yes, the comments are Attached at Attachment F

3. In what manner did the PHA address those comments? (select all that apply)
 - The PHA changed portions of the PHA Plan in response to comments
A list of these changes is included
 Yes No: below or
 Yes No: included with the RAB Comments in Attachment F.
 - Considered comments, but determined that no changes to the PHA Plan were necessary. An explanation of the PHA's consideration is included at the at the end of the RAB Comments in Attachment ____.

 - Other: (list below)

B. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction: (State of Minnesota)

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)
 - The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
 - The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
 - The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
 - Activities to be undertaken by the PHA in the coming year are consistent with specific initiatives contained in the Consolidated Plan. (list such initiatives below)
 - Other: (list below)

3. PHA Requests for support from the Consolidated Plan Agency
 - Yes No: Does the PHA request financial or other support from the State or local government agency in order to meet the needs of its public housing residents or inventory? If yes, please list the 5 most important requests below:

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)
 1. Maximize the number of affordable units available to the PHA within its current resources.
 - A. Effective maintenance and management policies to minimize the number of units off-line.
 1. Target available assistance to families at or below 30% of AMI.
 - A. Promote availability of assistance through media and community presentations.
 1. Target available assistance to the elderly
 - A. Collaborate with Watonwan County Human Services and Home Health Care Agencies to provide assistance to the elderly.

C. Criteria for Substantial Deviation and Significant Amendments

1. Amendment and Deviation Definitions

24 CFR Part 903.7(r)

PHAs are required to define and adopt their own standards of substantial deviation from the 5-year Plan and Significant Amendment to the Annual Plan. The definition of significant amendment is important because it defines when the PHA will subject a change to the policies or activities described in the Annual Plan to full public hearing and HUD review before implementation.

A. Substantial Deviation from the 5-year Plan:

It will be a substantial deviation from the 5-year Plan when a Board decision is made to change the mission statement, goals or objectives stated in the 5-year plan, including those that affect the residents or have a significant impact on financial status.

B. Significant Amendment or Modification to the Annual Plan:

Changes in Plans or Policies requiring formal approval by the Board will be considered reason for amendment or modification to the Annual PHA Plan.

Attachment A
Supporting Documents Available for Review

PHAs are to indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan (not required for this update)	5 Year and Annual Plans
	Fair Housing Documentation Supporting Fair Housing Certifications: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Housing Needs Statement of the Consolidated Plan for the jurisdiction/s in which the PHA is located and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
X	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
X	Public Housing Admissions and (Continued) Occupancy Policy (A&O/ACOP), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Any policy governing occupancy of Police Officers in Public Housing <input checked="" type="checkbox"/> check here if included in the public housing A&O Policy	Annual Plan: Eligibility, Selection, and Admissions Policies
	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	Public housing rent determination policies, including the method for setting public housing flat rents <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
	Section 8 rent determination (payment standard) policies <input type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
X	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
X	Results of latest binding Public Housing Assessment System (PHAS) Assessment	Annual Plan: Management and Operations
X	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and Community Service & Self-Sufficiency
	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
	Any required policies governing any Section 8 special housing types <input type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
X	Public housing grievance procedures <input checked="" type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
	Section 8 informal review and hearing procedures <input type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
X	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for any active grant year	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants	Annual Plan: Capital Needs

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans, or any other approved proposal for development of public housing	Annual Plan: Capital Needs
X	Self-evaluation, Needs Assessment and Transition Plan required by regulations implementing §504 of the Rehabilitation Act and the Americans with Disabilities Act. See, PIH 99-52 (HA).	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
X	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, Section 22 of the US Housing Act of 1937, or Section 33 of the US Housing Act of 1937	Annual Plan: Conversion of Public Housing
X	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
	Policies governing any Section 8 Homeownership program (section _____ of the Section 8 Administrative Plan)	Annual Plan: Homeownership
X	Cooperation agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies	Annual Plan: Community Service & Self-Sufficiency
	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
X	Section 3 documentation required by 24 CFR Part 135, Subpart E	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
X	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G) <input checked="" type="checkbox"/> check here if included in the public housing A & O Policy	Pet Policy

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	The results of the most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U. S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Income Analysis of Public Housing Covered Developments	Required by PIH Notice 2001-26 (specify as needed)
X	Voluntary Conversion Required Initial Assessment	Required by PIH Notice 2001-26 (specify as needed)
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

Required Attachment <u>B</u>: Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary						
PHA Name: SAINT JAMES HRA		Grant Type and Number Capital Fund Program: MN46P03150102 Capital Fund Program Replacement Housing Factor Grant No:			Federal FY of Grant: 2002	
<input checked="" type="checkbox"/> Original Annual Statement (revision no:) <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement						
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report						
Lin e No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost		
		Original	Revised	Obligated	Expended	
1	Total non-CFP Funds					
2	1406 Operations					
3	1408 Management Improvements					
4	1410 Administration					
5	1411 Audit					
6	1415 liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement	\$25,000.00				
10	1460 Dwelling Structures	\$78,000.00				
11	1465.1 Dwelling Equipment— Nonexpendable	\$2,216.00				
12	1470 Nondwelling Structures					
13	1475 Nondwelling Equipment					
14	1485 Demolition					
15	1490 Replacement Reserve					
16	1492 Moving to Work Demonstration					
17	1495.1 Relocation Costs					
18	1498 Mod Used for Development					

**Required Attachment B: Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

PHA Name: SAINT JAMES HRA	Grant Type and Number Capital Fund Program: MN46P03150102 Capital Fund Program Replacement Housing Factor Grant No:	Federal FY of Grant: 2002
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Original Annual Statement (revision no:) **Reserve for Disasters/ Emergencies** **Revised Annual Statement**
 Performance and Evaluation Report for Period Ending: **Final Performance and Evaluation Report**

Lin e No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
19	1502 Contingency				
20	Amount of Annual Grant: (sum of lines 2-19)	\$105, 216			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security				
24	Amount of line 20 Related to Energy Conservation Measures				

**Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
Part II: Supporting Pages**

PHA Name: SAINT JAMES HRA	Grant Type and Number Capital Fund Program #: MN46P03150102 Capital Fund Program Replacement Housing Factor #:	Federal FY of Grant: 2002
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Development Number	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost	Total Actual Cost	Status of Proposed
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Required Attachment C: Capital Fund Program 5-Year Action Plan

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

CFP 5-Year Action Plan		
<input checked="" type="checkbox"/> Original statement <input type="checkbox"/> Revised statement		
Development Number	Development Name (or indicate PHA wide)	
MN031001	Park Apartments	
Description of Needed Physical Improvements or Management Improvements	Estimated Cost	Planned Start Date (HA Fiscal Year)
Remodel 57 apartments	\$380,000.00	10/2002
Convert twelve apartments to eight 2-bedroom apartments	\$132,000.00	10/2002
Remodel Stairwells	\$25,000.00	10/2002
Purchase Air Conditioners for Tenants to Lease	\$12,000.00	10/2002
Add Security Cameras to Parking Lot	\$17,000.00	10/2003
Add Security Camera to Office	\$1,200.00	10/2003
Construct a larger parking lot	\$25,000.00	10/2003
Add Outside Storage Shed	\$1,500.00	10/2003
Remodel Kitchen Area and Craft Room	\$20,000.00	10/2004
Remodel Lounge	\$8,000.00	10/2005
Remodel Hallways & Main Lobby	\$20,000.00	10/2006
Remodel Office	\$10,000.00	10/2006
Total estimated cost over next 5 years	\$651,700	

CFP 5-Year Action Plan		
<input checked="" type="checkbox"/> Original statement <input type="checkbox"/> Revised statement		
Development Number	Development Name (or indicate PHA wide)	
MN031003	Scattered Housing	
Description of Needed Physical Improvements or Management Improvements	Estimated Cost	Planned Start Date (HA Fiscal Year)
Dehumidifiers for 8 houses	\$2,500.00	10/2002
New Doors for 3 houses	\$5,000.00	10/2002
Rehab Garages at 4 houses	\$27,000.00	10/2003
New roofs on 2 houses	\$10,000.00	10/2004
New siding on 1 house	\$11,000.00	10/2005
Sidewalk and concrete repair – 4 houses	\$20,000.00	10/2006
Total estimated cost over next 5 years	\$75,500.00	

Required Attachment D: Resident Member on the PHA Governing Board

1. Yes No: Does the PHA governing board include at least one member who is directly assisted by the PHA this year? (if no, skip to #2)

A. Name of resident member(s) on the governing board: Dale Loudermilk, Sr.

B. How was the resident board member selected: (select one)?

- Elected
 Appointed

C. The term of appointment is (include the date term expires): July 2002 – June 2007

2. A. If the PHA governing board does not have at least one member who is directly assisted by the PHA, why not?

- the PHA is located in a State that requires the members of a governing board to be salaried and serve on a full time basis
 the PHA has less than 300 public housing units, has provided reasonable notice to the resident advisory board of the opportunity to serve on the governing board, and has not been notified by any resident of their interest to participate in the Board.
 Other (explain):

B. Date of next term expiration of a governing board member: 12/31/02

C. Name and title of appointing official(s) for governing board (indicate appointing official for the next position):

Nominated by Mayor Gary Sturm, Appointed by the City Council

Required Attachment E: Membership of the Resident Advisory Board or Boards

List members of the Resident Advisory Board or Boards: (If the list would be unreasonably long, list organizations represented or otherwise provide a description sufficient to identify how members are chosen.)

Jared Cowell
Rene Rodriguez
Gail Litty
Dan Reim
Ken Christman, Jr.

ATTACHMENT F
Comments of Resident Advisory Board w/ HRA Board Response

1. The lease is too long (wordy) – people won't take the time to read it.

We took out a portion of the section on housekeeping standards and will include it in a tenant handbook. Otherwise, we felt everything else needed to be in the lease. We will go through the lease with the tenant at the time of the “New Tenant Orientation” to make sure they know what is in it.

2. We shouldn't spend our capital funds on converting apartments to 2-bedroom – it will just attract more families.

We already house families and do not currently have a 2-bedroom option. We have only one bedroom in the apartment building and jump to 3-bedrooms with our houses. We will continue to pursue the conversion so that we will be able to house those families currently too large for 1-bedroom and too small for 3-bedroom.

3. Could the pet policy be different for the houses, since they have more room?

After careful consideration, the HRA Board decided not to alter the Pet Policy for the houses, due to the added cost incurred in having a pet.

4. We should allow tenants to continue to pay their rent in cash.

We took out the sentence in the ACOP that stated that rent needs to be paid by check or money order only.

5. We shouldn't have child support as a permissive deduction – it is unfair to the women who have to claim it as an income.

The board agreed that it would be unfair and so we eliminated the section in the ACOP on permissive deductions.

**HOUSING AUTHORITY of ST. JAMES MINNESOTA
RESIDENTIAL LEASE AGREEMENT**

**PART I of the RESIDENTIAL LEASE AGREEMENT: TERMS AND CONDITIONS
Housing Authority of St. James, Minnesota**

THIS LEASE AGREEMENT (called the "Lease") is between the Housing Authority of St. James, Minnesota, and Tenant named in Part II of this lease (called "Tenant").

I. Description of the Parties and Premises:

- (a) The Authority, using verified data on 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.
- (b) Premises must be used only as a private residence, solely for Tenant and the household members named on Part II of the Lease. The Authority may, by prior written approval, consent to Tenant's use of the unit for legal profit-making activities incidental to the residential use subject to the Authority's policy on such activities.
- (c) Any additions to the household members named on the lease, including Live-in Aides and foster children, but excluding natural births, require the advance written approval of the Authority. Such approval will be granted only if the new family members pass the Authority'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.

Tenant agrees to wait for the Authority'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 the Authority may terminate the lease.

- (d) Deletions (for any reason) from the household members named on the lease shall be reported by the Tenant to the Authority in writing, within 10 days of the occurrence.

II. Lease and Amount of Rent

- (a) Unless otherwise modified or terminated in accordance with Section XIV, this Lease shall automatically be renewed for successive terms of one calendar month.

The rent amount is stated in Part II of this Lease. Rent shall remain in effect unless adjusted by the Authority in accordance with Section VII herein.

Tenant has the option, upon admission to public housing and annually thereafter, whether to pay flat rent (market value) or income-based rent.

The flat rent for the dwelling unit listed above is \$_____

The amount of income-based rent (Total Tenant Payment and Tenant Rent) shall be determined by the Authority in compliance with HUD regulations and requirements and in accordance with the Authority's Admissions and Occupancy Policy.

- (b) **Rent is DUE and PAYABLE in advance on the first day of each month and shall be considered delinquent after the fifth calendar day of the month.** Income-based rent may include utilities as described in Section VII below, and includes all maintenance services due to normal wear and tear. Flat rent does not include a utility allowance, and includes all maintenance services due to normal wear and tear.

When the Authority makes any change in the amount of Total Tenant Payment or Tenant Rent, the Authority shall give written notice to Tenant. The notice shall state the new amount, and the date the new amount is applicable. Rent re-determinations 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 the Authority. If Tenant asks for an explanation, the Authority shall respond in a reasonable time.

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:

- (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 the Authority 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 the Authority or (for work not listed on the Schedule of Maintenance Charges) based on the actual cost to the Authority for the labor and materials needed to complete the work. If overtime work is required, overtime rates shall be charged.
- (b) Excess Utility Charges – At developments where the Authority provides utilities, 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.
- (c) Installation charges for tenant-supplied air conditioners.
- (d) Late Charges – A charge of \$5.00 on the 6th of the month and \$1.00 per day thereafter, not to exceed \$30, for rent or other charges paid after the fifth calendar day of the month. The Authority 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 the Authority's written notice of the charge.

IV. Payment Location

Rent and other charges can be paid at the Main Office located at 415 Armstrong Blvd. N. However, if needed as a reasonable accommodation, the Authority shall make other arrangements for payment of rent.

V. Security Deposit

- (a) Tenant Responsibilities: Tenant agrees to pay an amount equal to \$150.00 or one month's Total Tenant Payment, whichever is greater. The dollar amount of the security deposit is noted on Part II of this Residential Lease.
- (b) Authority's Responsibilities: The Authority 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.

- (c) The Authority shall not charge a higher security deposit for tenants with disabilities who use wheelchairs and/or have service or companion animals necessary as a reasonable accommodation.

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 the Authority has inspected the dwelling unit.

The return of a security deposit shall occur within 21 days after Tenant moves out. The Authority agrees to return the Security Deposit plus accrued interest (subject to applicable laws), if any, to Tenant when he/she vacates, less any deductions for any costs indicated above, so long as Tenant furnishes the Authority with a forwarding address. If any deductions are made, the Authority 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

- (a) Authority-Supplied Utilities: If indicated by an (X) on Part II of the Lease Agreement, the Authority will supply the indicated utility *for Tenants choosing to pay income-based rent*: electricity, natural gas, heating fuel, water, sewer service. The Authority will not be liable for the failure to supply utility service for any cause whatsoever beyond its control. Utility allowance is not included in flat rents.

If indicated by an (X) on Part II of the Lease Agreement, the Authority 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 the Authority. 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.

- (b) Tenant-paid Utilities: If Tenant resides in a development where the Authority does not supply electricity, natural gas, or heating fuel, 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. Tenants paying flat rent pay utility costs directly to the utility supplier. In income-based rent, the Total Tenant Payment less the Allowance for Utilities equals Tenant Rent. If the Allowance for Utilities exceeds the Total Tenant Payment, the Authority will pay a Utility Reimbursement to the utility supplier or Tenant each month.

The Authority 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.

If Tenant's actual utility bill exceeds the Allowance for Utilities, Tenant shall be responsible for paying the actual 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 the Authority and to comply with any applicable law, regulation, or guideline of any governmental entity regulating utilities or fuels. 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 the Authority, members of the household may engage in legal profit-making activities in the dwelling unit incidental to the residential use.

This provision permits 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.

- (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 the Authority cannot make any reasonable accommodation that would enable Tenant to comply with the lease; THEN, the Authority 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, the Authority will work with appropriate agencies to secure suitable housing and will terminate the Lease in accordance with Section XIV of this lease.

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) Re-determination 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 family composition is to be re-examined at least once a year. The housing authority shall re-examine the income of the family at least once a year if Tenant chooses to pay income-based rent. If tenant chooses to pay flat rent, the housing authority shall re-examine the income of the family no less than every three (3) years.
- (2) Tenant promises to supply the Authority, when requested, with accurate information about: family composition, age of family members, income and source of income of all family members, assets, and related information necessary to determine eligibility, annual income, adjusted income, and rent.

Failure to supply such information when requested is a serious violation of the terms of the lease, and the authority may terminate the lease.

All information must be verified. Tenant agrees to comply with the Authority's requests for verification by signing releases for third-party sources, presenting documents for review, or providing other suitable forms of verification.

The Authority 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 the Authority 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 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:
- A. For families paying income-based rent:
 - 1. A person with income joins the household.
 - 2. Tenant can verify a change in his/her circumstances (such as decline in or loss of income) that would justify a reduction in rent.
If a reduction is granted, Tenant must report *subsequent increases* 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.
 - 3. Tenant experiences a change in income:
 - a. Over \$35.00 per month
 - b. Through a change in source of income
That would justify an increase in rent over a dollar amount of \$10.00.
 - 4. It is found that the 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.
The Authority then may apply an increase in rent retroactive to the first of the month following the month in which the misrepresentation occurred.
 - 5. Federal law or regulation changes rent formulas or procedures.
 - 6. All changes in income 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.
 - B. For families paying flat rent:
 - 1. If the PHA determines that the family is unable to pay the flat rent because of financial hardship.
 - i. Upon such a determination, the housing authority shall immediately provide for the family to pay rent in the amount determined under income-based rent.
 - ii. Hardship is defined in the housing authority's Admissions and Continued Occupancy Policy.
 - 2. If the family has switched from paying flat rent to paying income-based rent because of financial hardship, the family will be given the option at the next annual re-examination whether to choose income-based rent or flat rent.
- (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.

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. An exception will be made if it is determined that the move-in of a single adult child is essential for the mental or physical health of Tenant.

- (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, for families paying income-based rent *and* for families switching from flat rent to income-based rent because of financial hardship, on the first day of the month following the reported change in circumstances or change in

Federal law or regulations, provided Tenant reported the change in a timely manner, as specified above (when change is based on new circumstances).

- (2) In the case of a rent increase, when an increase in income occurs after a prior rent reduction and is reported *within 10 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 a change in Federal law or regulations, the increase will become effective the first day of the second month following the month in which the Authority notifies the tenant of the law or regulatory change.
- (4) 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), the Authority shall apply the increase in rent retroactive to the first of the month following the month in which the misrepresentation occurred.

(e) Transfers

- (1) Tenant agrees that if the Authority determines that the size or design of the dwelling unit is no longer appropriate to Tenant's needs, the Authority 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) The Authority 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, the Authority 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, the Authority may transfer Tenant to another unit with the features requested at the Authority's expense.
- (4) A tenant without disabilities who is housed in an accessible or adaptable unit must transfer to a unit without such features should a Tenant with disabilities need the unit (at the Authority's expense).
- (5) In the case of involuntary transfers, Tenant shall be required to move into the dwelling unit made available by the Authority. Tenant shall be given 15 days time in which to move following delivery of a transfer notice. If Tenant refuses to move, the Authority may terminate the Lease.
- (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.
- (7) The Authority will consider any Tenant requests for transfers in accordance with the transfer priorities established in the Admissions and Occupancy Policies.

VIII. Authority Obligations

The Authority shall be obligated:

- (a) To maintain the dwelling unit and the project in a condition that is decent, safe, sanitary and in good repair;

- (b) To comply with the requirements of applicable building codes, housing codes, Uniform Physical Condition Standards and other HUD regulations materially affecting health and safety;
- (c) To make necessary repairs to the dwelling unit;
- (d) To keep project building, facilities, and common areas, not otherwise assigned to Tenant for maintenance and upkeep, in a clean and safe condition;
- (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 by the Authority;
- (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, and to provide disposal service for garbage, rubbish and other solid waste;
- (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 by law 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;
- (h) To notify Tenant of the specific grounds for any proposed adverse action by the Authority. (Such adverse action includes, but is not limited to, a proposed lease termination, transfer of Tenant to another unit, or imposition of charges for maintenance and repair, or for excess consumption of utilities.) When the Authority is required to afford Tenant the opportunity for a hearing under the Authority's 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(1)(3) shall constitute adequate notice of proposed adverse action.
 - (2) In the case of a proposed adverse action other than a proposed lease termination, the Authority shall not take the proposed action until time to request such a hearing has expired and (if hearing was timely requested) the grievance process has been completed.
- (i) Reasonable Accommodations for Residents with Disabilities:

Housing providers must make reasonable accommodations in, lease and other policy requirements when requested by a qualified resident with disabilities. The concept of reasonable accommodation involves helping a resident meet essential lease requirements; it does not require the lowering or waiving of essential requirements. Accommodations are not reasonable if they require a fundamental alteration in the nature of the program or impose undue financial and administrative burdens on the housing provider.
- (j) To not reduce Tenant's rent due to a reduction in welfare assistance when the welfare reduction is a result of:
 - (1) Fraud; or
 - (2) Failure to participate in an economic self-sufficiency program; or

- (3) Failure to participate in a work activities requirement

The housing authority will verify the above circumstances through the local welfare department through a local agreement with the welfare department to verify such circumstances as quickly as possible.

Refusal to reduce Tenant's rent is not applicable if the welfare reduction results from:

- (1) The expiration of a lifetime limit on receiving welfare benefits; or
- (2) When the family has sought but cannot find employment; or
- (3) The family has complied with welfare program requirements but loses welfare because of a durational time limit.

IX. Tenant's Obligations

Tenant shall be obligated:

- (a) Not to assign the Lease, nor sublease the dwelling unit.
 - (1) Not to give accommodation to boarders or lodgers;
 - (2) Not to give accommodation to long-term guests (in excess of 14 days per year) without the advance written consent of the Authority.
- (b) 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.
- (c) 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 the Authority's Occupancy standards, and so long as the Authority has granted prior written approval for the foster child(ren), or live-in aide to reside in the unit.
- (d) To abide by necessary and reasonable regulations promulgated by the Authority 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.
- (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.
- (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. 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.
- (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 the Authority. 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.
- (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.
- (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.
- (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 Authority projects in a decent, safe, and sanitary condition.
- (l) To assure that:
 - (1) Tenant, any member of the household or guest shall not engage in:
 - A. Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the Authority, or;
 - B. Any drug-related criminal activity on or off the premises. [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.)]
 - (2) No other person under Tenant's control engages in:
 - A. Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents; or
 - B. Any drug-related criminal activity on the premises;
 - (3) No member of the household engages in an abuse or pattern of abuse of alcohol that affects the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the Authority.
- (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 the Authority. To make no changes to locks or install new locks on exterior doors without the Authority'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 the Authority.
- (n) To give prompt prior notice to the Authority, in accordance with Section VIII 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 the Authority's 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 the Authority's staff.

- (p) Not to display, use, or possess or allow members of Tenant's household or guests to display, use or possess any firearms, (operable or inoperable) or other offensive weapons as defined by the laws and courts of the State of Minnesota anywhere in the unit or elsewhere on the property of the Authority.
- (q) To take reasonable precautions to prevent fires and to refrain from storing or keeping flammable materials upon the premises.
 - (1) To not disconnect any smoke alarm in the dwelling unit. Tenant disconnection of any smoke alarm is a health and safety violation.
 - (2) To notify the housing authority immediately when any smoke alarm is not operable.
- (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.
 - (1) 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 the Authority with the written approval of the Authority.
- (s) 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 the Authority.
- (t) To insure that no member of their household keeps, maintains, harbors, or boards any dog, cat, livestock, or pet of any nature in the dwelling unit or on the grounds of any Authority development except in accordance with the Authority's pet policy.

However, in any development, a person with a disability may keep a companion or service animal that is needed as a reasonable accommodation for his or her disability. An animal needed as a reasonable accommodation is not subject to the Authority's pet policy (if there is one), although it is subject to reasonable health and safety rules.

- (u) To remove from Authority property any vehicles without valid registration and inspection stickers. To refrain from parking any vehicles in any right-of-way or fire lane designated and marked by the Authority. Any inoperable or unlicensed vehicle as described above will be removed from Authority property at Tenant's expense. Automobile repairs are not permitted on project site.
- (v) To remove any personal property left on Authority 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 the Authority. Costs for storage and disposal shall be assessed against the former Tenant.
- (w) 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. **TENANT SHALL NOTIFY THE AUTHORITY PROMPTLY OF KNOWN NEED FOR REPAIRS TO THE 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.
- (x) Not to:
 - (1) Commit any fraud in connection with any Federal housing assistance program, or

(2) Receive assistance for occupancy of any other unit assisted under any Federal housing assistance program during the term of the lease.

(y) 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.

X. Defects Hazardous to Life, Health or Safety

In the event that the dwelling unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants:

Authority Responsibilities:

- (a) The Authority shall be responsible for repair of the unit within a reasonable period of time after receiving notice from Tenant, provided, if Tenant, household members, or guests caused the damage, the reasonable cost of the repairs shall be charged to Tenant.
- (b) The Authority shall offer Tenant a replacement dwelling unit, if available, if necessary repairs cannot be made within a reasonable time. The Authority is not required to offer Tenant a replacement unit if Tenant, household members, or guests caused the hazardous condition.
- (c) Tenant shall accept any replacement unit offered by the Authority.
- (d) In the event repairs cannot be made by the Authority, as described above, or alternative accommodations are not provided, 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.
- (e) If the Authority 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.
- (b) Tenant agrees to continue to pay full rent, less the abated portion agreed upon by the Authority, during the time in which the defect remains uncorrected.

XI. Inspections

- (a) Move-in Inspection: The Authority and Tenant or representative shall inspect the dwelling unit prior to occupancy by Tenant. The Authority 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 the Authority and Tenant and a copy of the statement retained in Tenant's folder. Any deficiencies noted on the inspection report will be corrected by the Authority, at no charge to Tenant.

- (b) Other Inspections – The Authority will inspect the unit at least annually to check needed maintenance, tenant housekeeping, and other lease compliance matters. Tenant will receive a written statement of the charges, if any, for repairs or removal of non-approved alterations to the unit.
- (c) Move-out Inspection – The Authority 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 the Authority.

XII. Entry of Premises During Tenancy

(a) Tenant Responsibilities

- (1) Tenant agrees that the duly authorized agent, employee, or contractor of the Authority will be permitted to enter Tenant's dwelling during reasonable hours (9:00 A.M. to 5:00 P.M.) for the purpose of performing routine maintenance, making improvements or repairs, inspecting the unit, or showing the unit for releasing.
- (2) When Tenant calls to request maintenance on the unit, the Authority shall attempt to provide such maintenance at a time convenient to Tenant. If Tenant is absent from the dwelling unit when the Authority comes to perform maintenance, Tenant's request for maintenance shall constitute permission to enter.

(b) Authority's Responsibilities

- (1) Authority shall give Tenant at least 48 hours written notice that the Authority intends to enter the unit. Authority may enter only at reasonable times.
- (2) The Authority may enter Tenant's dwelling unit at any time without advance notification when there is reasonable cause to believe that an emergency exists.
- (3) If Tenant and all adult members of the household are absent from the dwelling unit at the time of entry, Authority shall leave in the dwelling unit a written statement specifying the date, time and purpose of entry prior to leaving the dwelling unit.

XIII. Notice Procedures

- (a) Tenant Responsibility – Any notice to Authority must be in writing, delivered to the Project Office or to Authority's central office, or sent by prepaid first-class mail, properly addressed.
- (b) Authority 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 prepaid first-class mail addressed to Tenant.
- (c) Unopened, cancelled, first class mail returned by the Post Office shall be sufficient evidence that notice was given, whether signed or unsigned.
- (d) If Tenant is visually impaired, all notices must be in an accessible format.

XIV. Termination of the Lease

In terminating the Lease, the following procedures shall be followed by the Authority 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. 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;
 - (2) Repeated late payment, which shall be defined as failure to pay the amount of rent or other charges due by the 5th of the month. Four such late payments within a 12 month period shall constitute a repeated late payment;
 - (3) Failure to pay utility bills when Tenant is responsible for paying such bills directly to the supplier of utilities;
 - (4) Misrepresentation of family income, assets, or composition;
 - (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 re-determinations.
 - (6) Refusal to accept and execute an amendment or written rider to lease after the Authority provides at least 60 days notice of the proposed effect of the amendment or written rider and provides the tenant a reasonable time to respond to the offer to accept and execute the amendment or written rider;
 - (7) 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;
 - (8) 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 the Authority's public housing premises by other residents or employees, or any drug-related criminal activity on or off the premises.
 - (9) Alcohol abuse that the Authority determines interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
 - (10) Fleeing to avoid prosecution, or custody confinement after conviction, for a felony;
 - (11) Violating a condition of probation or parole imposed under Federal or State law;
 - (12) Weapons or illegal drugs seized in an Authority unit by a law enforcement officer;
 - (13) Any fire on Authority premises caused by the tenant, household members or guests' actions or neglect.
- (b) The Authority shall terminate assistance permanently for persons convicted of manufacturing or producing methamphetamine on premises of federally assisted housing.
- (1) "Premises" is building or complex or development in which the dwelling unit is located, including common areas and grounds.

- (c) The Authority 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 30 days, considering the seriousness of the situation when the health or safety of other tenants or Authority staff is threatened;
 - (3) 30 days in any other case.

(d) 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 of Tenant's right to examine Authority documents directly relevant to the termination or eviction.
- (2) When the Authority 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 the Authority's grievance procedures.
- (3) Any notice to vacate (or quit) which is required by State or local law may be combined with, or run concurrently, with the notice of lease termination under this section.

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 the Authority is required to offer Tenant the opportunity for a grievance hearing under the Authority's grievance procedure for a grievance concerning the lease termination, the tenancy shall not terminate (even if any Notice to Vacate under State or 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.
- (5) When the Authority is not required to offer Tenant the opportunity for a hearing under the grievance procedure and the Authority has decided to exclude such grievance from Authority 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 the Authority 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.

- (6) The Authority may evict a Tenant from the unit either by bringing a court action; or as an alternative, the Authority may evict by bringing an administrative action if law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties. In order to evict without bringing a court action, the Authority must afford the Tenant the opportunity for a pre-eviction hearing in

accordance with the PHA grievance procedure. The hearing notice will advise persons with disabilities of their rights to request a reasonable accommodation.

- (e) Tenant may terminate this Lease at any time by giving 30 days written notice as described in Section XIII, above.
- (f) In deciding to evict for criminal activity, except for conviction for manufacturing or producing methamphetamine on the premises, the Authority shall have discretion 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, the effects that the eviction would have both on family members not involved in the proscribed activity and on the family's neighbors and the extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to mitigate. In appropriate cases, the Authority 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. The Authority may require a family member who has engaged in the illegal use of drugs to present credible evidence of current participation in, or successful completion of a treatment program, or evidence of otherwise having been rehabilitated successfully as a condition to being allowed to reside in the unit.

When the Authority evicts a tenant from a dwelling unit for criminal activity, the Authority 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.

XV. Housekeeping Standards

In an effort to improve the livability and conditions of the apartments owned and managed by the Authority, uniform standards for resident housekeeping have been developed for all tenant families and are included in the Tenant Handbook.

- (a) Authority Responsibility: The standards will be applied fairly and uniformly to all Tenants. The Authority will inspect each unit at least annually, to determine compliance with the standards. Upon completion of an inspection, the Authority will notify Tenant in writing if he/she fails to comply with the standards. The Authority will advise Tenant of the specific correction(s) required to establish compliance, and indicate that training is available. Within a reasonable period of time, the Authority 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 in the Tenant Handbook. 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.

XVI. Waiver

No delay or failure by the Authority 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.

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)

**PART II of the RESIDENTIAL LEASE AGREEMENT:
Housing Authority of St. James, Minnesota.**

THIS AGREEMENT is executed between the Housing Authority of St. James, Minnesota (herein called "Authority"), and _____ (herein called the "Tenant"), and becomes effective as of this date: _____

(1) **Unit:** That the Authority, 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 415 Armstrong Blvd. N. (and hereinafter called the "premises") to be occupied exclusively as a private residence by Tenant and household. The Tenant UNIT NUMBER is:_____.

(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. All members of the household over age 18 shall execute the lease.

Name	Relationship	Age & Birth date	Social Security #
1. _____	<u>Head</u>	_____/_____/____	____-____-____
2. _____	_____	_____/_____/____	____-____-____
3. _____	_____	_____/_____/____	____-____-____
4. _____	_____	_____/_____/____	____-____-____
5. _____	_____	_____/_____/____	____-____-____
6. _____	_____	_____/_____/____	____-____-____
7. _____	_____	_____/_____/____	____-____-____
8. _____	_____	_____/_____/____	____-____-____

(3) **Term:** The term of this lease shall be one calendar month, renewed as stipulated in Part I of the Lease.

(4) **Rent:**

- Tenant chooses to pay flat rent. Initial rent (prorated for partial month) shall be \$_____. Thereafter, flat 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 5th day of said month. Flat rent does not include a utility allowance.
- Tenant chooses to pay income-based rent. Initial rent (prorated for partial month) shall be \$_____ and, if applicable, the Tenant shall receive the benefit of \$_____ from the Authority 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 5th day of said month. A utility reimbursement

of \$ _____ per month (if applicable) shall be paid to the utility supplier by the Authority for the Tenant.

(5) Utilities and Appliances: PHA-Supplied Utilities

If indicated by an (X) below, PHA provides the indicated utility as part of the rent for the premises:

() Electricity () Natural Gas () Heating Fuel () Other: Water & Sewer

If indicated by an (X) below, the Authority shall provide the following appliances for the premises:

(X) Cooking Range (X) Refrigerator

(6) Utilities Allowances: Tenant-Paid Utilities

If indicated by an (X) below, the Authority shall provide Tenants paying income-based rent 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

(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:

Air Conditioners: An additional charge of \$3.00 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 \$3.00 per month for each month of occupancy for each excess appliance on the premises:

() Freezer, type: _____ () Extra Refrigerator () Second color TV
() Second Stereo () Automatic washer () Electric space heater
() Other: _____ () Other: Head Bolt Heater

(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.

(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 the Authority before execution of the lease, or before the Authority's 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 the Authority 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, the Authority has provided the tenant with the following attachments and information:

- Part I of this Lease
- Grievance Procedure (May be updated)
- Flat Rent Rates
- Tenant Handbook
- Watch Out for Lead Paint Poisoning
- 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: 415 Armstrong Blvd. N.

HOURS: As Posted on Door

TELEPHONE NUMBER: (507) 375-3827

EMERGENCY MAINTENANCE TELEPHONE NUMBER: (507) 375-5806

(Monday through Friday after: 5:00 p.m., and weekends and holidays.)

ATTACHMENT H
ADMISSIONS AND CONTINUED OCCUPANCY POLICY
FOR THE
PUBLIC HOUSING PROGRAM
OF THE
ST. JAMES HOUSING AND REDEVELOPMENT AUTHORITY

Approved by the PHA Board of Commissioners: 9/18/2002

Submitted to HUD: 9/23/2002

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Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

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

Administration of the Public Housing Program and the functions and responsibilities of the Public Housing Authority (PHA) staff shall be in compliance with the PHA's Personnel Policy, and this Admissions and Continued Occupancy Policy. The administration of this PHA's housing program will also meet the requirements of the Department of Housing and Urban Development. Such requirements include any Public Housing Regulations, Handbooks, and applicable Notices. All applicable Federal, State and local laws, including Fair Housing Laws and regulations also apply. Changes in applicable federal laws or regulations shall supersede provisions in conflict with this policy. Federal regulations shall include those found in Volume 24 CFR, Parts 1, 5, 8, 100 and 900-966 (Code of Federal Regulations).

A. HOUSING AUTHORITY MISSION STATEMENT

The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

B. LOCAL OBJECTIVES

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

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

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

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

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

To facilitate the judicious management of the PHA inventory, and the efficient management of the PHA staff.

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

C. PURPOSE OF THE POLICY

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

The PHA Board of Commissioners must approve the original policy and any changes. Required portions of this Plan will be provided to HUD.

D. FAIR HOUSING POLICY

It is the policy of the Housing Authority to comply fully with all Federal, State and local nondiscrimination laws and with rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. The PHA will comply with all laws relating to Civil Rights, including:

Title VI of the Civil Rights Act of 1964

Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)

Executive Order 11063

Section 504 of the Rehabilitation Act of 1973

The Age Discrimination Act of 1975

Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)

Any applicable State laws or local ordinances and any legislation protecting individual rights of tenants, applicants or staff that may subsequently be enacted.

The PHA shall not discriminate because of race, color, sex, religion, familial status, disability, national origin, **marital status, or sexual orientation** in the leasing, rental, or other disposition of housing or related facilities, including land, that is part of any project or projects under the

PHA's jurisdiction covered by a contract for annual contributions under the United States Housing Act of 1937, as amended, or in the use or occupancy thereof.

Posters and housing information are displayed in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

The PHA's office is accessible to persons with disabilities.

The PHA shall not, on account of race, color, sex, religion, familial status, disability, national origin, **marital status, or sexual orientation:**

Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to lease housing suitable to its needs;

Provide housing that is different from that provided to others;

Subject a person to segregation or disparate treatment;

Restrict a person's access to any benefit enjoyed by others in connection with the housing program;

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

Deny a person access to the same level of services.

The PHA shall not automatically deny admission to a particular group or category of otherwise qualified applicants (e.g., families with children born to unmarried parents, elderly families with pets).

E. SERVICE AND ACCOMMODATIONS POLICY

It is the policy of the St. James HRA to provide courteous and efficient service to all applicants for housing assistance. In that regard, the PHA will endeavor to accommodate persons with disabilities, as well as those persons with language and literacy barriers.

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

It is the policy of this PHA to be service-directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to the families within our jurisdiction.

The PHA's policies and practices will be designed to provide assurances that all persons with

disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations will be made known by including notices on PHA forms and letters to all families, and all requests will be verified so that the PHA can properly accommodate the need presented by the disability.

Federal Americans with Disabilities Act of 1990

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

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

A record of such impairment, or

Being regarded as having such impairment.

Undue Hardship

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

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

The nature and cost of the accommodation needed;

The overall current financial resources of the facility or facilities involved in the provision of the reasonable accommodation; and

The number of persons currently employed at such facility, the number of families likely currently to need such accommodation, the effect on expenses and resources, or the likely impact on the operation of the facility as a result of the accommodation.

Verification of a Request for Accommodation

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

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability.

Reasonable Accommodation

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

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

Application Process

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

Permitting the submission of applications or certification forms via mail.

Permitting an authorized designee to participate in the application or certification process.

Recertification by Mail

The PHA will permit the family to submit annual and interim recertification forms through the mail, when the PHA has determined that the request is necessary as a reasonable accommodation.

The mail-in packet will include notice to the family of the PHA's deadline for returning the completed forms to the PHA.

If there is more than one adult member in the household, but only one is disabled, recertifications will not be processed through the mail. In such cases, the family may choose to have the PHA conduct the recertification by a home visit or to have the able adult family members come in for the appointment and then take the necessary forms home to the member with a disability for completion and signature.

Home Visits

When requested and where the need for reasonable accommodation has been established, the PHA will conduct home visits to residents to conduct annual and interim recertifications.

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

The PHA will not consider home visit recertifications that are requested after the scheduled appointment has been missed.

Other Accommodations

Families will be offered an accessible unit, upon request by the family, when an accessible unit is available.

The PHA will refer families who have persons with disabilities to agencies in the community that offer services to persons with disabilities.

F. TRANSLATION OF DOCUMENTS

In determining whether it is feasible to translate documents into other languages, the PHA will consider the following factors:

Number of families in St. James who do not speak English and speak the other language.

Estimated cost to the PHA per client of translation of English written documents into the other language.

The availability of local organizations to provide translation services to non- English speaking families.

G. LANGUAGE ASSISTANCE

The St. James HRA will refer persons with literacy barriers to appropriate community literacy programs for assistance with the completion of the application and certification process.

H. PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS) OBJECTIVES

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

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

I. FAMILY OUTREACH

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

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

When the PHA's waiting list is open, the PHA will periodically publicize the availability and nature of housing assistance for very low income and low-income families in a newspaper of general circulation, including local minority publications and other suitable means.

To reach persons who cannot read the newspapers, the PHA will distribute fact sheets to the broadcast media and utilize public service announcements.

J. PRIVACY RIGHTS

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

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

Any and all information that would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential." The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by the staff person designated by the **Executive Director**.

The PHA's practices and procedures are designed to safeguard the privacy of applicants and tenants.

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

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

K. POSTING OF REQUIRED INFORMATION

The PHA will maintain a bulletin board in a conspicuous area of the **office** that will contain:

Statement of policies and procedures governing Admissions and Continued Occupancy Policy (ACOP) or a notice of where the policy is available

A notice of where the PHA 5-year Plan and PHA Annual Plan are available

Information on application taking

Income limits for Admission

Current schedule of routine maintenance charges

A copy of the lease or a notice of where the lease is available

The PHA's grievance procedures

A Fair Housing Poster

An Equal Opportunity in Employment poster

Current Resident Notices

Required public notices

Security Deposit Charges

Information on preferences

Schedule of Utility Allowances (if applicable)

Information on Screening and Eviction for Drug Abuse and other Criminal Activity.

L. TERMINOLOGY

The Housing Authority of **St. James** is referred to as "PHA" or "Housing Authority" or "HA" throughout this document.

"Family" is used interchangeably with "Applicant," "Resident" or "Participant" or and can refer to a single-person family.

"Tenant" is used to refer to participants in terms of their relation as a lessee to the PHA as the landlord.

"Landlord" refers to the PHA.

"Disability" is used where "handicap" was formerly used.

"Noncitizens Rule" refers to the regulation effective June 19, 1995, restricting assistance to U.S. citizens and eligible immigrants.

See Glossary for other terminology.

Chapter 2

ELIGIBILITY FOR ADMISSION

[24 CFR Part 960, Subpart B]

INTRODUCTION

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

A. QUALIFICATION FOR ADMISSION

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

Is a family as defined in this Chapter;

Heads a household where at least one member of the household is either a citizen or eligible non-citizen.

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

Provides a Social Security number for all family members, age 6 or older, or will provide written certification that they do not have Social Security numbers;

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

Timing for the Verification of Qualifying Factors

The qualifying factors of eligibility will be verified when the family is placed on the waiting list.

B. FAMILY COMPOSITION

Definition of Family

The applicant must qualify as a Family. A Family may be a single person or a group of persons. **Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law. For occupancy standards purposes, the applicant may claim a spousal relationship (see chapter on Occupancy Guidelines).**

The PHA defines a group of persons as two or more persons who intend to share residency, whose income and resources are available to meet the family's needs, and who will live together in PHA housing.

Elderly, disabled, and displaced families are defined by HUD in CFR 5.403.

The term "Family" also includes, but is not limited to:

A family with or without children;

An elderly family;

A disabled family;

A displaced family;

The remaining member of a tenant family;

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

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

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

The temporary absence of a child from the home due to placement in foster care shall not be considered in determining the family composition and family size.

Occupancy by Police Officers

In order to provide an increased sense of security for public housing residents the PHA may allow public housing units to be occupied by police officers.

Police officers will not be required to be income eligible to qualify for admission to the PHA's public housing program.

Head of Household

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

A family may designate an elderly or disabled family member as head of household solely to qualify the family as an Elderly Family, provided that the person is at least partially responsible for paying the rent.

Spouse of Head

Spouse means the husband or wife of the head.

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

Co-head

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

Live-in Attendants

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

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

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

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

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

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

Live-in aides are not subject to Non-citizen Rule requirements.

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

Relatives are not automatically excluded from being live-in aides, but they must meet all of the

elements in the live-in aide definition described above.

Family members of a live-in attendant may also reside in the unit, providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the family member(s) does not overcrowd the unit.

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

After the PHA approves the addition of a live-in aide on behalf of a resident, the resident must submit a specific live-in aide's name and information for approval by the PHA within 30 calendar days of the PHA's notification.

If the 30 calendar days expire, the resident will have to resubmit an application for approval of a live-in aide.

A specific live-in aide may only reside in the unit with the approval of the PHA. The PHA shall make the live-in aide subject to the agency's normal screening criteria.

The PHA will require the live-in aide to execute a lease rider agreeing to abide by the terms and conditions of occupancy set forth in the lease agreement. If the live-in aide violates provisions of the lease rider, the PHA may take action against the live-in aide separate from action against the assisted family.

If the live-in aide or their family members participate in drug-related or criminal activity, the PHA will rescind the aide's right to occupy the unit. When the agency takes such action against the live-in aide, the aide is not entitled to the grievance hearing process of the agency.

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

Over Income Families

The PHA will rent units to over-income families on a month-to-month basis, if there are no eligible families applying for assistance that month.

Over-income families must agree to vacate the unit with at least 30 day's notice provided by the PHA, if the unit is needed for an income-eligible family.

C. MANDATORY SOCIAL SECURITY NUMBERS

Families are required to provide verification of Social Security Numbers for all family members age 6 and older prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

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

If a member does not have a Social Security Number they must sign a certification stating that they do not have one. The certification shall:

State the individual's name,

State that the individual has not been issued a Social Security Number;

State that the individual will disclose the Social Security Number, if they obtain one at a later date;

Be signed and dated.

D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS

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

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

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". Such applicant families will be given notice that their income-based assistance (TTP) will be pro-rated and that they may request a hearing if they contest this determination. If such a family chooses flat rent, the flat rent will not be pro-rated if the flat rent is greater than the Public Housing Maximum Rent. If the Public Housing Maximum Rent is greater than the flat rent, and the family chooses flat rent, the flat rent will be pro-rated.

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

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

The PHA will establish and verify eligibility no later than the date of the family's annual reexamination following October 21, 1998.

E. OTHER ELIGIBILITY CRITERIA

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

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

To pay rent and other charges as required by the lease in a timely manner;

To care for and avoid damaging the unit and common areas;

To use facilities, appliances and equipment in a reasonable way;

To create no health or safety hazards, and to report maintenance needs in a timely manner;

Not to interfere with the rights and peaceful enjoyment of others and to avoid damaging the property of others;

Not to engage in criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents or staff and not to engage in drug-related criminal activity on or off the PHA premises;

Not to have ever been convicted of manufacturing or producing methamphetamine, also known as "speed," on the premises of assisted housing;

Not to contain a household member subject to lifetime sex offender registration requirement under a State Sex offender registration program;

To comply with necessary and reasonable rules and program requirements of HUD and the PHA; and,

To comply with local health and safety codes.

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

Previous outstanding debts to this PHA or any PHA resulting from a previous tenancy in the public housing or Section 8 program must be paid in full prior to admission. No Payment Agreement will be accepted.

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

F. DENIAL OF ADMISSION FOR DRUG-RELATED AND/OR OTHER CRIMINAL ACTIVITY

HUD issued a Final Rule for Screening and Eviction for Drug Abuse and Other Criminal Activity on May 24, 2001. Effective date of the Final Rule is June 25, 2001.

Purpose

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of the St. James HRA to fully endorse and implement a policy that is designed to:

Help create and maintain a safe and drug-free community;

Keep our program participants free from threats to their personal and family safety; and

Help maintain an environment where children can live safely, learn and grow up to be productive citizens.

Administration

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

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

This policy will be posted on the PHA's bulletin board and copies made readily available to applicants and tenants upon request.

HUD Definitions

"Drug-related criminal activity" is the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

Drug-related criminal activity means *on or off the premises, not just on or near the premises*.

"Covered person" means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

"Criminal activity" includes any criminal activity that threatens the health, safety or right to peaceful enjoyment of the resident's public housing premises by other residents or employees of the PHA.

"Drug" means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

"Guest" for purposes of this Chapter, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

"Household" means the family and PHA-approved live-in aide.

"Other person under the tenant's control," for the purposes of the definition of "covered person," means that the person, although not staying as a guest (as defined above) in the unit is, or was at the time of the activity in question, on the premises (as defined in this section) 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.

"Premises" means the building or complex or development in which the public housing dwelling unit is located, including common areas and grounds.

"Violent criminal activity" means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Screening for Drug Abuse and Other Criminal Activity

In an effort to prevent drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or the right to peaceful enjoyment of the premises by other residents, the PHA will endeavor to screen applicants as thoroughly and fairly as possible.

Initial screening will be limited to routine inquiries of the family and any other information provided to the PHA regarding this matter. The inquiries will be standardized and directed to all applicants by inclusion in the application form.

If as a result of the standardized inquiry, or the receipt of a verifiable referral, there is indication that the family or any family member is engaged in drug-related criminal or violent criminal activity, the PHA will conduct closer inquiry to determine whether the family should be denied admission.

If the screening indicates that any family member has been arrested or convicted within the prior three years for drug-related or violent criminal activity, the PHA shall obtain verification through police/court records.

Use of Law Enforcement Records

The PHA will check criminal history for all **adults in the household** to determine whether any member of the family has engaged in violent or drug-related criminal activity.

The PHA will check criminal history for all **adults in the household** to determine whether any member of the family is subject to a lifetime sex offender registration requirement.

Verification of any past activity will be done prior to final eligibility and will include a check of conviction records.

Standard for Violation

Persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for admission to Public Housing for a **three-year** period beginning on the date of such eviction.

The PHA will not waive this requirement.

No member of the applicant's family may have engaged in drug related or violent criminal activity within the past **three years**.

The PHA will deny participation in the program to applicants where the PHA determines there is reasonable cause to believe that the person is illegally using a controlled substance or engages in drug-related or other criminal activity. The same will apply if it is determined that the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents. This includes cases where the PHA determines that there is a pattern of illegal use of controlled substances or a pattern of alcohol abuse.

"Engaged in or engaging in or recent history of" drug-related criminal activity means any act within the past **three** years by applicants or participants, household members, or guests which involved drug-related criminal activity including, without limitation, drug-related criminal activity, possession and/or use of narcotic paraphernalia, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

"Engaged in or engaging in or recent history of" criminal activity means any act within the past **three** years by applicants or participants, household members, or guests which involved criminal activity that would threaten the health, safety or right to peaceful enjoyment of the public housing premises by other residents or employees of the PHA, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

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

Permanent Denial of Admission

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

Prohibition on Persons Subject to Lifetime Sex Offender Registration Requirement

The PHA will deny admission to public housing to any family in which a family member is subject to a lifetime sex offender registration requirement. This provision will not be waived. The PHA shall perform necessary criminal history background checks in the State where the housing is located and in any other States where household members are known to have resided.

Other Criminal Activity

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

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

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

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

No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program in the last three years.

Even if a person has served time in jail and has now been released on probation, that person cannot be admitted into public housing unless a year has passed since the completion of probation.

If the only sentence was probation, a year must have elapsed, without incident, since completion of probation, in order to be considered eligible for public housing.

A person who is released from jail with no probation requirement would have to operate on the outside for one year with no further evidence of the prohibited activities in order to be considered eligible for admission.

Evidence

The PHA must have evidence of the violation.

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

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

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

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

Confidentiality of Criminal Records

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

All criminal reports, while needed by Executive Director for screening for criminal behavior, will be housed in a locked file with access restricted to individuals responsible for such screening.

Misuse of the above information by any employee will be grounds for termination of employment. (Penalties for misuse are contained in Personnel Policies).

If the family is determined eligible for initial or continued assistance, the PHA's copy of the criminal report shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

If the family's assistance is denied or terminated, the criminal record information shall be shredded immediately upon completion of the review or hearing procedures and a final decision has been made.

The PHA will document in the family's file that the family was denied admission or the tenancy was terminated due to findings in the Criminal History Report.

Disclosure of Criminal Records to Family

Before the PHA takes any adverse action based on a criminal conviction record, the applicant and subject of record will be provided with a copy of the criminal record and an opportunity to dispute the record. Applicants will be provided an opportunity to dispute the record at an informal hearing. Tenants may contest such records at the grievance hearing or court hearing in the case of evictions.

Hearings

(See Chapter titled "Complaints, Grievances and Appeals.")

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

G. SCREENING FOR SUITABILITY

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

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

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

Applicants must be able to demonstrate the ability and willingness to comply with the terms of the lease, either all or with assistance that they can demonstrate that they have or will have at the time of admission. (24 CFR 8.3, Definition: Qualified Individual with Handicaps) The availability of assistance is subject to verification by the PHA.

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

The PHA will complete a rental history check on all applicants.

The PHA will complete a credit check on all applicants.

The PHA shall rely upon sources of information which may include, but are not limited to, PHA records, personal interviews with the applicant or tenant, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians or the police department, and home visits for persons who have had negative landlord reference(s) for poor housekeeping habits.

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

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

The applicant's past performance in meeting financial obligations, especially rent.

Eviction or a record of disturbance of neighbors sufficient to warrant a police call, destruction of property, or living or housekeeping habits at present or prior residences which may adversely affect the health, safety, or welfare of other tenants or neighbors.

Any history of criminal activity on the part of any applicant family member involving criminal acts, including drug-related criminal activity.

Any history or evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy by neighbors.

Any history of initiating threats or behaving in a manner indicating an intent to assault employees or other tenants.

Any history of alcohol or substance abuse that would threaten the health, welfare, or right to peaceful enjoyment of the premises by other residents.

The ability and willingness of an applicant to comply with the essential lease requirements will be verified and documented by the PHA. The information to be considered in the screening process shall be reasonably related to assessing the conduct of the applicant and other family members listed on the application in present and prior housing.

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

Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare.

Adversely affect the physical environment or financial stability of the project.

Violate the terms and conditions of the lease.

Require services from PHA staff that would alter the fundamental nature of the PHA's program.

Rent Paying Habits

The PHA will examine any Housing Authority records from a prior tenancy, and will request written references from the applicant's current landlord and may request written references from former landlords.

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

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

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

Where past rent paying ability cannot be documented, the PHA will check with the utility company(s) to determine whether the family has been current and timely on their payments.

Screening Applicants Who Claim Mitigating Circumstances

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

If unfavorable information is received about an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct. In order to be factored into the PHA's screening assessment of the applicant, mitigating circumstances must be verifiable.

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

Examples of Mitigating Circumstances

Evidence of successful rehabilitation;

Evidence of the applicant family's participation in and completion of social service or other appropriate counseling service approved by the PHA;

Evidence of successful and sustained modification of previous disqualifying behavior.

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

The applicant's ability to substantiate through verification the claim of mitigating circumstances and his/her prospects for improved future behavior; and

The applicant's overall performance with respect to all the screening requirements.

Qualified and Unqualified Applicants

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

The eligibility of the applicant as a *family*;

The eligibility of the applicant with respect to income limits for admission;

The eligibility of the applicant with respect to citizenship or eligible immigration *status*;

Any local preference to which the family is entitled.

Assistance to a family may not be delayed, denied or terminated on the basis of the family's ineligible immigration status unless and until the family completes all the verification and appeals processes to which they are entitled under both INS and PHA procedures, except for a pending PHA hearing.

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

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

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

Prohibited Criteria for Denial of Admission

Applicants will NOT be rejected because they:

Have no income;

Are not employed;

Do not participate in a job-training program;

Will not apply for various welfare or benefit programs;

Have children;

Have children born out of wedlock;

Are on welfare;

Are students.

Resident Participation in the Screening Process

It is the PHA's policy to encourage resident participation in the applicant intake and screening process. The PHA recognizes that screening is only part of the occupancy cycle, and for the PHA-resident partnership to be effective, work is required both before and after admission. Given this policy the PHA, in conjunction with its resident leaders, proposes the following area of involvement:

Applicant pre-occupancy orientation. Attendance at pre occupancy orientation is a requirement of the screening process. The PHA and its residents will develop the agenda for this orientation to include such issues as rent, house rules, lease provisions, security, social services and utilities.

H. HEARINGS

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

and Appeals.

Chapter 3

APPLYING FOR ADMISSION

INTRODUCTION

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

A. HOW TO APPLY

Families who wish to apply for any of the PHA's programs must complete a written application form, when application-taking is open. Applications will be made available in an accessible format upon request from a person with a disability.

Persons with disabilities may call the PHA to receive an application through the mail or make other arrangements to complete their pre-application.

Applications will be mailed to interested families upon request.

The application process will involve two phases.

1. The first is the "initial" application for admission (referred to as a pre-application). This first phase is to determine the family's eligibility for, and placement on, the waiting list.

The pre-application will be dated, time-stamped, and referred to the PHA's office where tenant selection and assignment is processed.

2. The second phase is the "final determination of eligibility for admission" (referred as the full application). The full application takes place when the family reaches the top of the waiting list. At this time the PHA ensures that verification of all HUD and PHA eligibility factors is current in order to determine the family's eligibility for an offer of a suitable unit.

B. "INITIAL" APPLICATION PROCEDURES

The PHA will utilize a preliminary-application form (pre-application) for the initial application for public housing.

The purpose of the pre-application is to permit the PHA to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list.

The pre-application will contain questions designed to obtain the following information:

- Names of head and spouse
- Names of adult members and age of all members
- Number of family members (used to estimate bedroom size needed)
- Street address and phone numbers
- Mailing address (if PO Box or other permanent address)
- Annual income
- Source(s) of income received by household members to determine preference qualification
- Sufficient additional information to determine preference qualification
- Information regarding request for reasonable accommodation or for accessible unit
- Social Security Numbers
- Race/ethnicity
- Arrests/Convictions for Drug Related or Violent Criminal Activity**
- Questions regarding previous participation in HUD programs**

Applicants are requested to inform the PHA **in writing** of changes in family composition, income, and address, **as well as any changes in their Preference status**. Applicants are also required to respond to requests from the PHA to update information on their application, or to determine their continued interest in assistance.

Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list. (See Chapter on Complaints, Grievances and Appeals.)

C. NOTIFICATION OF APPLICANT STATUS

If after a review of the pre-application the family is determined to be preliminarily eligible, they will be notified in writing (in an accessible format upon request, as a reasonable accommodation).

This written notification of preliminary eligibility will be **mailed to the applicant by first class mail**.

If the family is determined to be ineligible based on the information provided in the pre-application, the PHA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal hearing. Persons with disabilities may request to have an advocate attend the informal hearing as an accommodation. See Chapter on "Complaints, Grievances and Appeals."

D. COMPLETION OF A FULL APPLICATION

The application will contain questions designed to obtain the following information:

Names of head and spouse
Names of adult members and age of all members
Number of family members (used to estimate bedroom size needed)
Street address and phone numbers
Mailing address (if PO Box or other permanent address)
Annual income
Source(s) of income received by household members to determine preference qualification
Sufficient additional information to determine preference qualification
Information regarding request for reasonable accommodation or for accessible unit
Social Security Numbers
Race/ethnicity
Arrests/Convictions for Drug Related or Violent Criminal Activity
Previous addresses
Names and addresses of current and previous landlords
Emergency contact person and address
Questions regarding previous participation in HUD programs

All preferences claimed on the application or while the family is on the waiting list will be verified:

After the family is selected from the waiting list, and prior to completing the final eligibility determination.

If a preference cannot be verified, said applicant will be returned to their proper place on the waiting list and preference removed.

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

Applicants on the waiting list who will be selected in the near future will be sent a preference verification and eligibility appointment letter (see Chapter on Tenant Selection and Assignment Plan). The letter will request the applicant to call to make an appointment for an application interview and request the applicant to bring all documents, which verify all factors to be verified. Factors to be verified will be listed in the letter.

These documents will be used for verification only if third party verification cannot be obtained.

After the preference is verified, when the PHA is ready to select applicants, the PHA will call the applicant to make an appointment. Applicants will be required to:

Complete a Personal Declaration Form prior to the full application interview.

Complete a full application in his or her own handwriting, unless assistance is needed, or a person with a disability makes a request for accommodation. Applicant will then be interviewed by PHA staff to review the information on the full application form.

The full application will be **mailed to the applicant in advance to complete.**

Requirement to Attend Interview

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

All adult family members must attend the interview and sign the housing application. Exceptions may be made for adult students attending school out of state or for members for whom attendance would be a hardship.

It is the applicant's responsibility to reschedule the interview if s/he misses the appointment. If the applicant does not reschedule or misses **two** scheduled meeting(s), the PHA will reject the application.

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

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

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

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

If the PHA determines at or after the interview that additional information or document(s) are needed, the PHA will request the document(s) or information in writing. The family will be given **5** working days to supply the information.

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

E. PROCESSING APPLICATIONS

As families approach the top of the waiting list, the following items will be verified to determine qualification for admission to the PHA's housing:

Preference verification

Family composition and type (elderly/non elderly)

Annual Income

Assets and Asset Income

Deductions from Annual Income

Social Security Numbers of all family members

Information used in applicant screening

Citizenship or eligible immigration status

Criminal History Report

F. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

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

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

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

Any time after final eligibility determination, applicants must report changes in family status, including income, family composition, and address, in writing, within 10 working days of the change. If the family did not report the change within the required time frame, the family will be determined ineligible and offered an opportunity for informal hearing.

Chapter 4

TENANT SELECTION AND ASSIGNMENT PLAN

INTRODUCTION

It is the PHA's policy that each applicant shall be assigned an appropriate place **on the waiting list for the project(s) in which the applicant wishes to reside.**

Applicants will be listed in sequence based upon:

Date and time the application is received,

The size and type of unit they require,

The site in which they wish to reside,

And factors of preference or priority.

In filling an actual or expected vacancy, the PHA will offer the dwelling unit to an applicant in the appropriate sequence. The PHA will offer the unit until it is accepted. This Chapter describes the PHA's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list.

PHA's Objectives

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

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

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

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

A. MANAGEMENT OF THE WAITING LIST

The PHA will administer its waiting list as required by 24 CFR Part 5, Part 945 and Part 960, Subparts A and B. The waiting list will be maintained in accordance with the following guidelines:

The application will be a permanent file.

All applicants in the pool will be maintained **in order of preference**.

Applications equal in preference will be maintained by **date and time sequence**.

All applicants must meet applicable income eligibility requirements as established by HUD.

Opening and Closing the Waiting Lists

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

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

When the PHA opens the waiting list, the PHA will advertise through public notice in the local paper of record, "minority" newspapers, and other media.

The notice will contain:

The dates, times, and the locations where families may apply.

The programs for which applications will be taken.

A brief description of the program.

Limitations, if any, on who may apply.

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

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

When Application Taking is Suspended

The PHA may suspend the acceptance of applications if there are enough local Preference holders to fill anticipated openings for the next 12 months.

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

During the period when the waiting list is closed, the PHA **will** maintain a list of individuals who wish to be notified when the waiting list is open.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover over the next **12** months. When the period for accepting applications is over, the PHA will add the new applicants to the list by:

Separating the new applicants into groups based on preferences and unit size and ranking applicants within each group by date and time of application.

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

Reopening the List

If the waiting list is closed and the PHA decides to open the waiting list, the PHA will publicly announce the opening.

Any reopening of the list is done in accordance with the HUD requirements.

Limits on Who May Apply

When the waiting list is open,

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

Depending upon the composition of the waiting list with regard to family types and preferences and to better serve the needs of the community, at times the PHA may only accept applications from any family claiming local preferences.

If there are sufficient applications from elderly, disabled, homeless, and displaced singles, applications will not be accepted from other singles.

When the application is submitted to the PHA:

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

Multiple Families in Same Household

When families apply that consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

B. WAITING LIST PREFERENCES

A preference does not guarantee admission to the program. Preferences are used to establish the order of placement on the waiting list. Every applicant must meet the PHA's Selection Criteria as defined in this policy.

The PHA's preference system will work in combination with requirements to match the characteristics for the family to the type of unit available, including units with targeted populations, and further deconcentration of poverty in public housing. When such matching is required or permitted by current law, the PHA will give preference to qualified families.

Families who reach the top of the waiting list will be contacted by the PHA to verify their preference and, if verified, the PHA will complete a full application for occupancy. Applicants must complete the application for occupancy and continue through the application processing and may not retain their place on the waiting list if they refuse to complete their processing when contacted by the PHA.

Among applicants with equal preference status, the waiting list will be organized by **date and time**.

Local Preferences

Local preferences will be used to select among applicants on the waiting list. A public hearing with opportunity for public comment **will be held before the PHA adopts any local preference.**

The notice will be distributed following the same guidelines as those used for opening or closing the waiting list.

The PHA uses the following Local Preferences:

Date and time of receipt of a completed pre-application.

Veteran preference: veterans or surviving spouses of veterans.

Disability preference: This preference is extended to disabled persons or families with a disabled member as defined in this plan. Proof of disability will be required at time of selection. HUD regulations prohibit admission preferences for specific types of disabilities.

Working preference: for families where the head, spouse or sole member is employed and has been employed for 3 months. This preference is automatically extended to elderly families or families whose head or spouse meets the HUD/Social Security definition of disability.

This includes families who are graduates of or participants in educational and training programs designed to prepare the individual for the job market.

Singles Preference

Definition of Singles Preference: Single applicants who are elderly, disabled, homeless or displaced will be given a selection priority over all "Other Single" applicants regardless of preference status.

"Other Singles" denotes a one-person household in which the individual member is neither elderly, disabled, homeless or displaced by government action. Such applicants will be placed on the waiting list in accordance with their preferences, but cannot be selected for assistance before any elderly, disabled, homeless or displaced one-person family regardless of local preferences.

The PHA also uses the following local preferences that are further described in this section.

Involuntarily displaced.

Currently living in substandard housing (including homeless families).

Currently paying more than 50% of their income for rent and utilities ("Rent Burden").

Descriptions of these Preferences and "definitional options" (or sub-categories) follow.

Involuntary Displacement Preference

Involuntarily Displaced applicants are applicants who have been involuntarily displaced and are not living in standard, permanent replacement housing, or will be involuntarily displaced within no more than six months from the date of verification by the PHA.

Families are considered to be involuntarily displaced if they are required to vacate housing as a result of one of the following situations:

- 1. A disaster (fire, flood, earthquake, etc.) that has caused the unit to be uninhabitable.**
- 2. Federal, state or local government action related to code enforcement, public improvement or development.**
- 3. Action by a housing owner which is beyond an applicant's ability to control, and which occurs despite the applicant's having met all previous conditions of occupancy, and is other than a rent increase.**

If the owner is an immediate family relative and there has been no previous rental agreement and the applicant has been part of the owner's family immediately prior to application, the applicant will not be considered involuntarily displaced.

For purposes of this definitional element, reasons for an applicant's having to vacate a housing unit include, but are not limited to:

Conversion of an applicant's housing unit to non-rental or non-residential use;

Closure of an applicant's housing unit for rehabilitation or non-residential use;

Notice to an applicant that s/he must vacate a unit because the owner wants the unit for the owner's personal or family use or occupancy;

Sale of a housing unit in which an applicant resides under an agreement that the unit must be vacant when possession is transferred; or

Any other legally authorized act that results, or will result, in the withdrawal by the owner of the unit or structure from the rental market.

- 4. Actual or threatened physical violence directed against the applicant or the applicant's family by a spouse or other household member who lives in the unit with the family.**

The actual or threatened violence must have occurred within the past 30 days or be of a continuing nature.

An applicant who lives in a violent neighborhood or is fearful of other violence outside the household is not considered involuntarily displaced.

To qualify for this preference, the abuser must still reside in the unit from which the victim was displaced. The applicant must certify that the abuser will not reside with the applicant unless the PHA gives prior written approval.

The PHA will approve the return of the abuser to the household under the following conditions:

The PHA verifies that the abuser has received therapy or counseling that appears to minimize the likelihood of recurrence of violent behavior.

A counselor, therapist or other knowledgeable professional recommends in writing that the individual be allowed to reside with the family.

If the abuser returns to the family without approval of the PHA, the PHA will deny or terminate assistance for breach of the certification.

The PHA will take precautions to ensure that the new location of the family is concealed in cases of domestic abuse.

5. To avoid reprisals because the family provided information on criminal activities to a law enforcement agency and, after a threat assessment, the law enforcement agency recommends rehousing the family to avoid or reduce risk of violence against the family.

The family must be part of a Witness Protection Program, or the HUD Office or law enforcement agency must have informed the PHA that the family is part of a similar program.

The PHA will take precautions to ensure that the new location of the family is concealed in cases of witness protection.

6. By hate crimes if a member of the family has been the victim of one or more hate crimes, and the applicant has vacated the unit because of the crime or the fear of such a crime has destroyed the applicant's peaceful enjoyment of the unit.

A hate crime is actual or threatened physical violence or intimidation that is directed against a person or his property and is based on the person's race, color, religion, sex, national origin, disability or familial status including sexual orientation and occurred within the last 30 days or is of a continuing nature.

7. Displacement by non-suitability of the unit when a member of the family has a mobility or other impairment that makes the person unable to use critical elements of the unit and the owner is not legally obligated to make changes to the unit.

Critical elements are

Entry and egress of unit and building,

A sleeping area,

A full bathroom,

A kitchen if the person with a disability must do his or her own food preparation

Definition of Standard Replacement Housing

In order to receive the displacement preference, applicants who have been displaced must not be living in "standard, permanent replacement housing."

Standard replacement housing is defined as housing that is decent, safe and sanitary according to Housing Quality Standards, that is adequate for the family size according to local code, and that the family is occupying pursuant to a written or oral lease or occupancy agreement.

Standard replacement housing does not include transient facilities, hotels, motels, temporary shelters, and (in the case of Victims of Domestic Violence) housing occupied by the individual who engages in such violence. It does not include any individual imprisoned or detained pursuant to State Law or an Act of Congress.

Shared housing with family or friends is not considered temporary and is considered standard replacement housing.

Substandard Housing Preference

Applicants who live in substandard housing are families whose dwelling meets one or more of the following criteria provided that the family did not cause the condition:

Is dilapidated, as cited by officials of a code enforcement office and does not provide safe, adequate shelter; has one or more critical defects or a combination of defects requiring considerable repair; endangers the health, safety, and well-being of family.

Does not have operable indoor plumbing.

Does not have usable flush toilet in the unit for the exclusive use of the family.

Does not have usable bathtub or shower in unit for exclusive family use.

Does not have adequate, safe electrical service.

Does not have an adequate, safe source of heat.

Should, but does not, have a kitchen. Single Room Occupancy (SRO) Housing is not substandard solely because it does not contain sanitary and/or food preparation facilities in the unit.

Has been declared unfit for habitation by a government agency.

Is overcrowded according to local code.

Applicants living in Public Housing or publicly assisted housing shall not be denied this preference if unit meets the criteria for the substandard preference.

An applicant who is a "Homeless Family" is considered to be living in substandard housing. "Homeless Families":

Lack a fixed, regular and adequate nighttime residence; AND

Have a primary nighttime residence that is a supervised public or private shelter providing temporary accommodations (including welfare hotels, congregate shelters and transitional housing), or an institution providing temporary residence for individuals intended to be institutionalized, or a public or private place not ordinarily used as a sleeping accommodation for human beings.

Homeless families may maintain their place on the waiting list while completing a transitional housing program.

Families who are residing with friends or relatives on a temporary basis will not be included in the definition of "substandard."

Persons who reside as part of a family unit shall not be considered a separate household.

Families living in overcrowded conditions will be included in the definition of "substandard."

Rent Burden Preference

Families paying more than 60% of their income for rent and utilities for at least 90 days commencing before they were selected from the Waiting List and continuing through the verification of preference will receive this preference.

For purposes of this preference, "Family Income" is Gross Monthly Income as defined in the regulations.

"Rent" is defined as the actual amount due under a lease or occupancy agreement calculated on a monthly basis without regard to the amount actually paid, plus the monthly amount of tenant-supplied utilities, which can be either:

The PHA's reasonable estimate of the cost of such utilities, using the Section 8 Utility Allowance Schedule; or

The average monthly payments the family actually made for these utilities in the most recent 12-month period, or if information is not obtainable for the entire period, the

average of at least the past **three** months.

An applicant family may choose which method to use to calculate utility expenses. Any amounts paid to or on behalf of a family under any energy assistance program must be subtracted from the total rent burden if included in Family Income. **The applicant must show that they actually paid the utility bills, regardless of whose name the service is under.**

To qualify for the Rent Burden preference, the applicant must pay rent directly to the landlord or agent.

Members of a cooperative are "renters" for the purposes of qualifying for the preference. In this case, "Rent" would mean the charges under the occupancy agreement.

C. ORDER OF SELECTION FOR GENERAL OCCUPANCY (FAMILY) DEVELOPMENTS

The PHA has established the following local admissions preferences for general occupancy (family) developments:

Date and time of receipt of a completed pre-application, and preferences.

The PHA has established the following system to apply local preferences:

Local preferences will be aggregated using the following system:

Two preferences outweigh one, three outweigh two, etc.

D. VERIFICATION OF PREFERENCE QUALIFICATION

The PHA will verify all preference claims at the time they are made.

The PHA will reverify a preference claim, if the PHA feels the family's circumstances have changed, at time of selection from the waiting list.

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

Change in Circumstances

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify the PHA in writing when their circumstances change. When an applicant claims an additional preference, s/he will be placed on the waiting list in the proper order of their newly claimed preference.

E. PREFERENCE DENIAL

If the PHA denies a preference, the applicant will be placed on the waiting list without benefit of the preference.

The PHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for **an informal meeting**. The applicant will have **14** working days to request the meeting **in writing**. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

Any applicant who falsifies documents or makes false statements in order to qualify for any preference will be removed from the waiting list with notification to the family.

F. FACTORS OTHER THAN PREFERENCES THAT AFFECT SELECTION OF APPLICANTS

Before applying its preference system, the PHA will first match the characteristics of the available unit to the applicants available on the waiting lists. Factors such as unit size, accessible features, deconcentration or income mixing, income targeting, or units in housing designated for the elderly limit the admission of families to those characteristics that match the characteristics and features of the vacant unit available.

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

Any admission mandated by court order related to desegregation or Fair Housing and Equal Opportunity will take precedence over the Preference System. Other admissions required by court order will also take precedence over the preference system.

G. INCOME TARGETING

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

Low Income Family Admissions

The PHA will admit only families whose incomes do not exceed 80% of the HUD approved area median income.

H. PROMOTION OF INTEGRATION

Beyond the basic requirement of nondiscrimination, PHA shall affirmatively further fair housing

to reduce racial and national origin concentrations.

The PHA shall not require any specific income or racial quotas for any development or developments.

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

I. REMOVAL FROM WAITING LIST AND PURGING

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

If an applicant fails to respond within **30 calendar** days s/he will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file. **If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.**

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless a person with a disability requests a reasonable accommodation for being unable to reply within the proscribed period.

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

J. OFFER OF ACCESSIBLE UNITS

The PHA has units designed for persons with mobility, sight and hearing impairments, referred to as accessible units.

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

Before offering a vacant accessible unit to a non-disabled applicant, the PHA will 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, who has 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.

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

See "Leasing" chapter

K. PLAN FOR UNIT OFFERS

The PHA plan for selection of applicants and assignment of dwelling units to assure equal opportunity and non-discrimination on grounds of race, color, sex, religion, or national origin is:

The first qualified applicant in sequence on the waiting list will be made one offer of a unit of the appropriate size.

If more than one unit of the appropriate type and size is available, the first unit to be offered will be the first unit that is ready for occupancy.

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

L. CHANGES PRIOR TO UNIT OFFER

Changes that occur during the period between removal from the waiting list and an offer of a suitable unit may affect the family's eligibility or Total Tenant Payment. The family will be notified in writing of changes in their eligibility or level of benefits and offered their right to an informal hearing when applicable (See Chapter on Complaints, Grievances, and Appeals)

M. APPLICANT STATUS AFTER UNIT OFFER

When an applicant rejects the unit offer the PHA will: **Remove the applicant's name from the waiting list.**

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

N. TIME-LIMIT FOR ACCEPTANCE OF UNIT

Applicants must accept a unit offer within **5** working days of the date the offer is made. Offers made over the telephone will be confirmed by letter. If unable to contact an applicant by telephone, the PHA will send a **letter**.

Applicants Unable to Take Occupancy

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

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

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

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

A qualified, knowledgeable, health professional verifies the temporary hospitalization or recovery from illness of the principal household member, other household members, or a live-in aide necessary to care for the principal household member.

The unit is inappropriate for the applicant's disabilities.

Applicants With a Change in Family Size or Status

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

The family will take the appropriate place on the waiting list according to the date interviewed.

O. REFUSAL OF OFFER

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

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

Chapter 5

OCCUPANCY GUIDELINES

INTRODUCTION

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

A. DETERMINING UNIT SIZE

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

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

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

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

Separate bedrooms should be allocated for persons of the opposite sex (other than adults who have a spousal relationship and children under 12).

Foster children will be included in determining unit size only if they will be in the unit for more than 3 months.

Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.

Space may be provided for a child who is away at school but who lives with the family during school recesses.

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

Single person families shall be allocated efficiency apartment.

The living room will not be used as a bedroom except for purposes of reasonable accommodation.

GUIDELINES FOR DETERMINING BEDROOM SIZE

Bedroom Size	Persons in Household: (Minimum #)	Persons in Household: (Maximum #)
0 Bedroom (efficiency)	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	6	10
6 Bedrooms	8	12

B. EXCEPTIONS TO OCCUPANCY STANDARDS

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

At the PHA’s discretion the family may be offered a unit smaller than the preferred unit size, based on the PHA’s occupancy standards, if in doing so the family has an opportunity to be housed earlier, or live in a preferred project.

For a three-person family that includes two adults and an infant, the PHA may allow the family to lease a one-bedroom unit in a desired general occupancy project.

However, the PHA will not lease a one-bedroom unit to a three-person family that includes two adults and an adolescent or teenager.

In cases such as those above, a family that voluntarily accepts a unit that is smaller than what the family is eligible for will be required to sign a statement stating that unless there is an increase in family size the family agrees that they are not eligible for transfer to a larger unit for at least 1 year.

The PHA may offer a family a unit that is larger than required by the PHA’s occupancy standards, if the waiting list is short of families large enough to fill the vacancy.

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

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

Person with Disability

The PHA will grant an exception upon request as a reasonable accommodation for persons with disabilities if the need is appropriately verified **and meets requirements in the Service and Accommodations Policy section of Chapter 1.**

Other Circumstances

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

Persons cannot share a bedroom because of a need for medical equipment due to its size and/or function. A doctor must verify requests for a larger bedroom due to medical equipment.

A knowledgeable licensed professional must verify requests based on health related reasons.

The PHA will not assign a larger bedroom size due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.

An exception will be granted if the family has submitted a "Self-Certification of Physical Custody of Minor Child/Children" or an "Appointment of Temporary Guardian" to the PHA. If either of these forms has been submitted the PHA will also require that the family has initiated legal proceedings for guardianship or legal custody.

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

To avoid vacancies, the PHA may provide a family with a larger unit than the occupancy standards permit. The family must agree to move to a suitable, smaller

unit when another family qualifies for the larger unit and there is a suitable smaller unit available. This requirement is a provision of the lease.

C. ACCESSIBLE UNITS

The PHA has units designed for persons with mobility impairments. These units were designed and constructed specifically to meet the needs of persons requiring the use of wheelchairs and persons requiring other modifications.

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

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

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

D. FAMILY MOVES

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

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

Chapter 6

DETERMINATION OF TOTAL TENANT PAYMENT

INTRODUCTION

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

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

A. MINIMUM RENT

The minimum rent for this PHA is **\$0**. The minimum rent refers to a minimum total tenant payment and not a minimum tenant rent.

The Total Tenant Payment is the greater of:

30% of the adjusted monthly income

10% of the monthly income

The Minimum rent as established by the PHA

The Total Tenant Payment does not include charges for excess utility consumption or other charges.

B. INCOME AND ALLOWANCES

Income: The types of money that are to be used as income for purposes of calculating the TTP are defined by HUD in federal regulations. In accordance with this definition, income from all sources of each member of the household is documented. (See Income Inclusions and Income Exclusions in the Glossary of Terms of this policy.)

Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income that has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

Adjusted Income is defined as the Annual income minus any HUD allowable deductions.

Allowable Deductions

HUD has five allowable deductions from Annual Income:

1. Dependent allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
2. "Elderly" allowance: \$400 per household for families whose head or spouse is 62 or over or disabled.
3. Allowable medical expenses for all family members are deducted for elderly and disabled families.
4. Childcare expenses for children under 13 are deducted when childcare is necessary to allow an adult family member to work, actively seek work, or attend school (including vocational training).
5. Expenses for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

C. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS

The annual income for qualified families may not be increased as a result of increases in earned income beginning on the date on which the increase in earned income begins and continuing for a cumulative 12-month period. After the family receives 12 cumulative months of the full exclusion, annual income will include a phase-in of half the earned income excluded from annual income.

A family qualified for the earned income exclusion is a family that occupies a dwelling unit in a public housing project, is paying income-based rent; and

1. Whose annual income increases as a result of employment of a family member who was previously unemployed for one or more years prior to employment;
2. Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program;
or
3. Whose annual income increases, as a result of new employment or increased earnings of a family member during or within six months after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six month period is at least \$500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such TANF benefits and services as one-time payments, wage subsidies, and transportation assistance.

The HUD definition of “previously unemployed” includes a person who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Amounts to be excluded are any earned income increases of a family member during participation in an economic self-sufficiency or job training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member. The incremental increase in income is calculated by comparing the amount of the family member’s income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

Initial Twelve-Month Exclusion:

During the cumulative 12-month period beginning on the date a member of a qualified family is first employed or the family member first experiences an increase in employment income, the PHA will exclude from annual income any increase in income of the family member as a result of employment over the prior income of that family member.

Second Twelve-Month Phase-in Exclusion:

During the second cumulative 12-month period after the expiration of the initial cumulative 12-month period referred to above, the PHA must exclude from annual income of a qualified family 50 percent of any increase in income of a family member as a result of employment over income of that family member prior to the beginning of such employment.

Maximum Four-Year Disallowance:

The earned income disallowance is limited to a lifetime 48-month period for each family member. For each family member, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion.

If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month phase-in exclusion).

No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

Applicability to 18-month Training Income Exclusions [formerly found in 24 CFR 5.609(c)(13)]:

If a tenant meets the criteria for the mandatory earned income disallowance as outlined in 24 CFR 960.255, the PHA shall not deny a tenant the disallowance based on receipt of the earlier 18-month exclusion.

Applicability to Child Care and Disability Assistance Expense Deductions:

The amount deducted for childcare and disability assistance expenses necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for childcare and disability assistance expense deductions.

Tracking the Earned Income Exclusion

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

The PHA will maintain a tracking system to ensure correct application of the earned income disallowance.

Inapplicability to Admission

The earned income disallowance is only applied to determine the annual income of families residing in public housing, and therefore does not apply for purposes of admission (including the determination of income eligibility or any income targeting that may be applicable).

D. TRAINING PROGRAMS FUNDED BY HUD

All training income from a HUD sponsored or funded training program, whether incremental or not, is excluded from the resident's annual income while the resident is in training. Income from a Resident Services training program, which is funded by HUD, is excluded.

E. WAGES FROM EMPLOYMENT WITH THE PHA OR RESIDENT ORGANIZATION

Upon employment with the PHA or officially recognized Resident Organization, the full amount of employment income received by the person is counted. There is no exclusion of income for wages funded under the 1937 Housing Act Programs, which includes public housing and Section 8.

F. AVERAGING INCOME

When Annual Income cannot be anticipated for a full twelve months, the PHA will:

Annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime, which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income.

G. MINIMUM INCOME

There is no minimum income requirement. Families who report zero income are required to **complete a written certification every month.**

Families that report zero income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

The PHA will request credit checks for all adult members of families that report zero income.

Where credit reports show credit accounts open and payments current, the PHA will take action to investigate the possibility of fraud or program abuse.

H. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, the PHA will calculate the Total Tenant Payment by:

- 1. Excluding the income and deductions of the member if his/her income goes directly to the facility.**
- 2. Calculating the income by using the following methodology and using the income figure which would result in a lower payment by the family:**

Excluding the income of the person permanently confined to the nursing home and not giving the family deductions for medical expenses of the confined family member.

OR

Including the income of the person permanently confined to the nursing home and giving the family the medical deductions allowable on behalf of the person in the nursing home.

I. REGULAR CONTRIBUTIONS AND GIFTS

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received every **3** months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than **\$400.00** per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter on "Verification Procedures," for further definition.)

If the family's expenses exceed their known income, the PHA will make inquiry of the family about contributions and gifts.

J. ALIMONY AND CHILD SUPPORT

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the PHA must use the amount awarded by the court unless the family can verify that they are not receiving the full amount.

The PHA will accept as verification that the family is receiving an amount less than the award if:

The PHA receives verification from the agency responsible for enforcement or collection.

The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a **certified** copy of the divorce decree.

K. LUMP-SUM RECEIPTS

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, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments, which have accumulated due to a dispute, will be treated the same as periodic payments, which are deferred due to delays in processing.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

The PHA will calculate prospectively if the family reported the payment within 10 working days and retroactively to date of receipt if the receipt was not reported within that time frame.

Prospective Calculation Methodology

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

The entire lump-sum payment will be added to the annual income at the time of the interim.

The PHA will determine the percent of the year remaining until the next annual recertification as of the date of the interim (three months would be 25% of the year).

At the next annual recertification, the PHA will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.

The lump sum will be added in the same way for any interims that occur prior to the next annual recertification.

Retroactive Calculation Methodology

The PHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

The PHA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the PHA.

At the PHA's option, the PHA may enter into a Repayment Agreement with the family.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

Attorney Fees

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

L. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS

Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

M. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

The PHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The PHA will count the difference between the market value and the actual payment received in calculating total assets. The difference will be included in calculating total assets for two years.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

The PHA's minimum threshold for counting assets disposed of for less than Fair Market value is **\$400**. If the total value of assets disposed of within the two-year period is less than **\$400**, they will not be considered an asset.

N. CHILD CARE EXPENSES

Unreimbursed childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work, actively seek work, attend school full time, or attend full-time vocational training.

In the case of a child attending private school, only before or after-hours care can be counted as childcare expenses.

If a tenant is eligible for the earned income disallowance, the amount of deduction for childcare expenses necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, the disregarded or excluded amounts cannot be used in determining the cap for the childcare expense deduction.

Childcare expenses cannot be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the childcare. Examples of those adult members who would be considered *unable* to care for the child include:

The abuser in a documented child abuse situation, or

A person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

Childcare expenses must be reasonable. Reasonable is determined by what the average childcare rates are in the PHA's jurisdiction.

Allowability of deductions for childcare expenses is based on the following guidelines:

Childcare to work: The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. **The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.**

Childcare for school: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school (including travel time to and from school).

Amount of Expense: The PHA will survey the local care providers in the community to determine what is reasonable. The PHA will use the collected data as a guideline. If the hourly rate materially exceeds the guideline, the PHA may calculate the allowance using the guideline.

O. MEDICAL EXPENSES

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

Nonprescription medicines will not be considered a medical expense.

P. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

"Mixed" families that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. (See Chapter titled "Recertifications.") Applicant mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995, by addition of an ineligible member are entitled to prorated assistance.

Prorated TTP Calculation for Mixed Families

Prorated assistance will be calculated by subtracting the Total Tenant Payment from the applicable Maximum Rent for the unit the family occupies to determine the Family Maximum Subsidy. The family's TTP will be calculated by:

Dividing the Family Maximum Subsidy by the number of persons in the family to determine Member Maximum Subsidy.

Multiplying the Member Maximum Subsidy by the number of eligible family members to determine Eligible Subsidy.

Subtracting the amount of Eligible Subsidy from the applicable Maximum Rent for the unit the family occupies to get the family's Revised Total Tenant Payment.

Prorated Flat Rent for Mixed Families

The PHA will compare the flat rent for the unit to the applicable Maximum Rent. If the flat rent is greater than the Maximum Rent, the family will pay the flat rent for the unit. If the Maximum Rent is greater than the flat rent, and the family chooses flat rent, the flat rent will be prorated by:

Subtracting the flat rent from the Maximum Rent to determine Family Maximum Subsidy.

Dividing the Family Maximum Subsidy by the number of persons in the family to determine the Member Maximum Subsidy.

Multiplying the Member Maximum Subsidy by the number of eligible family members to determine Eligible Subsidy.

Subtracting the amount of Eligible Subsidy from the applicable Maximum Rent for the unit the family occupies to get the family's Revised Flat Rent.

Q. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

The PHA will not reduce the public housing rent for families whose welfare assistance is reduced specifically because of:

Fraud; or

Failure to participate in an economic self-sufficiency program; or

Noncompliance with a work activities requirement.

However, the PHA will reduce the rent if the welfare assistance reduction is a result of:

The expiration of a lifetime time limit on receiving benefits; or

A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment; or

A situation where a family member has not complied with other welfare agency requirements.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

Verification Before Denying a Request to Reduce Rent

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance *before* denying the family's request for rent reduction.

The welfare agency, at the request of the PHA, will inform the PHA of:

Amount and term of specified welfare benefit reduction for the family;

Reason for the reduction; and

Subsequent changes in term or amount of reduction.

Cooperation Agreements

The PHA has taken a proactive approach to culminating an effective working relationship between the PHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to public housing residents.

R. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

If the cost of utilities (excluding telephone) is not included in the Tenant Rent, a utility allowance will be deducted from the total tenant payment. The Utility Allowance is intended to help defray the cost of utilities not included in the rent. The allowances are based on the monthly cost of reasonable consumption of utilities in an energy conservative household, *not* on a family's actual consumption.

When the Utility Allowance exceeds the family's Total Tenant Payment, the PHA will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to **the utility company, and the family will be notified that the check is made out directly to the utility company.**

S. EXCESS UTILITY PAYMENTS

Residents in units where the PHA pays the utilities may be charged for excess utilities if additional appliances or equipment are used in the unit. This charge shall be applied as specified in the lease. [24CFR 966.4(b)(2)]

T. FAMILY CHOICE IN RENTS

Authority for Family to Select

The PHA shall provide for each family residing in a public housing unit to elect annually whether the rent paid by such family shall be 1) determined based on family income or 2) the flat rent. The PHA may not at any time fail to provide both such rent options for any public housing unit owned, assisted or operated by the PHA.

Annual choice: The PHA shall provide for families residing in public housing units to elect annually whether to pay income-based or flat rent.

Allowable Rent Structures

Flat Rents

The PHA has established, for each dwelling unit in public housing, a flat rent amount for the dwelling unit, which:

Is based on the rental value of the unit, as determined by the PHA; and

Is designed so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

The PHA's methodology used to establish flat rents is described in the PHA Plan.

The PHA shall review the income of families paying flat rent not less than once every three years. Family composition will be reviewed annually for all families, including those paying flat rent.

Income-Based Rents

The monthly Total Tenant Payment amount for a family shall be an amount, as verified by the PHA, that does not exceed the greatest of the following amounts:

30 percent of the family's monthly adjusted income;

10 percent of the family's monthly income; or

As-paid welfare rent.

Switching Rent Determination Methods Because of Hardship Circumstances

In the case of a family that has elected to pay the PHA's flat rent, the PHA shall immediately provide for the family to pay rent in the amount determined under income-based rent, during the period for which such choice was made, upon a determination that the family is unable to pay the flat rent because of financial hardship, including:

Situations in which the income of the family has decreased because of changed circumstances, loss of or reduction of employment, death in the family, and reduction in or loss of income or other assistance;

An increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; and

Such other situations as may be determined by the PHA.

All hardship situations will be verified.

Once a family switches to income-based rent due to hardship, the family must wait until the next annual reexamination to elect whether to pay income-based rent or flat rent.

Annual Reexamination

90 days in advance of the annual reexamination, the family will be sent a form from the PHA, on which the family will indicate whether they choose flat rent or income-based rent. The PHA form will state what the flat rent would be, and an estimate, based on current information, what the family's income-based rent would be.

If the family indicates they choose flat rent, the family will fill out and return a PHA form to certify family composition. This form will be retained in the tenant file.

If the family indicates they choose income-based rent, a reexamination appointment will be scheduled according to PHA policy.

Chapter 7

VERIFICATION PROCEDURES

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment be verified by the PHA. Applicants and program tenants must furnish proof of their statements whenever required by the PHA, and the information they provide must be true and complete. The PHA's verification procedures are designed to meet HUD's requirements and to maintain program integrity. This Chapter explains the PHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. The PHA will ensure that proper authorization for release of information is always obtained from the family before making verification inquiries.

A. METHODS OF VERIFICATION AND TIME ALLOWED

The PHA will verify information through the four methods of verification acceptable to HUD in the following order:

1. **Third-Party Written:** The PHA's first choice is a written third party verification to substantiate claims made by an applicant or resident.
2. **Third-Party Oral:** The PHA may also use telephone verifications.
3. **Review of Documents:** The PHA will review documents, when relevant, to substantiate the claim of an applicant or resident.
4. **Family Certification:** A family certification will be accepted when no other form of verification is available.

If third party verification is not received directly from the source, PHA staff will document the file as to why third party verification was impossible to obtain and another method was used (such as reviewing documents families provide.) (See Chapter on Applying for Admission.)

For applicants, verifications may not be more than **30 days** old at the time of a unit offer. For tenants, they are valid for **365 days** from date of receipt.

Third-Party Written Verification

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third party written verifications.

Third-Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete a Certification of Document Viewed or Person Contacted form, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, the PHA will compare the information to any documents provided by the Family. If provided by telephone, the PHA must originate the call.

Review of Documents

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within **two** weeks, the PHA will utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed or Person Contacted form.

The PHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

Printed wage stubs

Computer printouts from the employer

Signed letters (provided that the information is notarized or confirmed by phone)

Other documents noted in this Chapter as acceptable verification

The PHA will accept faxed documents.

The PHA will not accept photocopies.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the PHA will utilize the third party verification.

Self-certification/Self-declaration

When verification cannot be made by third-party verification or review of documents, families will be required to submit self-certification.

Self-certification means **certification under penalty of perjury.**

B. RELEASE OF INFORMATION

All adults, and head of house and spouse regardless of age, are required to sign HUD form 9886, Authorization for Release of Information/Privacy Act Notice.

In addition, the family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886.

Each member requested to consent to the release of information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of tenancy because it is a family obligation under tenancy to supply any information requested by the PHA or HUD.

C. COMPUTER MATCHING

When the PHA receives notification from HUD that a family has been sent an “income discrepancy” letter, the PHA will:

Wait 40 days after the date of notification before contacting tenant.

After 40 days following the date of notification, the PHA will contact the tenant by **mail** asking the family to promptly furnish any letter or other notice by HUD concerning the amount or verification of family income.

The PHA will fully document the contact in the tenant’s file, including **a copy of the letter to the family**.

When the family provides the required information, the PHA will verify the accuracy of the income information received from the family, review the PHA’s interim recertification policy, will identify unreported income, will charge retroactive rent as appropriate, and change the amount of rent or terminate assistance, as appropriate, based on the information.

If the amount of rent owed to the PHA exceeds \$1000, the PHA will seek to terminate assistance.

If tenant fails to respond to PHA:

The PHA will ask HUD to send a second letter.

After an additional 40 days, the PHA will ask HUD to send a third letter.

After an additional 40 days, the PHA will send a letter to the head of household, warning of the consequences if the family fails to contact the PHA within two weeks.

If tenant claims a letter from HUD was not received:

The PHA will ask HUD to send a second letter with a verified address for the tenant.

After 40 days, the PHA will contact the tenant family.

If the tenant family still claims they have not received a letter, the PHA will ask HUD to send a third letter.

After an additional 40 days, the PHA will set up a meeting with the family to complete IRS forms 4506 and 8821.

If the tenant family fails to meet with the PHA or will not sign the IRS forms, the PHA will send a warning letter to the head of household, notifying the family that termination proceedings will begin within one week if the tenant fails to meet with the PHA and/or sign forms.

If tenant does receive a discrepancy letter from HUD:

The PHA will set up a meeting with the family.

If the family fails to attend the meeting, the PHA will reschedule the meeting.

If the family fails to attend the second meeting, the PHA will send a termination warning.

The family must bring the original HUD discrepancy letter to the PHA.

If tenant disagrees with the Federal tax data contained in the HUD discrepancy letter:

The PHA will ask the tenant to provide documented proof that the tax data is incorrect.

If the tenant does not provide documented proof, the PHA will obtain proof to verify the Federal tax data using third party verification.

D. ITEMS TO BE VERIFIED

All income not specifically excluded by the regulations.

Zero-income status of household.

Zero income applicants and residents will be required to complete a family expense form at each certification or recertification interview.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in preceding two years.

Childcare expense where it allows an adult family member to be employed, seek employment or to further his/her education.

Total medical expenses of all family members in households whose head or spouse is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus that allow an adult family member to be employed.

Legal Identity

U.S. citizenship/eligible immigrant status.

Social Security Numbers for all family members 6 years of age or older or certification that a family member does not have a Social Security Number.

Preference status, based upon PHA preferences.

Marital status when needed for head or spouse definition.

Disability for determination of preferences, allowances or deductions.

E. VERIFICATION OF INCOME

This section defines the methods the PHA will use to verify various types of income.

Employment Income

Verification forms request the employer to specify the:

Dates of employment

Amount and frequency of pay

Date of the last pay increase

Likelihood of change of employment status and effective date of any known salary increase during the next 12 months

Estimated income from overtime, tips, and bonus pay expected during next 12 months

Acceptable methods of verification include:

1. Employment verification form completed by the employer.
2. Check stubs or earning statements that indicate the employee's gross pay, frequency of pay or year to date earnings.
3. W-2 forms plus income tax return forms.
4. **Self-certification or** income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program tenants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

Social Security, Pensions, Supplemental Security Income (SSI), Disability Income

Acceptable methods of verification include:

1. Benefit verification form completed by agency providing the benefits
2. Computer report electronically obtained or in hard copy.
3. **Award or benefit notification letters prepared by the providing agency.**
4. **Bank statements for direct deposits.**

Unemployment Compensation

Acceptable methods of verification include:

1. Computer report electronically obtained or in hard copy, stating payment dates and amounts
2. Verification form completed by the unemployment compensation agency.
3. **Payment Stubs**

Welfare Payments or General Assistance

Acceptable methods of verification include:

1. PHA verification form completed by payment provider.
2. **Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.**

3. **Computer-generated Notice of Action.**
4. **Computer-generated list of recipients from Welfare Department.**

Alimony or Child Support Payments

Acceptable methods of verification include:

1. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
2. **A notarized letter from the person paying the support.**
3. **Copy of latest check and/or payment stubs from Court Trustee. PHA must record the date, amount, and number of the check.**
4. **Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.**
5. If payments are irregular, the family must provide:

A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.

A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.

A notarized affidavit from the family indicating the amount(s) received.

Welfare Notice of Action showing amounts received by the welfare agency for child support.

A written statement from an attorney certifying that a collection or enforcement action has been filed.

Net Income from a Business

In order to verify the net income from a business, the PHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:

Schedule C (Small Business)

Schedule E (Rental Property Income)

Schedule F (Farm Income)

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

2. Audited or unaudited financial statement(s) of the business.
3. **Credit report or loan application.**
4. **Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.**
5. **Family's self-certification as to net income realized from the business during previous years.**

Childcare Business

If an applicant/tenant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/tenant is operating a "cash and carry" operation (licensed or not), the PHA will require the applicant/tenant to complete a form for each customer giving: name of person(s) whose child(ren) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

If childcare services were terminated, a third-party verification will be sent to the parent whose child was cared for.

The PHA will conduct interim reevaluations every 60 days and require the tenant to provide a log with the information about customers and income.

Recurring Gifts

The family must furnish a statement that contains the following information:

The person who provides the gifts

The value of the gifts

The regularity (dates) of the gifts

The purpose of the gifts

Zero Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, AFDC, SSI, etc. are not being received by the household.

The PHA will request information from the State Employment Development Department.

The PHA will request IRS information from the family.

The PHA may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

Full-Time Student Status

Only the first \$480 of the earned income of full time students 18 years of age or older, other than head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full time students are not counted towards family income.

Verification of full time student status includes:

Written verification from the registrar's office or other school official.

School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

Verification of Income Exclusions

The PHA will attempt third party verification of income exclusions wherever possible.

When third party verification of income exclusions are not possible or practical, a review of documents or self-certification will be obtained.

Exclusions from income that must be verified and reported on the 50058 include the following:

Expenditures for business expansion.

Amortization of capital indebtedness as deductions in determining net income of a business.

Withdrawals of cash or assets from a professional or business operation if the withdrawal is a reimbursement for cash or assets invested in the operation by the family.

Allowance for business asset depreciation, based on straight-line depreciation, as provided in the Internal Revenue Service (IRS) regulations.

Income from employment of children or foster children under 18 years old.

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

Earned income disallowance.

Amounts earned by temporary Census employees; terms of employment may not exceed 180 days for the purposes of the exclusion.

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

Stipends to reimburse residents for expenses for serving as members of the PHA governing board or commission.

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

The full amount of military pay of any family member other than the head and spouse. If other family members are away from home in the military, the PHA may remove their name from the lease and exclude their income.

Other military pay specifically excluded by law (e.g. Desert Storm active duty).

Income of a live-in aide.

Earnings and benefits from employment training programs funded by HUD.

Reimbursement for out-of-pocket expenses while attending a public assisted training program.

Incremental earnings and benefits from participation in qualifying state and local employment programs.

Payments to volunteers under the Domestic Volunteer Services Act.

Payments received under programs funded in whole or in part under the Workforce Investment Act (WIA) (formerly known as the Job Training Partnership Act (JTPA)).

Earnings and benefits to any family member from an employment training and supportive services program during the exclusion period. The exclusion is applicable only if the family was admitted to the qualifying program prior to October 1, 1999.

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.

Food stamps.

Annual Imputed Welfare Income if the family was not an assisted resident at the time of sanction.

Nonrecurrent, short-term benefits under TANF assistance that:

- Are designed to deal with a specific crisis situation or episode of need;

- Are not intended to meet recurrent or ongoing needs; and

- Will not extend beyond four months.

Work subsidies under TANF assistance (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training).

Supportive services under TANF assistance such as child care and transportation provided to families who are employed.

Refundable earned income tax credits.

Individual Development Accounts under TANF.

Services provided under TANF assistance such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job

advancement, and other employment-related services that do not provide basic income support.

Transportation benefits under TANF assistance provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of the Act, to an individual who is not otherwise receiving assistance.

Lump-sum pension benefits payable as a death benefit.

Deferred periodic amounts from SSI benefits that the family member received in a lump sum amount or in prospective monthly amounts.

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

Deferred periodic amounts from Social Security benefits that the family member received in a lump sum amount or in prospective monthly amounts.

Childcare arranged or provided under the Child Care and Development Block Grant Act.

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

Payments received under the Alaska Native Claims Settlement Act.

Income derived from certain submarginal land or the United States that is held in trust for certain Indian tribes.

Income derived from the disposition of funds of the Grand River Band of Ottawa Indians.

The first \$2000 of per capita shares from judgment funds awarded by Indian Claims.

Payments received under the Maine Indian Claims Settlement Act of 1980.

Payments received by Indian Claims Commission to the Confederate Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation.

The first \$2000 of income received by individual Indians derived from interests or trust or restricted land.

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)

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.

Full amount of student financial assistance and paid directly to the student or to the educational institution.

Temporary, nonrecurring or sporadic income (including gifts).

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.

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

Refunds or rebates under state or local law for property taxes paid on dwelling unit.

Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

Payments or allowances under DHHS' low-income home energy assistance program (LIHEAP).

Federal 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 program.

Payments received from programs funded under Title V of the Older Americans Act of 1965.

Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any fund established pursuant to the settlement in the In Re Agent Orange product liability litigation.

Earned Income Tax Credit refund tax payments.

Any allowance paid under provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is a child of a Vietnam Veteran.

Any amount of crime victim compensation that the applicant (under the Victims Crime Act) receives through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims Crime Act because of the commission of a crime against the applicant.

F. INCOME FROM ASSETS

Acceptable methods of verification include:

Savings Account Interest Income and Dividends

Will be verified by:

1. Account statements, passbooks, certificates of deposit, or PHA verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution, provided that the PHA must adjust the information to project earnings expected for the next 12 months.

Interest Income from Mortgages or Similar Arrangements

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

Net Rental Income from Property Owned by Family

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
4. Lessee's written statement verifying rent payments to the family and family's notarized statement as to net income realized.

G. VERIFICATION OF ASSETS

Family Assets: The PHA will require the necessary information to determine the current cash value, (the net amount the family would receive if the asset were converted to cash).

Verification forms, letters, or documents from a financial institution or broker.

Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.

Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.

Real estate tax statements if the approximate current market value can be deduced from assessment.

Financial statements for business assets.

Copies of closing documents showing the selling price and the distribution of the sales proceeds.

Appraisals of personal property held as an investment.

Family's Notarized Statement describing assets or cash held at the family's home or in safe deposit boxes.

Assets Disposed of for Less than Fair Market Value (FMV) during two years preceding effective date of certification or recertification.

For all Certifications and Recertifications, the PHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, verification [or certification] is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

Childcare Expenses

Written verification from the person who receives the payments is required. If the childcare provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.

Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number and schedule of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Medical and Disability Assistance Expenses

Families who claim medical expenses or expenses to assist a person(s) with disabilities will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below.

Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.

Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.

Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.

For attendant care:

A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.

Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.

Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.

The PHA will use mileage at the **IRS** rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Assistance to Persons with Disabilities

In All Cases:

Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

I. VERIFYING NON-FINANCIAL FACTORS

Verification of Legal Identity

In order to prevent program abuse, the PHA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

Certificate of Birth, naturalization papers

Current, valid Driver's license

U.S. military discharge (DD 214)

U.S. passport

Department of Motor Vehicles Identification Card

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

Certificate of Birth

Adoption papers

Custody agreement

Health and Human Services ID

School record

Verification of Marital Status

Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

Verification of marriage status is a marriage certificate.

Familial Relationships

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will be required if certification is insufficient:

Verification of relationship:

Official identification showing name

Birth Certificates

Baptismal certificates

Verification of guardianship is:

Court-ordered assignment

Affidavit of parent

Verification from social services agency

School records

Evidence of an established family relationship:

Joint bank accounts or other shared financial transactions

Credit reports showing relationship

Split Households: Domestic Violence

Verification of domestic violence when assessing applicant split households includes:

Shelter for battered persons

Police reports

District Attorney's office

Verification of Permanent Absence of Adult Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the PHA will consider any of the following as verification:

Husband or wife institutes divorce action.

Husband or wife institutes legal separation.

Order of protection/restraining order obtained by one family member against another.

Proof of another home address, such as utility bills, canceled checks for rent, drivers license, or lease or rental agreement, if available.

Statements from other agencies such as social services that the adult family member is no longer living at that location.

If no other proof can be provided, the PHA will accept a Notarized Statement from the family.

If the adult family member is incarcerated, a document from the Court or prison should be obtained stating how long they will be incarcerated.

Verification of Change in Family Composition

The PHA may verify changes in family composition (either reported or unreported) **through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.**

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under 42 U.S.C. Section 423(d)(1)(A) of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(8) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.

Verification of Citizenship/Eligible Immigrant Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare his or her status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PHA hearing is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

Eligible Immigrants who are 62 or over are required to sign a declaration of eligible immigration status and provide proof of age.

Noncitizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The PHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the PHA must request within ten days that the INS conduct a manual search.

Family members who do not claim to be citizens or eligible immigrants must be listed on a statement of non-contending family members signed by the head of household or spouse.

Noncitizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of non-contending members.

If an applicant or tenant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For tenant families, it is done at the first regular recertification after June 19, 1995. PHAs that previously elected to "opt out" must immediately commence verification of families for whom eligibility status has not been undertaken. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, the PHA must conduct the determination.

The PHA **will** grant an extension of **30** days for families to submit evidence of eligible immigrant status.

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

Resident Alien Card (I-551)

Alien Registration Receipt Card (I-151)

Arrival-Departure Record (I-94)

Temporary Resident Card (I-688)

Employment Authorization Card (I-688B)

Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

Verification of Social Security Numbers

Social security numbers must be provided as a condition of eligibility for all family members six and over if they have been issued a number. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration.

If a family member cannot produce a Social Security Card, only the documents listed below showing his/her Social Security Number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the Social Security Card information provided is/are complete and accurate:

Identification card issued by a Federal, State or local agency

Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)

Verification of benefits or SSN from Social Security Administration.

New family members ages six and older will be required to produce their Social Security Card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to the PHA.

If an applicant or tenant is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or tenant must sign a certification to that effect provided by the PHA. The applicant/tenant or family member will have an additional 60 days to provide proof of the Social Security Number. If they fail to provide this documentation, the family's tenancy will be terminated.

In the case of an individual at least 62 years of age, the PHA may grant an extension for an additional **60** days up to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's tenancy will be terminated.

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

Medical Need for Larger Unit

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.

J. VERIFICATION OF SUITABILITY FOR ADMISSION (See chapter on Eligibility.)

Sources to be used to determine suitability include but are not limited to:

Criminal History Reports

Prior landlord references

Physicians, social workers, and other health professionals

St. James HRA and Other PHAs (to whom the family may owe debt.

Ability to meet financial obligations under the lease

All applicants will be subject to the following procedures to ensure their ability to meet financial obligations under the lease:

All applicants will be interviewed and asked questions about the basic elements of tenancy.

The PHA will access a Credit Report on all applicants prior to selection.

The PHA will determine if applicants owe any monies from previous tenancy or participation in any HUD housing program.

The PHA will independently verify the rent-paying history of all applicants for the previous 3 years directly with the landlord(s)

Drug-related or violent criminal activity

The PHA will complete a criminal background check of all applicants [including other adult members in the household], or any adult member for which criminal records are available.

Housekeeping

The PHA will obtain references from prior landlords for the previous 3 years to determine acceptable housekeeping standards.

Applicants will be required to attend pre-occupancy classes as a condition of admission.

K. VERIFICATION OF WAITING LIST PREFERENCES [24 CFR 60.206]

Local Preferences

1. **Veterans preference:** This preference is available to current members of the U.S. Military Armed Forces, veterans, or surviving spouses of veterans.

The PHA will require U.S. government documents, which indicate that the applicant qualifies under the above definition.

2. **Working preference:** This preference is available for families with at least one member who is employed. The PHA will require a statement from the employer. The PHA will also give the benefit of this preference to families where the head of house or spouse is age 62 or older; and to families where the head of house or spouse meets the disability definition in CFR 5.403.

3. **Involuntary Displacement**

Families who claim they are being or have been displaced due to either a disaster or government action: written verification by the displacing unit or agency of government, or by a service agency such as the Red Cross.

Families who claim they are being or have been displaced because of actions taken by the owner/agent of the unit the family is renting: Notification by owner to family of the action/ written verification by the owner or agent/documents such as sales agreements, foreclosure notices or building permits.

Families who claim they are being or have been displaced due to domestic violence:

Written verification from police, social service agency, court, clergyperson, physician, and/or public or private facility giving shelter and/or counseling to victims.

Verification must be obtained (from a landlord or other source) that the abuser still resides at the unit.

The family must certify that the abuser will not return to the household without the advance written approval of the PHA. Before giving approval, the PHA will require verification of the following:

That the family members involved have been through a counseling program and the service provider believes that a reconciliation is likely.

Statement from social worker, psychologist, or other professional familiar with the abuser that he/she has received counseling/treatment

and is unlikely to continue the abuse.

Statement from local law enforcement agency that no complaints have been filed since the date of the preference approval.

Families who claim they have been or are about to be displaced to avoid reprisals for providing information to assist police in a criminal investigation.

Certification of threat assessment by a law enforcement agency

Oral or written recommendation from law enforcement agency or HUD.

Families who claim to be displaced by hate crimes.

Written statement from law enforcement agency, HUD, Fair Housing or other agency responsible for non-discrimination advocacy. Statement should contain approximate number of occurrences and date of last occurrence.

Displacement by inaccessibility of unit.

Statement from the owner of the critical elements that are inaccessible, and that the owner is not going to make the needed modifications, or permit the family to make the modifications.

If the owner permits the tenant to make the modifications, verification that the family cannot afford the expense.

Displacement by HUD disposition of a project: Written verification from HUD

4. Living in Substandard Housing

Families who claim to be living in a substandard housing unit:

Written or oral verification by a government agency

Landlord's statement of unit condition

"Homeless" families: written certification by a public or private facility providing shelter, the police, or a social services agency.

Prior to processing the application, the PHA requires a second certification from the same source that the applicant is not yet permanently housed and has been continuously homeless or temporarily housed since claiming the preference.

If a family is in transitional housing and wishes the PHA to hold the family's place on the waiting list, a statement is required from the agency providing the transitional housing.

5. **Rent Burden: Paying more than 50% of income for rent:**

Families will be required to verify their income, the amount of rent and utilities they are obligated to pay, and the period of time they have been residing in the unit.

Families must furnish copies of rental receipts [the lease/canceled checks/money orders].

The PHA may contact the landlord directly by mail or telephone.

In cases where the family pays rent to a co-renter or sublets the unit, the PHA requires a certification from the person who receives the money from the applicant, and verification from the owner that the family resides in the unit.

If there is no lease or occupancy agreement and the family is receiving public assistance, the PHA may verify the amount of rent and address of the unit with the appropriate social service agency.

If there is no lease or occupancy agreement, and the family is not receiving public assistance, the PHA will require receipts and other forms of identification, which indicate the residence. Such documents include receipts, telephone bills, utility bills, driver's license, and school records.

Chapter 8

TRANSFER POLICY

INTRODUCTION

The transferring of families is a very costly procedure, both to the PHA and to the families. However, it is the policy of the PHA to permit a resident to transfer within or between housing developments **when it is to the family's advantage to do so**; when it is necessary to comply with occupancy standards; or when it will help accomplish the Affirmative Housing goals of the PHA. The transfer policy will be carried out in a manner that does not violate fair housing.

For purposes of this transfer policy the "losing development" refers to the unit from which the family is moving and the "gaining development" refers to the unit to which the family is transferring.

A. GENERAL STATEMENT

It is the policy of the PHA to require or permit resident transfers, within and/or between PHA public housing developments for the following reasons:

To abate dangerous and/or substandard living conditions.

To abate emergency life-threatening living conditions caused by third-party criminal activity;

To accommodate verified physical conditions caused by long-term illness and/or disability; and

To accommodate resident families that are determined to be over or under housed by virtue of their family size.

The PHA will always consider a request to transfer as a reasonable accommodation for a person with a disability.

B. ELIGIBILITY FOR TRANSFER

In order to be determined eligible to receive a transfer, residents must submit the requisite documentation to the PHA, to substantiate their request, and must be in good standing with the PHA.

The PHA will charge the families for any damages to the previous unit that exceed that unit's security deposit.

Except in emergency situations, transfers will be avoided when the family is:

Delinquent in its rent;

In the process of reexamination to determine rent and eligibility; or

About to be asked to move for reasons other than non-payment of rent.

Not in good standing with the PHA due to rental history or a history of disturbances.

The PHA will not grant a transfer request solely to accommodate neighbors who "cannot get along."

C. PRIORITY OF TRANSFERS

The Transfer Waiting list will be maintained in rank order according to the following priorities:

Emergency

Executed within 48 hours of documentation, verification and approval

Emergency transfers are initiated by the PHA and/or written family request.

Medical hardship and accessibility

Executed within 60 days of documentation, verification and approval.

Medical hardship and accessibility transfers are initiated by written family request.

Underhoused (Overcrowded)

Executed when family's name reaches the top of transfer list and authorized unit available

Transfers are initiated by the PHA and/or written family request.

Overhoused

Executed when family's name reaches top of transfer list and authorized unit available.

Transfers are initiated by the PHA and/or written family request.

D. EMERGENCY TRANSFER

The PHA will authorize an emergency transfer for a participant family if one of the following conditions occurs:

The resident's unit has been damaged by fire, flood, or other causes to such a degree that the unit is not habitable, provided the damage was not the result of an intentional act, carelessness or negligence on the part of the resident or a member of the resident's household.

The resident's unit has been damaged by fire, flood or other causes to such a degree that the unit is not habitable, provided that, although the damage was a result of carelessness or negligence of the resident or a member of the resident's household, the resident has, in writing, accepted the responsibility for such damage and has agreed to make restitution to the PHA for the expense of repairing such damage.

E. SPECIAL CIRCUMSTANCES TRANSFER

The PHA will authorize transfers under special circumstances for a participant family if one of the following conditions occurs:

The resident's unit is being modernized or significantly remodeled.

The PHA has a need, at the discretion of the Executive Director's to transfer the resident family to another unit and the resident voluntarily agrees to such transfer.

F. MANDATORY TRANSFERS

If there is a required change in the size of unit needed, it will be necessary for the resident to move to a unit of an appropriate size and a new lease will be executed.

If an appropriate unit is not available, the resident will be placed on a transfer list and moved to such unit when it does become available.

The PHA will place all families requiring a mandatory transfer due to occupancy standards on a transfer list, which will be reviewed for need-based transfers before any unit is offered to a family on the waiting list.

The family will be offered the next appropriately sized unit that becomes available after other such families already on the transfer list who are in need of the same size unit.

If a family that is required to move refuses the offered unit, the PHA will evaluate the reason for the refusal and determine if it is one of good cause. If the PHA determines that there is no good cause, the PHA will begin lease termination proceedings.

The PHA will offer the family an opportunity for an informal conference before terminating the family's lease. The family will have 10 working days from the issue date of the Notice to Terminate to request an informal conference.

G. NON-MANDATORY TRANSFERS

When a unit becomes available, and after the transfer list has been reviewed for families requiring a mandatory transfer based on occupancy standards, the transfer list will be reviewed for other families desiring a transfer.

H. MOVING COSTS

The resident, except when the transfer is due to uninhabitability, through no fault of the resident, or when the transfer is due to the need of the PHA, will pay all moving costs related to the transfer.

In the case of transfers due to threat of violence, the PHA will determine on a case-by-case basis whether the resident shall be responsible for moving costs.

I. SECURITY DEPOSITS

The resident will be billed for any charges that occur as a result of the resident moving out of the apartment.

A transfer between developments will not be considered a move-out.

J. PROCESSING TRANSFERS

Transfers will be processed as follows.

There will be no lapsed time between move-out and move-in. Effective dates must not overlap.

The resident will be informed that once the family has leased up and been issued the keys, the family will be charged rent on both units until the keys from the old unit are turned in.

K. TRANSFER REQUEST PROCEDURE

Residents requesting transfer to another written request for the transfer. The Executive Director will evaluate the request to determine if a transfer is justified.

The approved request for transfer form will be kept in a file arranged in chronological order or on the computer by bedroom size.

Mandatory transfers due to occupancy standards will be maintained on the transfer list in a manner that allows the PHA to easily distinguish between those that are not mandatory.

The resident will be informed of the security deposit procedures.

If the request is denied the family will be sent a letter stating the reason for denial, and offering the family an opportunity for an informal conference.

L. RENT ADJUSTMENTS OF TRANSFERRED RESIDENTS

Residents who have had a change in income since the last reexamination will have their rent set at the applicable amount beginning with the first day of the new lease.

The PHA will notify the resident of the rent change by use of the Notice of Rent Adjustment Letter.

M. REEXAMINATION DATE

The date of the transfer does not change the reexamination date.

Reserved

Chapter 9

LEASING

INTRODUCTION

It is the PHA's policy that all units must be occupied pursuant to a dwelling lease agreement that complies with HUD's regulations [24 CFR Part 966]. This Chapter describes pre-leasing activities and the PHA's policies pertaining to lease execution, security deposits, other charges, and additions to the lease.

A. LEASE ORIENTATION

Upon execution of the lease, a PHA representative will provide a lease orientation to the family head, **spouse, and all adult members**. The orientation may be conducted with more than one family.

The family must attend an orientation before taking occupancy of the unit.

Orientation Agenda

When families attend the lease orientation, they will be provided with:

- A copy of the PHA's lease and grievance procedure**
- A copy of the Tenant Handbook**

Topics to be discussed will include, but are not limited to:

- Applicable deposits and other charges**
- Provisions of the Lease**
- Family Choice of Rents**
- Orientation to the community**
- Unit maintenance and work orders**
- Explanation of occupancy forms**
- Terms of occupancy**

B. LEASE REQUIREMENTS

The initial term of the lease will be for 12 months. The lease will renew automatically for 12-month terms.

Because the lease automatically renews for terms of 12 months, an annual signing process is not required.

C. EXECUTION OF LEASE

The lease shall be executed by the head of household, spouse, **and all other adult members of the household**, and by an authorized representative of the PHA, prior to admission.

The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

An appointment will be scheduled for the parties to execute the lease. One executed copy of the lease will be given to the tenant, and the PHA will retain one in the tenant's file. The lease is incorporated into this policy by reference. The lease document will reflect current PHA policies as well as applicable Federal, State and Local law.

The following provisions govern lease execution and amendments:

A lease is executed at the time of admission for all new tenants.

A new lease is executed at the time of the transfer of a tenant from one PHA unit to another (with no change in reexamination date).

If, for any reason, any signer of the lease ceases to be a member of the household, the lease will be amended by drawing a line through the party's name and both parties will be required to initial and date the change.

Lease signers must be persons legally eligible to execute contracts.

The names and date of birth of all household members are listed on the lease at initial occupancy and on the Application for Continued Occupancy each subsequent year. Only those persons listed on the most recent certification shall be permitted to occupy a dwelling unit.

Changes to tenant rents are made upon the preparation and execution of a "Notice of Rent Adjustment" by the PHA, which becomes an attachment to the lease. Documentation will be included in the tenant file to support proper notice.

Households that include a Live-In Attendant will contain file documentation that the Live-In Attendant is not a party to the lease and is not entitled to PHA assistance, with the exception of occupancy while serving as the attendant for the participant family member.

The PHA may modify its form of lease from time to time, giving tenants an opportunity to comment on proposed changes and advance notice of the implementation of any changes. A tenant's refusal to accept permissible and reasonable lease modifications, or those modifications required by HUD, is grounds for termination of tenancy.

D. ADDITIONS TO THE LEASE

Requests for the addition of a new member of the household must be approved by the PHA, prior to the actual move-in by the proposed new member.

Following receipt of a family's request for approval, the PHA will conduct a pre-admission screening, including the Criminal History Report, of the proposed new member. Only new members approved by the PHA will be added to the household.

Factors determining household additions:

1. Household additions subject to screening:

Resident plans to marry;

Resident is awarded custody of a child over the age for which juvenile justice records are available;

Resident desires to add a new family member to the lease, employ a live-in aide, or take in a foster child(ren).

A unit is occupied by a remaining family member(s) under age 18 (not an emancipated minor) and an adult who was not a member of the original household requests permission to take over as the head of household.

2. Factors determining household additions that are not subject to screening:

Children born to a family member or whom a family member legally adopts are exempt from the pre-screening process.

3. Factors determining household additions that may be subject to screening, depending on PHA discretion:

Children below the age under which juvenile justice records are made available, who are added through a kinship care arrangement, are exempt from the pre-screening process.

4. **In such cases where the addition of a new member who has not been born, married, or legally adopted into the family, and the addition will affect the bedroom size required by the family, according to the PHA occupancy standards, the PHA will not approve the addition.**
5. **The PHA will not approve adding a family consisting of more than one member to the lease. Such applicants will be encouraged to apply to the waiting list.**
6. Residents who fail to notify the PHA of additions to the household, or who permit

persons to join the household without undergoing screening, are in violation of the lease. Such persons are considered to be unauthorized occupants by the PHA, and the entire household will be subject to eviction.

7. Family members age 18 and over who move from the dwelling unit to establish new households shall be removed from the lease. The tenant must notify the PHA of the move-out within **14** calendar days of its occurrence.

These individuals may not be readmitted to the unit and must apply as a new applicant for placement on the waiting list.

The PHA in making determinations under this paragraph will consider medical hardship or other extenuating circumstances.

8. **The resident may not allow visitors to stay overnight more than 14 days in a twelve-month period.**

The family must request PHA approval prior to visitors arriving who will be in the unit in excess of 14 days in a year.

Visitors who remain beyond this period shall be considered trespassers, and their presence constitutes a breach of the lease.

If an individual other than a leaseholder is representing to an outside agency that they are residing in the lessee's unit, the person will be considered an unauthorized member of the household.

9. Roomers and lodgers are not permitted to occupy a dwelling unit, nor are they permitted to move in with any family occupying a dwelling unit.

Residents are not permitted to allow a former tenant of the PHA who has been evicted to occupy the unit for any period of time.

Residents must advise the PHA when they will be absent from the unit for more than 7 calendar days and provide a means for the PHA to contact the resident in the event of an emergency. Failure to advise the PHA of extended absences is grounds for termination of the lease.

E. LEASING UNITS WITH ACCESSIBLE OR ADAPTABLE FEATURES

Before offering a vacant accessible unit to a non-disabled applicant, the PHA will 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, who has 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.

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

F. UTILITY SERVICES

Tenants responsible for direct payment of utilities must abide by any and all regulations of the specific utility company, including regulations pertaining to advance payments of deposits.

Failure to maintain utility services during tenancy is a lease violation and grounds for eviction.

Non-payment of excess utility charge payments to the PHA is a violation of the lease and is grounds for eviction.

G. SECURITY DEPOSITS

Security Deposit

New tenants must pay a security deposit to the PHA at the time of admission.

The amount of the security deposit required is specified in the lease.

The PHA will hold the security deposit for the period the tenant occupies the unit.

The PHA will refund to the Tenant the amount of the security deposit, less any amount needed to pay the cost of:

Unpaid Rent;

Damages listed on the Move-Out Inspection Report that exceed normal wear and tear;

Other charges under the Lease.

The PHA will refund the Security Deposit less any amounts owed, within **21** calendar days after move out and tenant's notification of new address.

The PHA will provide the tenant or the person designated by the former tenant in the event of the former tenant's incapacitation or death with a written list of any charges against the security deposit. If the tenant disagrees with the amount charged to the security deposit, the PHA will provide a meeting to discuss the charges.

The resident must leave the dwelling unit in a clean and undamaged (beyond normal wear and tear) condition and must furnish a forwarding address to the PHA. All keys to the unit must be returned to the Management upon vacating the unit.

The PHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

If the tenant transfers to another unit, the PHA will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges.

Pet Deposit

See chapters on pet policy.

H. RENT PAYMENTS

The tenant rent is due and payable at the PHA-designated location on the 5th of every month. If the 5th falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.

If the PHA does not receive payment by the agreed-upon date, a delinquent rent notice will be sent.

If the payment of rent and other charges due under the lease will be delayed beyond the first day of the month, the tenant must notify the Management no later than 2 business days before the payment is due.

The notification must include an explanation of the circumstances that will delay the tenant's payment, and indicate the date on which full payment will be made.

I. FEES AND NONPAYMENT PENALTIES

If the tenant fails to make payment by the 5th day of the month, and the PHA has not agreed to accept payment at a later date, a Notice to Vacate will be issued to the tenant with a 14 day notice period for failure to pay rent, demanding payment in full or the surrender of the premises.

If the tenant fails to make payment by the 5th day of the month, a late fee of **\$5.00 plus \$1.00 per day until paid not to exceed \$30.00** will be charged.

A charge of \$30 will be assessed against the tenant for checks, which are returned for non-sufficient funds (NSF), or checks written on a closed account.

The PHA will always consider the rent unpaid when a check is returned as NSF or a check is written on a closed account.

If the PHA has not agreed to accept payment at a later date, a Notice to Vacate will be issued for failure to pay rent.

Any rent payment received will be applied to the oldest rent charges in the resident's account.

J. SCHEDULES OF SPECIAL CHARGES

Schedules of special charges for services, repairs, utilities and rules and regulations which are required to be incorporated into the lease by reference shall be publicly posted in a conspicuous manner in the project office, and they will be provided to applicants and tenants upon request.

K. MODIFICATIONS TO THE LEASE

Schedules of special charges and rules and regulations are subject to modification or revision. Residents and resident organizations will be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and they will be given an opportunity to present written comments. Comments will be taken into consideration before any proposed modifications or revisions become effective.

A copy of such notice shall be posted in the central office, and:

Hand delivered and/or mailed to the dwelling unit.

Posted in at least two conspicuous places within each structure or building in which tenants affected by the modifications or revisions are located.

After the proposed changes have been incorporated into the lease and approved by the Board, each family will be notified of the effective date of the new lease.

Any modifications of the lease must be accomplished by a written addendum to the lease and signed by both parties.

L. CANCELLATION OF THE LEASE

Cancellation of the tenant's lease is to be in accordance with the provisions contained in the lease agreement and as stated in this policy.

M. INSPECTIONS OF PUBLIC HOUSING UNITS

Initial Inspections

The PHA and the family will inspect the premises prior to occupancy of the unit in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the PHA and the tenant, will be kept in the tenant file.

Vacate Inspections

The PHA Inspection Department will access the Vacate Report prepared by housing management staff and will perform a move-out inspection when the family vacates the unit, and will encourage the family to participate in the move-out inspection.

The purpose of this inspection is to determine necessary maintenance and whether there are damages that exceed normal wear and tear. The PHA will determine if there are tenant caused damages to the unit. Tenant caused damages may affect part or all of the family's security deposit.

The move-out inspection also assists the PHA in determining the time and extent of the preparation and repairs necessary to make the unit ready for the next tenant.

The resident is encouraged to participate in the move-out inspection.

Annual Inspections

The PHA will inspect all units annually using HUD's Uniform Physical Condition Standards (UPCS) as a guideline.

The unit will be considered to have failed HUD's Uniform Physical Condition Standards if there are any *life-threatening* Health and Safety deficiencies **or if:**

There are three or more non-life-threatening Health and Safety deficiencies.

There are two or more Level 2 (major) deficiencies.

There are six or more Level 1 (minor) deficiencies.

If a unit fails inspection due to housekeeping or tenant-caused damages, the resident will be given 30 days to correct noted items, after which a follow-up inspection will be conducted.

Residents will be issued a copy of the inspection report with required corrections.

If necessary to bring the unit into UPCS compliance, needed repairs will be completed by the PHA.

All inspections will include a check of all smoke alarms to ensure proper working order.

Inspection report will indicate whether required corrections are to be charged to the resident or covered by the PHA.

Required corrections will be repaired by the PHA within 180 days of the inspection date.

Resident will be notified at least 2 working days before the date of the required repairs.

Damages beyond "normal wear and tear" will be billed to the tenant.

Residents who repeatedly "fail" the inspection or cause excessive damage to the unit may be in violation of their lease.

Quality Control Inspections

The housing management staff will conduct periodic quality control inspections to determine the condition of the unit and to identify problems or issues in which the PHA can be of service to the family.

The purpose of these quality control inspections is to assure that repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame.

Special Inspections

Housing management staff may request a special inspection for housekeeping, unit condition, or suspected lease violation.

HUD representatives or local government officials may review PHA operations periodically and as a part of their monitoring may inspect a sampling of the PHA's inventory.

Other Inspections

Building exterior and grounds inspections are conducted at all Public Housing properties to determine hazardous conditions as well as to assist in budget preparation.

Emergency Inspections

Housing management staff, including PHA inspectors may initiate an emergency inspection report to generate a work order if they believe that an emergency exists in the unit or on a Public Housing site. In addition, the inspector may conduct an emergency inspection without a work order and generate a work order after the inspection has been conducted (see Entry of Premises Notice in this chapter.) Repairs are to be completed within 24 hours from the time the work order is issued.

Emergency Repairs to be Completed in Less than 24 Hours

The following items are to be considered emergency in nature and require immediate (less than 24 hour) response:

Broken lock, which affects unit security

Broken window glass, which affects unit security, is a cutting hazard, or occurs within inclement weather (to be secured or abated)

Escaping gas

Plumbing leaks that can cause flooding or damage to the unit

Natural gas leaks or smell of fumes

Backed-up sewage

Electrical hazard

Units with elderly residents in which the PHA-owned air conditioner or heater (seasonal) or refrigerator is inoperable

Inoperable smoke detectors will be treated as a 24-hour emergency and will be made operable by the PHA if the smoke detector is in need of repair.

Residents who disengage smoke detectors for convenience purposes will be cited. (See "Housekeeping Citations" in this chapter.)

Entry of Premises Notices

The PHA will give prior written notice for non-emergency inspections. Non-emergency entries to the unit will be made during reasonable hours of the day.

A written notice specifying the purpose for non-emergency entry into the unit will be delivered to the premises at least 2 working days before entry.

Where the PHA is conducting regular annual examinations of its housing units, the family will receive reasonable advance notice of the inspection to allow the family to prepare and be able to pass the inspection.

Reasons the PHA will enter the unit are:

Inspections and maintenance

To make improvements and repairs

To show the premises for leasing

In cases of emergency

The PHA will reschedule the inspection no more than twice unless the resident has a verifiable medical reason that has hindered the inspection. The PHA may request verification.

Repairs requested by the family will not require prior notice to the family. Residents are notified in the lease that resident-requested repairs presume permission for the PHA to enter.

Non-Inspection Emergency Entry

The PHA staff will allow access to the unit to proper authorities when issues of health or safety of the tenant are concerned.

Family Responsibility to Allow Inspection

The PHA must be allowed to inspect the unit at reasonable times with reasonable notice.

If the resident refuses to allow the inspection, the resident will be in violation of the lease.

Housekeeping Citations

Residents who "fail" an inspection due to housekeeping will be issued a Housekeeping Citation, and a reinspection will be conducted within **20** working days by housing management staff.

If the family fails to comply with the reinspection it can result in lease termination.

Citations will be issued to residents who purposely and for convenience disengage the unit's smoke detector.

More than 2 such citations will be considered a violation of the lease.

Tenant Damages

Repeated failed inspections or damages to the unit beyond normal wear and tear may constitute serious or repeated lease violations.

"Beyond normal wear and tear" is defined as items that could be charged against the tenant's security deposit under state law or court practice.

Chapter 10

PET POLICY – GENERAL OCCUPANCY (FAMILY) PROJECTS

INTRODUCTION

This Chapter explains the PHA's policies on the keeping of pets in general occupancy projects and any criteria or standards pertaining to the policy. The rules adopted are reasonably related to the legitimate interest of this PHA to provide a decent, safe and sanitary living environment for all tenants, to protecting and preserving the physical condition of the property, and the financial interest of the PHA.

This policy does not apply to animals that are used to assist, support or provide service to persons with disabilities, or to service animals that visit public housing developments.

A. ANIMALS THAT ASSIST, SUPPORT OR PROVIDE SERVICE TO PERSONS WITH DISABILITIES

Pet rules will not be applied to animals that assist, support or provide service to persons with disabilities. This exclusion applies to both service animals and companion animals as reasonable accommodation for persons with disabilities. This exclusion applies to such animals that reside in public housing and that visit these developments.

B. STANDARDS FOR PETS

Types of Pets Allowed

A resident may keep no types of pets other than the following. The following types and qualifications are consistent with applicable State and local law.

1. Dogs

Maximum number: 1

Maximum adult weight: 20 pounds

Must be housebroken

Must be spayed or neutered

Must have all required inoculations

Must be licensed as specified now or in the future by State law and local ordinance

2. Cats

Maximum number: 1

Must be declawed

Must be spayed or neutered

Must have all required inoculations

Must be trained to use a litter box or other waste receptacle

Must be licensed as specified now or in the future by State law or local ordinance

3. Birds

Maximum number 2

Must be enclosed in a cage at all times

4. Fish

Maximum aquarium size **not to exceed 20 gallons**

Must be maintained on an approved stand

5. Rodents (Rabbit, guinea pig, hamster, or gerbil ONLY)

Maximum number 2

Must be enclosed in an acceptable cage at all times

Must have any or all inoculations as specified now or in the future by State law or local ordinance.

The following are NOT considered "common household pets":

Vicious or intimidating pets: Dog breeds including pit bull, rottweiler, chow, boxer, Doberman, Dalmatian, and German shepherd are considered vicious or intimidating breeds and are not allowed.

Animals who would be allowed to produce offspring for sale.

Wild, feral, or any other animals that are not amenable to routine human handling.

Any poisonous animals of any kind.

Non-human primates.

Animals whose climatological needs cannot be met in the unaltered environment of the individual dwelling unit.

Pot-bellied pigs.

Ferrets or other animals whose natural protective mechanisms pose a risk of serious bites and/or lacerations to small children.

Hedgehogs or other animals whose protective instincts and natural body armor produce a risk of serious puncture injuries to children.

Chicks, turtles, or other animals that pose a significant risk of salmonella infection to those who handle them.

Pigeons, doves, mynahs, psittacines, and birds of other species that are hosts to the organisms that cause psittacosis in humans.

Snakes or other kinds of reptiles.

Only the Executive Director may grant requests to make exceptions to the above standards.

C. REGISTRATION OF PETS

Pets must be registered with the PHA before they are brought onto the premises.

Registration includes certificate signed by a licensed veterinarian or State/local authority that the pet:

Has received all inoculations required by State or local law

Has no communicable disease(s) (and)

Is pest-free.

Registration must be renewed and will be coordinated with the annual reexamination date.

Proof of license and inoculation will be submitted at least 30 days prior to annual reexamination.

Each pet owner must provide two color photographs of their pet(s).

Approval for the keeping of a pet shall not be extended pending the completion of these requirements.

Refusal to Register Pets

If the PHA refuses to register a pet, a written notification will be sent to the pet owner stating the reason for denial. The notification will be served in accordance with HUD notice requirements.

The PHA will refuse to register a pet if:

The pet is not a “common household pet” as defined in this policy;

The pet owner fails to provide complete pet registration information;

The pet owner fails to update the registration annually;

The PHA reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet’s temperament and behavior may be considered as a factor in determining the pet owner’s ability to comply with the provisions of the lease.

The notice of refusal may be combined with a notice of pet violation.

D. PET AGREEMENT

Residents who have been approved to have a pet must enter into a Pet Agreement with the PHA.

The Resident will certify, by signing the Pet Agreement, that the Resident will adhere to the following rules:

Agree that the resident is responsible and liable for all damages caused by their pet(s).

All complaints of cruelty and all dog bites will be referred to animal control or applicable agency for investigation and enforcement.

All common household pets are to be fed inside the apartment. Feeding is not allowed on porches, sidewalks, patios or other outside areas.

When outside the dwelling unit, all pets must be on a leash or in an animal transport enclosure and under the control of a responsible individual.

All fecal matter deposited by the pet(s) must be promptly and completely removed from any common area. Failure to do so will result in a Pet Waste Removal charge of \$25. All animal waste or the litter from litter boxes shall be picked up immediately by the pet owner, disposed of in sealed plastic trash bags, and placed in a trash bin. Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be stored inside the resident's dwelling unit or in animal enclosures maintained within dwelling units AND must be removed and/or replaced regularly. Failure to do so will result in a Pet Waste Removal charge.

The resident/pet owner shall take adequate precautions to eliminate any animal or pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Mandatory implementation of effective flea control by measures that produce no toxic hazard to children who may come into contact with treated animals.

The right of management to enter dwelling unit when there is evidence that an animal left alone is in danger or distress, or is creating a nuisance.

The right of management to seek impoundment and sheltering of any animal found to be maintained in violation of housing rules, pending resolution of any dispute regarding such violation, at owner's expense. The resident shall be responsible for any impoundment fees, and the PHA accepts no responsibility for pets so removed.

That failure to abide by any animal-related requirement or restriction constitutes a violation of the "Resident Obligations" in the resident's Lease Agreement.

Residents will prevent disturbances by their pets that interfere with the quiet enjoyment of the premises of other residents in their units or in common areas. This includes, but is not limited to, loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Residents/pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal. Installation of pet doors is prohibited.

E. DESIGNATION OF PET-FREE AREAS

The following areas are designated as no-pet areas:

PHA management offices

PHA common area

F. PETS TEMPORARILY ON THE PREMISES

Residents are prohibited from feeding or harboring stray animals.

This rule excludes visiting pet programs sponsored by a humane society or other non-profit organization and approved by the PHA.

State or local laws governing pets temporarily in dwelling accommodations shall prevail.

G. DEPOSITS FOR PETS

Tenants with animals must pay a pet deposit of \$100 for the purpose of defraying all reasonable costs directly attributable to the presence of a particular pet.

The resident will be responsible for all reasonable expenses directly related to the presence of the animal or pet on the premises, including the cost of repairs and replacement in the apartment, and the cost of animal care facilities if needed.

These charges are due and payable within 30 days of written notification.

The PHA reserves the right to change or increase the required deposit by amendment to these rules.

The PHA will refund the Pet Deposit to the tenant, less any damage caused by the pet to the dwelling unit, within a reasonable time after the tenant moves or upon removal of the pet from the unit.

All reasonable expenses incurred by the PHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including, but not limited to:

The cost of repairs and replacements to the resident's dwelling unit;

Fumigation of the dwelling unit;

Common areas of the project if applicable

If the tenant is in occupancy when such costs occur, the tenant shall be billed for such costs as a current charge.

If such expenses occur as the result of a move-out inspection, they will be deducted from the pet deposit. The resident will be billed for any amount that exceeds the pet deposit.

Pet Deposits are not a part of rent payable by the resident.

H. ADDITIONAL PET FEES

The PHA does not require a non-refundable nominal fee.

The PHA reserves the right to change or increase the required deposit by amendment to these rules.

I. PET WASTE REMOVAL CHARGE

A separate pet waste removal charge of \$25 per occurrence will be assessed against the resident for violations of the pet policy.

Pet waste removal charges are not part of rent payable by the resident.

J. PET AREA RESTRICTIONS

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried and under the control of the resident or other responsible individual at all times.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

K. PET CARE

No pet (excluding fish) shall be left unattended in any apartment for a period in excess of 12 hours.

All residents/pet owners shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

L. RESPONSIBLE PARTIES

The resident/pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

M. INSPECTIONS

The PHA may enter and inspect the unit only if a written complaint is received alleging that the conduct or condition of the pet in the unit is a violation, or constitutes a nuisance or threat to the health or safety of the other occupants or other persons in the community under applicable State or local law.

N. PET RULE VIOLATION NOTICE

Residents who violate these rules are subject to:

Mandatory removal of the pet from the premises within 30 days of notice by the Housing Authority; or if for a threat to health and safety, removal within 24 hours of notice.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the Pet Rule Policy, written notice will be served.

The Notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the resident/pet owner has **10** working days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation;

That the resident pet owner is entitled to be accompanied by another person of his or her choice at the meeting; and

That the resident/pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to terminate the pet owner's tenancy.

O. NOTICE FOR PET REMOVAL

If the resident/pet owner and the PHA are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the PHA, the PHA may serve notice to remove the pet.

The Notice shall contain:

A brief statement of the factual basis for the PHA's determination of the Pet Rule that has been violated;

The requirement that the resident/ pet owner must remove the pet within **30** days of the notice; and

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures.

P. TERMINATION OF TENANCY

The PHA may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified; and

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease.

Q. PET REMOVAL

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the Responsible Party designated by the resident/pet owner. This includes pets that are poorly cared for or have been left unattended for over **12** hours.

If the responsible party is unwilling or unable to care for the pet, or if the PHA after reasonable efforts cannot contact the responsible party, the PHA may contact the appropriate State or local agency and request the removal of the pet.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

R. EMERGENCIES

The PHA will take all necessary steps to insure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are referred to the appropriate State or local entity authorized to remove such animals.

If it is necessary for the PHA to place the pet in a shelter facility, the cost will be the responsibility of the tenant/pet owner.

This Pet Policy will be incorporated by reference into the Dwelling Lease signed by the resident, and therefore, violation of the above Policy will be grounds for termination of the lease.

Chapter 11

REEXAMINATIONS

INTRODUCTION

HUD requires that the PHA offer all families the choice of paying income-based rent or flat rent at least annually. Families who choose to pay flat rent are required to complete a reexamination of income, deductions and allowances at least once every three years. To determine the amount of income-based rent, it is necessary for the PHA to perform a reexamination of the family's income. At the annual reexamination, families who choose to pay income-based rent must report their current household composition, income, deductions and allowances. Between regular annual reexaminations, HUD requires that families report all changes in household composition, but the PHA decides what other changes must be reported and the procedures for reporting them. This Chapter defines the PHA's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ELIGIBILITY FOR CONTINUED OCCUPANCY

Residents who meet the following criteria will be eligible for continued occupancy:

Qualify as a family as defined in this policy;

Are in full compliance with the obligations and responsibilities described in the dwelling lease;

Whose family members, age 6 and older, each have submitted their Social Security numbers or have certifications on file that they do not have a Social Security number;

Whose family members have submitted required citizenship/eligible immigration status/noncontending documents.

B. ANNUAL REEXAMINATION

The terms *annual recertification* and *annual reexamination* are synonymous.

In order to be recertified, families are required to provide current and accurate information on income, assets, allowances and deductions, and family composition.

Families who choose flat rent are to be recertified every three years. For families who move in on the first of the month, the annual recertifications will be completed within 12 months of the anniversary of the move-in date. (Example: If family moves in August 1, the annual recertification will be conducted to be effective on August 1, the following year.)

For families who move in during the month, the annual recertifications will be completed no later than the first of the month in which the family moved in, the following year. (Example: If family moves in August 15, the effective date of the next annual recertification is August 1.)

When families move to another dwelling unit:

The annual recertification date will not change.

Reexamination Notice to the Family

All families will be notified of their obligation to recertify by first class mail. The notification shall be sent at least **120** days in advance of the anniversary date. If requested as an accommodation by a person with a disability, the PHA will provide the notice in an accessible format. The PHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

The notification shall explain family choice of income-based or flat rent, with an estimate of what the income-based rent would be and a statement of what the flat rent is.

If the family chooses flat rent, the family will fill out a *Personal Declaration Form*, describing family composition.

All adult family members will sign the *Personal Declaration Form*.

If the family chooses flat rent, no reexamination appointment will be necessary.

Methodology

If the family chooses income-based rent, or if the family has paid the flat rent for three (3) years, the PHA will use the following methodology for conducting annual recertifications:

To notify the family of their obligation to recertify, and permit the family to schedule the date and time of appointments.

Persons with Disabilities

Persons with disabilities, who are unable to come to the PHA's office, will be granted an accommodation of conducting the interview **at the person's home**, upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information

The family is required to complete the annual recertification form.

The family is required to complete a *Personal Declaration Form* prior to all annual and

interim recertification interviews.

Requirements to Attend

The following family members will be required to attend the recertification interview and sign the application for continued occupancy:

All adult household members

If the head of household is unable to attend the interview:

The appointment will be rescheduled.

Failure to Respond to Notification to Recertify

The written notification will explain which family members are required to attend the recertification interview. The family may call to request another appointment date up to **2 working** days prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with the PHA, the PHA **will** reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, the PHA will

Terminate tenancy for the family.

Exceptions to these policies may be made by the Executive Director if the family is able to document an emergency situation that prevented them from canceling or attending the appointment.

Documents Required from the Family

In the notification letter to the family, the PHA will include instructions for the family to bring the following:

Documentation of income for all family members

Documentation of liquid and non-liquid assets

Documentation to substantiate any deductions or allowances

Personal Declaration Form completed by head of household

Verification of Information

All information, which affects the family's continued eligibility for the program, and the family's Total Tenant Payment (TTP) will be verified in accordance with the verification procedures and guidelines described in this Policy. Verifications used for recertification must be less than **120** days old. All verifications will be placed in the file, which has been established for the family.

When the information has been verified, it will be analyzed to determine:

The continued eligibility of the resident as a *family* or as the *remaining member* of a family;

The unit size required by the family;

The amount of rent the family should pay.

Changes in the Tenant Rent

If there is any change in rent, including change in family's choice in rent, the lease will be amended, or a new lease will be executed, or a Notice of Rent Adjustment will be issued.

Tenant Rent Increases

If tenant rent **increases**, a thirty-day notice will be mailed to the family prior to the anniversary date.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the second month following the thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date.

Tenant Rent Decreases

If tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by the PHA.

If tenant rent decreases and the change occurred within a month prior to the recertification appointment, but the family did not report the change as an interim adjustment, the decrease will be effective on the recertification anniversary date.

If the tenant rent decreases and the tenant reported the change within a month prior to the annual recertification anniversary date or between the annual recertification anniversary date and the effective date of the annual recertification, the change will be treated as an interim. The change will be effective the first of the following month that the family reported the change. If necessary, the PHA will run another HUD 50058 as an annual recertification.

C. REPORTING INTERIM CHANGES

Families must report all changes in household composition to the PHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain PHA approval prior to all other additions to the household.

When there is a change in head of household or a new adult family member is added, the PHA will complete an application for continued occupancy and reverify, using the same procedures the PHA staff would use for an annual reexamination, except for effective dates of changes. In such case, the Interim Reexamination Policy would be used.

The annual reexamination date will not change as a result of this action.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified prior to the approval by the PHA of the family member being added to the lease.

Interim Reexamination Policy

Increases in Income to Be Reported

Families paying flat rent are not required to report any increases in income or assets.

Families must report all increases in income/assets of all household members to the PHA in writing within 14 calendar days of the occurrence.

Families are only required to report the following increases in income:

Increases in household income of more than \$35 per month

Increases in Income and Rent Adjustments

The PHA will process rent adjustments for all increases in income, which are reported between regularly scheduled recertifications.

Rent increases (except those due to misrepresentation) require 30 days notice.

Decreases in Income and Rent Adjustments

Residents may report a decrease in income and other changes, such as an increase in allowances or deductions that would reduce the amount of the total tenant payment.

The PHA will process the rent adjustment unless the PHA confirms that the decrease in income will last less than 30 calendar days.

D. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

The PHA will not reduce the public housing rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in welfare benefits due to:

Fraud by a family member in connection with the welfare program; or

Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program

A "specified welfare benefit reduction" does not include a reduction of welfare benefits due to:

The expiration of a lifetime time limit on receiving benefits; or

A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, such as:

The family has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Noncompliance with other welfare agency requirements.

Definition of "Covered Family":

A household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

Definition of "Imputed Welfare Income":

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by the PHA, based on written information supplied to the PHA by the welfare agency, including:

The amount of the benefit reduction

The term of the benefit reduction

The reason for the reduction

Subsequent changes in the term or amount of benefit reduction

Imputed welfare income will be included at annual and interim reexaminations during the term of reduction of welfare benefits.

The amount of imputed welfare income will be offset by the amount of additional income a family receives that begins after the sanction was imposed. When additional income is at least equal to the imputed welfare income, the imputed income will be reduced to zero.

If the family was not an assisted resident of public housing when the welfare sanction began, imputed welfare income will not be included in annual income.

Verification Before Denying a Request to Reduce Rent

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance *before* denying the family's request for rent reduction.

The PHA will rely on the welfare agency's written notice to the PHA regarding welfare sanctions.

Cooperation Agreements

The PHA has a cooperation agreement in place with the local welfare agency that assists the PHA in obtaining the necessary information regarding welfare sanctions.

The PHA has taken a proactive approach to culminating an effective working relationship between the PHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to public housing residents.

The PHA and the local welfare agency have mutually agreed to notify each other of any economic self-sufficiency and/or other appropriate programs or services that would benefit public housing residents.

Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of imputed income and the PHA denies the family's request to modify the amount, the PHA will provide the tenant with a notice of denial, which will include:

An explanation for the PHA's determination of the amount of imputed welfare income.

A statement that the tenant may request a grievance hearing.

A statement that the information received from the welfare agency cannot be disputed at the grievance hearing, and the issue to be examined at the grievance hearing will be the PHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

If the tenant requests a grievance hearing, the tenant is not required to pay an escrow deposit pursuant to 966.55(e) for the portion of tenant rent attributable to the imputed welfare income.

E. OTHER INTERIM REPORTING ISSUES

An interim reexamination will be scheduled for families with zero income **monthly**.

Any changes reported by residents other than those listed in this section **will be noted in the file by the staff person, but** will not be processed between regularly scheduled annual recertifications.

PHA Errors

If the PHA makes a calculation error at admission to the program or at an annual or interim reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

F. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)

Standard for Timely Reporting of Changes

The PHA requires that families report interim changes to the PHA within **ten** working days of when the change occurs. Any information, document or signature needed from the family that is needed to verify the change must be provided within **ten** working days of the change.

An exception will be made for TANF recipients who obtain employment. In such cases, families will have to report within 10 days of receipt of the Notice of Action from TANF that shows the full adjustment for employment income.

If the change is not reported within the required time period, or if the family fails to provide signatures, certifications or documentation, (in the time period requested by the PHA), it will be considered untimely reporting.

Procedures When the Change is Reported in a Timely Manner

The PHA will notify the family of any changes in Tenant Rent to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following the month in which the change is reported.

The change will not be made until the third party verification is received.

Procedures When the Change Is Not Reported by the Tenant in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any underpaid rent, and may be required to **make a lump sum payment**.

The PHA will not execute a payment agreement if the payback is so much that it will take the family longer than 12 months to complete the agreement.

Decrease in Tenant Rent will be effective on the first of the month following completion of processing by the PHA and not retroactively.

G. REPORTING OF CHANGES IN FAMILY COMPOSITION

The PHA must approve the members of the family residing in the unit. The family must inform the PHA and request approval of additional family members other than additions due to birth, adoption, marriage, court-awarded custody before the new member occupies the unit.

The PHA will not approve the addition of family members other than by birth, adoption, marriage or court-awarded custody where the occupancy standards would require a larger size unit.

All changes in family composition must be reported within **10** working days of the occurrence in writing.

If an adult family member is declared permanently absent by the head of household, the notice must contain a certification by the head of household **or spouse** that the member (who may be the head of household) removed is permanently absent.

The head of household must provide a statement that the head of household or spouse will notify the PHA if the removed member returns to the household for a period longer than the visitor period allowed in the lease.

Increase in Family Size

The PHA will consider a unit transfer (if needed under the Occupancy Guidelines) for additions to the family in the following cases:

Addition by marriage/or marital-type relation.

Addition of a minor who is a member of the nuclear family who had been living elsewhere.

Addition of a PHA-approved live-in attendant.

Addition due to birth, adoption or court-awarded custody.

Families who need a larger sized unit because of voluntary additions will have lower priority on the Transfer List than other families who are required to change unit size.

If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in unit size shall be made effective upon availability of an appropriately sized unit.

Definition of "Temporarily/Permanently Absent"

The PHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. The PHA will evaluate absences from the unit in accordance with this policy.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the PHA will terminate tenancy in accordance with the appropriate lease termination procedures contained in this Policy.

Families are required to notify the PHA before they move out of a unit in accordance with the lease and to give the PHA information about any family absence from the unit.

Families must notify the PHA if they are going to be absent from the unit for more than **15** consecutive days. A person with a disability may request an extension of time as an accommodation.

"Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, the PHA may:

Conduct home visit

Write letters to the family at the unit

Telephone the family at the unit

Interview neighbors

Verify if utilities are in service

Check with Post Office for forwarding address

Contact emergency contact

If the entire family is absent from the unit, without PHA permission, for more than **15** consecutive days, the unit will be considered to be vacant and the PHA will terminate tenancy.

As a reasonable accommodation for a person with a disability, the PHA may approve an extension. (See Absence Due to Medical Reasons for other reasons to approve an extension.) During the period of absence, the rent and other charges must remain current.

If the absence, which resulted in termination of tenancy, was due to a person's disability, and the PHA can verify that the person was unable to notify the PHA in accordance with the lease provisions regarding absences, and if a suitable unit is available, the PHA may reinstate the family as an accommodation if requested by the family.

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for **3** consecutive months except as otherwise provided in this Chapter.

Absence Due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the PHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than **180** consecutive days, the family member will not be considered permanently absent, as long as rent and other charges remain current.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the PHA's "Absence of Entire Family" policy.

Absence Due to Incarceration

If the sole member is incarcerated for more than **60** consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for **30** consecutive days. The rent and other charges must remain current during this period.

The PHA will determine if the reason for incarceration is for drug-related or criminal activity, which would threaten the health, safety, and right to peaceful enjoyment of the dwelling unit by other residents.

Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, the PHA will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than **6** months from the date of removal of the child(ren), the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with the PHA's occupancy guidelines.

Absence of Adult

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the PHA will treat that adult as a visitor for the first **14** calendar days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, and the caretaker qualifies under Tenant Suitability criteria, the lease will be transferred to the caretaker.

If the court has not awarded custody or legal guardianship, but the action is in process, the PHA will secure verification from social services staff or the attorney as to the status.

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

The PHA will transfer the lease to the caretaker, in the absence of a court order, if the caretaker qualifies under the Tenant Suitability criteria and has been in the unit for more than 30 days and it is reasonable to expect that custody will be granted.

When the PHA approves a person to reside in the unit as caretaker for the child(ren), the income of the caretaker should be counted pending a final disposition. The PHA will work with the

appropriate service agencies to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than **30** days, the person will be considered permanently absent.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of unit size.

If the student is considered temporarily absent from the household, applicable income for that person will be appropriately counted.

Visitors (See Chapter on Leasing)

Any adult not included on the HUD 50058 who has been in the unit more than **14** consecutive days, or a total of **14** cumulative days in the year will be considered to be living in the unit as **an unauthorized** household member.

Statements from neighbors and/or PHA staff will be considered in making the determination.

The PHA will consider:

Statements from neighbors and/or PHA staff

Vehicle license plate verification

Post Office records

Driver's license verification

Law enforcement reports

Credit reports

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the PHA will terminate the family's lease since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to **30** days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than **180** days per year, the minor will be considered to be an eligible visitor and not a family member. If both parents reside in Public Housing, only one parent would be able to claim the child for deductions and for determination for the occupancy standards.

H. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF UNIT

To be considered the remaining member of the tenant family, the person must have been previously approved by the PHA to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

A reduction in family size may require a transfer to an appropriate unit size per the Occupancy Standards.

I. CHANGES IN UNIT SIZE

The PHA shall grant exceptions from the occupancy standards if the family requests and the PHA determines the exceptions are justified according to this policy.

The PHA will consider the size of the unit and the size of the bedrooms, as well as the number of bedrooms, when an exception is requested.

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

(Reference chapter on Occupancy Standards)

J. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

Under the Noncitizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

"Mixed" families who were participants on June 19, 1995, shall continue receiving full assistance if they meet the following criteria:

The head of household, co-head or spouse is a U.S. citizen or has eligible immigrant status; AND

The family does not include any ineligible immigrants other than the head or spouse, or parents or children of the head, co-head or spouse.

Mixed families who qualify for continued assistance after 11/29/96 may receive prorated assistance only.

If they do not qualify for continued assistance, the member(s) that cause the family to be ineligible for continued assistance may move, or the family may choose prorated assistance (See Chapter titled "Factors Related to Total Tenant Payment Determination"). The PHA may no longer offer temporary deferral of termination (see Chapter on "Lease Terminations").

Chapter 12

LEASE TERMINATIONS

INTRODUCTION

The PHA may terminate tenancy for a family because of the family's action or failure to act in accordance with HUD regulations, and the terms of the lease. This Chapter describes the PHA's policies for notification of lease termination and provisions of the lease.

A. TERMINATION BY TENANT

The tenant may terminate the lease by providing the PHA with a written **30-day** (plus one day) advance notice as defined in the lease agreement.

B. TERMINATION BY PHA

The PHA may terminate the lease at any time by giving written notice for serious or repeated violation of material terms of the lease.

C. NOTIFICATION REQUIREMENTS

The PHA's written Notice of Lease Termination will state the reason for the proposed termination, the date that the termination will take place, and it will offer the resident all of the rights and protections afforded by the regulations and this policy. (See Chapter on Complaints, Grievances and Hearings.)

Notices of lease termination shall be in writing and delivered to tenant or adult member of the household or sent by first class mail properly addressed to tenant.

The notice shall contain a statement describing the resident's right to meet with the manager to determine whether a reasonable accommodation would eliminate the need for a lease termination.

Disclosure of Criminal Records to Family

Before the PHA terminates the lease based on a criminal conviction record, the tenant and subject of record will be provided with a copy of the criminal record. Tenants may dispute the accuracy and relevance of that record at the grievance hearing or court hearing.

Timing of the Notice

If the PHA terminates the lease, written notice will be given as follows:

At least 14 calendar days prior to termination in the case of failure to pay rent;

A reasonable time, considering the seriousness of the situation, but not to exceed 30 days:

If the health or safety of other residents, 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.

At least thirty days prior to termination in all other cases.

The PHA shall notify the Post Office that mail should no longer be delivered to the person who was evicted for criminal activity, including drug-related criminal activity.

Criminal Activity

The PHA will immediately terminate tenancy of persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

The PHA will terminate assistance of participants in cases where the PHA determines there is reasonable cause to believe that the person is illegally using a controlled substance or engages in drug-related or other criminal activity. The same will apply if it is determined that the person abuses alcohol in a way that interferes with the health, safety or right to peaceful enjoyment of the premises by other residents. This includes cases where the PHA determines that there is a pattern of illegal use of controlled substances or a pattern of alcohol abuse.

"Engaged in or engaging in or recent history of" drug related criminal activity means any act within the past **three** years by applicants or participants, household members, or guests which involved drug-related criminal activity including, without limitation, drug-related criminal activity, possession and/or use of narcotic paraphernalia, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

"Engaged in or engaging in or recent history of" criminal activity means any act within the past **three** years by applicants or participants, household members, or guests which involved criminal activity that would threaten the health, safety or right to peaceful enjoyment of the public housing premises by other residents or employees of the PHA, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

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

The PHA will waive the requirement regarding drug-related criminal activity if:

The person demonstrates successful completion of a credible rehabilitation program approved by the PHA, or

The individual involved in drug-related criminal activity is no longer in the household because the person has died or is imprisoned.

The PHA may permit continued occupancy provided the family accepts imposed conditions that the involved family member(s) does not reside in the unit. The PHA will consider evidence that the person is no longer in the household such as a divorce decree/incarceration/death/ copy of a new lease for the person including the owner's telephone number and address/ or other substantiating evidence.

D. RECORD KEEPING

A written record of every termination and/or eviction shall be maintained by the PHA at the development where the family was residing, and shall contain the following information:

Name of resident, number and identification of unit occupied;

Date of the Notice of Lease Termination and any other notices required by State or local law; these notices may be on the same form and will run concurrently;

Specific reason(s) for the Notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the Notices described in detail (other than the Criminal History Report);

Date and method of notifying the resident;

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions.

The PHA will keep records for persons whose leases were terminated for any reason indefinitely.

E. TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS

If the PHA determines that a family member has knowingly permitted an ineligible individual to reside in the family's unit on a permanent basis, the family's assistance will be terminated for **24 months**. This provision does not apply to a family if the eligibility of the ineligible individual was considered in calculating any proration of assistance provided for the family.

Chapter 13

COMPLAINTS, GRIEVANCES AND APPEALS

INTRODUCTION

The informal hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of the PHA. This Chapter describes the policies to be used when families disagree with a PHA decision. It is the policy of the PHA to ensure that all families have the benefit of all protections due to them under the law.

A. COMPLAINTS

The PHA will respond promptly to all complaints.

Complaints from families: If a family disagrees with an action or inaction of the PHA, complaints will be referred to the **Executive Director**. Complaints regarding physical condition of the units may be reported by phone to the **Executive Director**.

Complaints from staff: If a staff person reports a family is violating or has violated a lease provision or is not complying with program rules, the complaints will be referred to the **Executive Director**.

Complaints from the general public: Complaints or referrals from persons in the community in regard to the PHA or a family will be referred to the **Executive Director**.

Anonymous complaints will be checked whenever possible.

B. APPEALS BY APPLICANTS

Applicants who are determined ineligible, who do not meet the PHA's admission standards, or where the PHA does not have an appropriate size and type of unit in its inventory will be given written notification promptly, including the reason for the determination.

Ineligible applicants will be promptly provided with a letter detailing their individual status, stating the reason for their ineligibility, and offering them an opportunity for an informal hearing.

Applicants must submit their request for an informal hearing in writing to the PHA within **10** working days from the date of the notification of their ineligibility.

If the applicant requests an informal hearing, the PHA will provide an informal hearing within **10** working days of receiving the request. The PHA will notify the applicant of the place, date, and time.

An impartial hearing officer will conduct informal hearings. The person who is designated as the hearing officer cannot be the person who made the determination of ineligibility or a subordinate of that person.

The applicant may bring to the hearing any documentation or evidence s/he wishes and the evidence along with the data compiled by the PHA will be considered by the hearing officer.

The hearing officer will make a determination based upon the merits of the evidence presented by both sides. Within **10** working days of the date of the hearing, the hearing officer will mail a written decision to the applicant and place a copy of the decision in the applicant's file.

The grievance procedures for Public Housing tenants do not apply to PHA determinations that affect applicants.

C. APPEALS BY TENANTS

Grievances or appeals concerning the obligations of the tenant or the PHA under the provisions of the lease shall be processed and resolved in accordance with the Grievance Procedure of the PHA, which is in effect at the time such grievance or appeal arises.

(See the PHA's Grievance Procedure contained in this chapter.)

D. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while the PHA hearing is pending but assistance to an applicant may be delayed pending the PHA hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the PHA notifies the applicant or tenant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with the PHA either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give the PHA a copy of the appeal and proof of mailing or the PHA may proceed to deny or terminate. The time period to request an appeal may be extended by the PHA for good cause.

The request for a PHA hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in the "Grievance Procedures" section of this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the PHA will:

Deny the applicant family.

Terminate the participant.

If there are eligible members in the family, the PHA will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

E. GRIEVANCE PROCEDURES

Definitions

Grievance. Any dispute which a tenant may have with respect to a Housing Authority action or failure to act in accordance with the individual tenant's lease or PHA regulations that adversely affect the individual tenant's rights, duties, welfare, or status.

Complainant. Any tenant whose grievance is presented to the PHA or at the site/management office informally or as part of the informal hearing process.

Hearing Officer/Hearing Panel. A person or persons selected in accordance with this grievance procedure to hear grievances and render a decision with respect thereto.

Tenant. A lessee or the remaining head of household of any tenant family residing in housing accommodations owned or leased by the PHA.

Elements of Due Process: An eviction action or a termination of tenancy in a State or local court in which the following procedural safeguards are required.

Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction;

Opportunity for the tenant to examine all relevant documents, records, and regulations of the PHA prior to the trial for the purpose of preparing a defense;

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 which the tenant may have;

A decision on the merits of the case.

Applicability

This Grievance Procedure applies to all individual grievances, except any grievance concerning a termination of tenancy or eviction that involves:

Any activity, not just criminal activity, that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or PHA employees, or

Any drug-related criminal activity *on* or *off* such premises.

Pre-Hearing Procedures

Informal Conference Procedures

Any grievance shall be presented orally or in writing to the PHA office or to the housing management office that sent the notice on which the grievance is based. The complainant must sign written grievances. The grievance must be presented within a reasonable time, **not past the first working day after the 2nd day of the action or failure to act** that is the basis for the grievance. It may be simply stated, but shall specify:

The particular grounds upon which it is based,

The action requested; and

The name, address, and telephone number of the complainant, and similar information about the complainant's representative, if any.

The purpose of the initial discussion is to discuss and to resolve the grievance without the necessity of a formal hearing.

Within five working days following the initial discussion, a PHA representative will give a summary of this discussion to the complainant. One copy will be filed in the tenant's file.

The summary will include: names of participants, the date of the meeting, the nature of the proposed disposition, and the specific reasons for the disposition. The summary will also specify the steps by which a formal hearing can be obtained.

Dissatisfaction with Informal Conference

If the complainant is dissatisfied with the proposed disposition of the grievance, s/he shall submit a written request for a hearing within **10** working days of the **date of the mailing** of the summary of the informal meeting.

The request must specify the reason for the grievance request and the relief sought.

Failure to Request a Formal Hearing

If the complainant does not request a formal hearing within **10** working days, s/he waives his/her right to a hearing, and the PHA's proposed disposition of the grievance will become final. This section in no way constitutes a waiver of the complainant's right to contest the PHA's disposition in an appropriate judicial proceeding.

Right to a Hearing

After exhausting the informal conference procedures outlined above, a complainant shall be entitled to a hearing before a hearing officer.

If rescheduling of the hearing is necessary, the hearing must be rescheduled at least 24 hours in advance of the scheduled hearing time or the complainant waives their right to a hearing.

If the complainant fails to appear within 15 minutes of the scheduled time, the complainant waives their right to a hearing.

The PHA will provide reasonable accommodation for persons with disabilities to participate in the hearing. The PHA must be notified within **3 working days** of the scheduled time if special accommodations are required.

Selection of Hearing Officer

A grievance hearing shall be conducted by an impartial person or persons appointed by the PHA other than the person who made or approved the PHA action under review, or a subordinate of such person.

Procedures to Obtain a Hearing

Informal Prerequisite

All grievances must be informally presented as a prerequisite to a formal hearing.

The hearing officer may waive the prerequisite informal conference if, and only if, the complainant can show good cause why s/he failed to proceed informally.

Escrow Deposit

Before a hearing is scheduled in any grievance involving an amount of rent the PHA claims is due, except grievances concerning imputed welfare benefits or use of minimum rent, the complainant shall pay to the PHA all rent due and payable as of the month preceding the month in which the act or failure to act took place. Grievances concerning imputed welfare benefits and minimum rents are exempt from the escrow deposit requirement.

The complainant shall thereafter deposit the same amount of the monthly rent in an escrow account each month until the complaint is resolved by decision of the hearing official.

The PHA may waive these escrow requirements in extraordinary circumstances.

Unless so waived, failure to make the required escrow payments shall result in termination of the grievance procedure.

Failure to make such payments does not constitute a waiver of any right the complainant may have to contest the PHA's disposition of the grievance in any appropriate judicial proceeding.

Scheduling

If the complainant complies with the procedures outlined above, the hearing officer shall schedule a hearing promptly within **10** working days at a time and place reasonably convenient to the complainant and the PHA.

A written notification of the date, time, place, and procedures governing the hearing shall be delivered to the complainant and the appropriate PHA official.

Hearing Procedures

The hearing shall be held before a hearing officer.

The complainant shall be afforded a fair hearing and be provided the basic safeguards of due process to include:

The opportunity to examine and to copy before the hearing, **at the expense of the complainant**, all documents, records and regulations of the PHA that are relevant to the hearing with at least a 24-hour notice to the management staff prior to the hearing. Any document not so made available after request by the complainant may not be relied upon by the PHA at the hearing.

The PHA shall also have the opportunity to examine and to copy **at the expense of the PHA** all documents, records and statements that the family plans to submit during the hearing to refute the PHA's inaction or proposed action. Any documents not so made available to the PHA may not be relied upon at the hearing.

The right to a private hearing unless otherwise requested by the complainant.

The right to be represented by counsel or other person chosen as a representative.

The right to present evidence and arguments in support of the complaint, to controvert evidence presented by the PHA, and to confront and cross-examine all witnesses upon whose testimony or information the PHA relies, limited to the issues for which the complainant has received the opportunity for a formal hearing; and

The right to a decision based solely and exclusively upon the facts presented at the hearing.

If the **hearing officer** determines that the issue has been previously decided in another proceeding, a decision may be rendered without proceeding with the hearing.

If the complainant fails to appear at the scheduled hearing, the **hearing officer** may **make a determination that the party has waived his/her right to a hearing.**

Such a determination in no way waives the complainant's right to appropriate judicial proceedings in another forum.

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.

The hearing officer shall conduct the hearing as follows:

Informal: Oral and 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;

Formal: The **hearing officer** shall require the PHA, complainant, counsel, and other participants and spectators to conduct themselves in an orderly manner. The failure to comply with the directions of the hearing official/panel to maintain order will result in the exclusion from the proceedings, or a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

The PHA arranges, in advance, in writing, for a transcript or audiotape of the hearing. Any interested party may purchase a copy of such transcript.

Decisions of the Hearing Officer

The **hearing officer** shall give the PHA and the complainant a written decision, including the reasons for the decision, within **10** working days following the hearing. The PHA will place one copy in the tenant files. The written decision will be sent to the address provided at the hearing.

The decision of the **hearing officer** shall be binding on the PHA which shall take all actions necessary to carry out the decision, unless the complainant requests Board action within **10** working days prior to the next Board meeting. The PHA Commissioners' decision will be mailed to the complainant within **10 working** days following the Board meeting, and so notifies the complainant that:

The grievance does not concern the 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;

The decision of the **hearing officer** is contrary to applicable Federal, State, or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and the PHA.

A decision by the **hearing officer** or PHA Commissioners in favor of the PHA or which denies the relief requested by the complainant in whole or part shall not constitute a waiver of, nor affect in any manner whatever, the rights of the complainant to a trial or judicial review in any proceedings which may thereafter be brought in the matter.

Housing Authority Eviction Actions

If a tenant has requested a hearing in accordance with these duly adopted Grievance Procedures on a complaint involving a PHA notice of termination of tenancy, and the **hearing officer** upholds the PHA action, the PHA shall not commence an eviction action until it has served a notice to vacate on the tenant.

In no event shall the notice to vacate be issued prior to the decision of the **hearing officer** having been mailed or delivered to the complainant.

Such notice to vacate must be in writing and specify that if the tenant fails to quit the premises within the applicable statutory period, or on the termination date as stated in the notice of termination, whichever is later, appropriate action will be brought against the complainant. The complainant may be required to pay court costs and attorney fees.

Reserved

Chapter 14

FAMILY DEBTS TO THE PHA

INTRODUCTION

This Chapter describes the PHA's policies for the recovery of monies that have been underpaid by families. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the PHA's policy to meet the informational needs of families, and to communicate the program rules in order to avoid family debts. Before a debt is assessed against a family, the file must contain documentation to support the PHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the family or other interested parties.

When families owe money to the PHA, the PHA will make every effort to collect it. The PHA will use a variety of collection tools to recover debts including, but not limited to:

Requests for lump sum payments

Civil suits

Payment agreements

Collection agencies

Credit bureaus

Income tax set-off programs

A. PAYMENT AGREEMENT FOR FAMILIES

A Payment Agreement as used in this Plan is a document entered into between the PHA and a person who owes a debt to the PHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to the PHA upon default of the agreement.

The maximum length of time the PHA will enter into a payment agreement with a family is 18 months.

Late Payments

A payment will be considered to be in arrears if:

The payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's payment agreement is in arrears, the PHA will:

Require the family to pay the balance in full

Pursue civil collection of the balance due

Terminate tenancy

If the family requests a transfer to another unit and has a payment agreement in place and the payment agreement is not in arrears:

The family will be required to pay the balance in full prior to the unit transfer.

Payment Schedule for Monies Owed to the PHA

Initial Payment Due

<u>(% Of Total Amount)</u>	<u>Amount Owed</u>	<u>Maximum Term</u>
25%	0 - \$500	3 - 6 months
25%	\$501 - \$1,000	6 - 10 months
25%	\$1,001 - \$2,500	12 - 18 months

There are some circumstances in which the PHA will not enter into a payment agreement. They are:

If the family already has a payment agreement in place.

If the PHA determines that the family has committed program fraud.

If the PHA determines that the debt, due to fraud or failure to report income, is so large that it would take more than 18 months to repay.

Guidelines for Payment Agreements

Payment agreements will be executed between the PHA and the head of household and spouse.

Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Executive Director.

No transfer will be approved until the debt is paid in full unless the transfer is the result of the following causes, and the payment agreement is current:

Family size exceeds the maximum occupancy guidelines

A natural disaster

Additional Monies Owed

If the family has a payment agreement in place and incurs an additional debt to the PHA:

The PHA will not enter into more than one payment agreement at a time with the same family.

B. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead.

Family Error/Late Reporting

Families who owe money to the PHA due to the family's failure to report increases in income will be required to repay in accordance with the payment procedures for program fraud, below.

Program Fraud

Families who owe money to the PHA due to program fraud will be required to repay it in accordance with the payment procedures for program fraud, below.

If a family owes an amount, which equals or exceeds **\$500** as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, the PHA will refer the case for criminal prosecution.

Payment Procedures for Program Fraud

Families who commit program fraud or untimely reporting of increases in income will be subject to the following procedures:

The duration of the agreement will not exceed the duration of the violation.

The family will be required to pre-pay 1/2 of the amount owed prior to or upon execution of the payment agreement.

C. WRITING OFF DEBTS

Debts will be written off if:

The debtor's whereabouts are unknown and the debt is more than 2 years old.

A determination is made that the debtor is judgment proof.

The debtor is deceased.

The debtor is confined to an institution indefinitely or for more than 2 years.

The amount is less than \$100 and the debtor cannot be located.

Reserved

GLOSSARY

I. TERMS USED IN DETERMINING RENT

ANNUAL INCOME (24 CFR 5.609)

Annual income is the anticipated total income from all sources. This includes net income derived from assets, received by the family head and spouse (even if temporarily absent) and by each additional family member for the 12 month period following the effective date of initial determination or reexamination of income. It does not include income that is temporary, non-recurring, or sporadic as defined in this section, or income that is specifically excluded by other federal statute. Annual income includes:

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

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.

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 considered income when used to reimburse the family for cash or assets invested in the property.

When 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.

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.

Payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation, and severance pay.

All welfare assistance payments received by or on behalf of any family member. (24 CFR 913.106(b)(6) contains rules applicable to "as-paid" States).

Periodic and determinable allowances, such as alimony and child care support payments,

and regular cash contributions or gifts received from persons not residing in the dwelling.

All regular pay, special pay and allowances of a member of the Armed Forces (except special pay to a family member serving the Armed Forces who is exposed to hostile fire).

EXCLUSIONS FROM ANNUAL INCOME (24 CFR 5.609)

Annual income does not include the following:

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

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);

Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health, and accident insurance and workers' compensation) capital gains, and settlement for personal property losses;

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

Income of a live-in aide, provided the person meets the definition of a live-in aide.

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

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

Amounts received under HUD funded training programs (e.g. Step-up program); excludes stipends, wages, transportation payments and child care vouchers for the duration of the training.

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).

Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out of pocket expenses incurred for items such as special equipment, clothing, transportation and childcare, to allow participation in a specific program.

Amount received as a Resident services stipend. 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, resident initiatives coordination, and serving as the resident member of the PHA governing Board. No resident may receive more than one such stipend during the same period of time.

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 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 the period during which the family member participates in the employment training program.

Temporary, non-recurring, or sporadic income (including gifts).

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. (For all initial determinations and reexaminations of income on or after April 23, 1993.)

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

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

The earnings and benefits to any resident resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988 (42 U.S.C. 1437 et seq.), or any comparable Federal, State or local law during the exclusion period. For purposes of this paragraph the following definitions apply:

Comparable Federal, State or local law means a program providing employment training and supportive services that: (1) is authorized by a Federal, State or local law; (2) is funded by the Federal, State or local government; (3) is operated or administered by a public agency; and (4) has as its objective to assist participants in acquiring job skills.

Exclusion period means the period during which the resident participates in a program as described in this section plus 18 months from the date the resident begins the first job acquired by the resident after completion of such program that is not funded by public housing assistance under the U.S. Housing Act of 1937. If the resident is terminated from employment without good cause, the exclusion period shall end.

Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

Deferred periodic payments from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

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.

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.

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.

The following benefits are excluded by other Federal Statute as of August 3, 1933:

The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977;

Payments to volunteers under the Domestic Volunteer Service Act of 1973; 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)

Older American Committee Service Program

National Volunteer Antipoverty Programs such as:

VISTA

Peace Corps

Service Learning Program

Special Volunteer Programs

Small Business Administration Programs such as:

National Volunteer Program to Assist Small Businesses

Service Corps of Retired Executives

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 HHS' 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).

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.

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: Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College-Work Study, and Byrd Scholarships.

Payments received under programs funded under Title V of the Older Americans Act of 1965 [42 USC 3056 (f)] Examples include Senior Community Services Employment Program, 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 Orange Product Liability litigation.

The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs of incurred in 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).

Living allowances under Americorps Program (Nelson Diaz Memo to George Latimer 11/15/94)

ADJUSTED INCOME

Annual income, less allowable HUD deductions.

All Families are eligible for the following:

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 the Annual Income is computed. Child care expenses are only allowable when such care is necessary to enable a family member to be gainfully employed or to further his/her education. Amounts deducted must be unreimbursed expenses and shall not exceed: (1) The amount of income earned by the family member released to work, or (2) an amount determined to be reasonable by the PHA when the expense is incurred to permit education.

Dependent Deduction. An exemption of \$480 for each member of the family residing in the household (other than the head or spouse, live-in aide, foster child) who is under eighteen years of age or who is eighteen years of age or older and disabled, handicapped, or a full-time student.

Handicapped Expenses. A deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for handicapped family members where such expenses are necessary to permit a family member(s), including the handicapped/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 visually handicapped, and equipment added to cars and vans to permit use by the handicapped or disabled family member.

For non-elderly families and elderly families without medical expense: The amount of the deduction equals the cost of all unreimbursed expenses for handicapped care and equipment less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.

For elderly families with medical expenses: The amount of the deduction equals the cost of all unreimbursed expenses for handicapped care and equipment less three percent of Annual Income, (provided the amount does not exceed earnings) plus medical expenses as defined below.

For Elderly and Disabled Families Only:

Medical Expenses: 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; 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 the

PHA for the purpose of determining a deduction from the income, the expenses claimed must be verifiable.

For elderly families without handicapped expenses: The amount of the deduction shall equal total medical expenses less 3% of annual income.

For elderly families with both handicapped and medical expenses: The amount of handicapped assistance is calculated first, then medical expenses are added.

Elderly/Disabled Household Exemption: An exemption of \$400 per household.

II. GLOSSARY OF HOUSING TERMS

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, or altered, can be approached, entered, and used by individuals with physical handicaps. 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.

ACCESSIBLE FACILITY. All or any portion of a facility other than an individual dwelling unit used by individuals with physical handicaps.

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 (UFAC). For persons with hearing or vision impairments, the route need not comply with requirements specific to mobility.

ADAPTABILITY. Ability to change certain elements in a dwelling unit to accommodate the needs of handicapped and non-handicapped persons; or ability to meet the needs of persons with different types and degrees of disability.

ADMISSION. Admission to the program is the effective date of the lease. The point at which a family becomes a resident.

ALLOCATION PLAN. The plan submitted by the PHA and approved by HUD under which the PHA is permitted to designate a building, or portion of a building, for occupancy by Elderly Families or Disabled Families.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

APPLICANT (or applicant family). A family that has applied for admission to a program, but is not yet a participant in the program.

"AS-PAID" STATES. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

ASSETS. (See Net Family Assets.)

AUXILIARY AIDS. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in and enjoy the benefits of programs and activities.

CEILING RENT. An amount that reflects the reasonable market value of the housing unit, but not less than the sum of the monthly per-unit operating costs and a deposit to a replacement reserve. The family pays the lower of the ceiling rent or the formula tenant rent.

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

COVERED FAMILIES. The statutory term "covered families" designates the universe of families who are required to participate in a welfare agency economic self-sufficiency program and may, therefore, be the subject of a welfare benefit sanction for noncompliance with this obligation. "Covered families" means families who receive welfare assistance or other public assistance benefits from a State or other public agency under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

DEPENDENT. A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or older.

DESIGNATED FAMILY. The category of family for whom the PHA elects to designate a project (e.g. elderly family in a project designated for elderly families) in accordance with the 1992 housing Act. (24 CFR 945.105)

DISABILITY ASSISTANCE EXPENSE. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and or auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

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

DISABLED PERSON. See Person with Disabilities.

DISABLED FAMILY. A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides.

DISALLOWANCE. Exclusion from annual income.

DISPLACED FAMILY. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal Disaster relief laws.

DOMICILE. The legal residence of the household head or spouse as determined in accordance with State and local law.

DRUG-RELATED CRIMINAL ACTIVITY. Term means:

Drug-trafficking; or

Illegal use, or possession for personal use of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802))

DRUG TRAFFICKING. The illegal manufacture, sale, distribution or the possession with intent to manufacture, sell, or distribute a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

ECONOMIC SELF-SUFFICIENCY PROGRAM. Any program designed to encourage, assist, train, or facilitate the economic independence of assisted families or to provide work for such families. Economic self-sufficiency programs can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, any other program necessary to ready a participant to work (such as: substance abuse or mental health treatment. Economic self-sufficiency program includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). See the definition of work activities at Sec. 5.603(c). The new definition of the term "economic self-sufficiency program" is used in the following regulatory provisions, pursuant to the Public Housing Reform Act: family income includes welfare benefits reduced because of family failure to comply with welfare agency requirements to participate in an economic self-sufficiency program; and the requirement for public housing residents to participate in an economic self-sufficiency program or other eligible activities.

ELDERLY FAMILY. A family whose head or spouse or whose sole member is at least 62 years, or two or more persons who are at least 62 years of age or a disabled person. It may include two or more elderly, disabled persons living together or one or more such persons living with one or more live-in aides.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBLE FAMILY (Family). A family is defined by the PHA in the Admission and Continued Occupancy Plan.

EXCEPTIONAL MEDICAL OR OTHER EXPENSES. Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income. It is no longer used.

EXCESS MEDICAL EXPENSES. Any medical expenses incurred by elderly families only in excess of 3% of Annual Income which are not reimbursable from any other source.

EXTREMELY LOW-INCOME FAMILY. A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

FAMILY. The applicant must qualify as a family as defined by the PHA

FAMILY OF VETERAN OR SERVICEPERSON. A family is a "family of veteran or serviceperson" when:

The veteran or serviceperson (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

The veteran or serviceperson, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM). The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

FLAT RENT. Rent for a public housing dwelling unit that is based on the market rent. The market rent is the rent charged for comparable units in the private, unassisted rental market at which the PHA could lease the public housing unit after preparation for occupancy.

FOSTER CHILD CARE PAYMENT. Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

FULL-TIME STUDENT. A person who is attending school or vocational training on a full-time basis.

HANDICAPPED ASSISTANCE EXPENSES. Anticipated costs for care attendants and auxiliary apparatus for handicapped or disabled family members which enable a family member (including the handicapped family member) to work.

HANDICAPPED PERSON. [Referred to as a Person with a Disability]. A person having a physical or mental impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions.

HEAD OF HOUSEHOLD. The person who assumes legal and financial responsibility for the household and is listed on the application as head.

HOUSING AGENCY. A state, country, municipality or other governmental entity or public body authorized to administer the program. The term "PHA" includes an Indian housing authority (IHA). ("PHA" and "IHA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. The Act in which the U.S. Housing Act of 1937 was recodified, and which added the Section 8 Programs.

HOUSING ASSISTANCE PLAN. A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under the Public Housing and Section 8 programs.

HUD. The Department of Housing and Urban Development or its designee.

HUD REQUIREMENTS. HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

HURRA. The Housing and Urban/Rural Recovery Act of 1983 legislation that resulted in most of the 1984 HUD Regulation changes to the definition of income, allowances, and rent calculations.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate times the total cash value of assets, when assets exceed \$5,000.

IMPUTED WELFARE INCOME. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income. This amount is included in family annual income and, therefore, reflected in the family rental contribution based on this income.

INCOME. Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME-BASED RENT. The tenant rent paid to the PHA that is based on family income and the PHA rental policies. The PHA uses a percentage of family income or some other reasonable system to set income-based rents. The PHA has broad flexibility in deciding how to set income-based rent for its tenants. However, the income-based tenant rent plus the PHA's allowance for tenant paid utilities may not exceed the "total tenant payment" as determined by a statutory formula.

INCOME FOR ELIGIBILITY. Annual Income

INCOME TARGETING. The HUD admissions requirement that PHAs not admit less than the number required by law of families whose income does not exceed 30% of the area median income in a fiscal year.

INDIAN. Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

INDIAN HOUSING AUTHORITY (IHA). A housing agency established either by exercise of the power of self-government of an Indian Tribe, independent of State law, or by operation of State law providing specifically for housing authorities for Indians.

INTEREST REDUCTION SUBSIDIES. The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

INVOLUNTARILY DISPLACED PERSON. Involuntarily Displaced Applicants are applicants who meet the HUD definition for the local preference, formerly known as a federal preference.

LANDLORD. Either the legal owner of the property, or the owner's representative or managing agent as designated by the owner.

LEASE. A written agreement between an owner and an eligible family for the leasing of a housing unit.

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who:

Is determined to be essential to the care and well-being of the person.

Is not obligated for the support of the person.

Would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE. A preference used by the PHA to select among applicant families without regard to their date and time of application.

LOW-INCOME FAMILY. This definition replaces a previous statutory reference. Generally, "low-income" designates a family whose income does not exceed 80 percent of area median income, with certain adjustments.

MARKET RENT. The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Section 8 Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES. Those total medical expenses anticipated during the period for which Annual Income is computed, and which are not covered by insurance. (Only Elderly Families qualify) The allowances are applied when medical expenses exceed 3% of Annual Income.

MINIMUM RENT. An amount established by the PHA between zero and \$50.00.

MINOR. A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances.

MONTHLY INCOME. 1/12 of the Annual Income before allowances.

NEAR-ELDERLY FAMILY. A family whose head, spouse, or sole member is at least 50, but less than 62 years of age. The term includes two or more near-elderly persons living together and one or more such persons living with one or more live-in aides.

NET FAMILY ASSETS. The net cash value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards] Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

PARTICIPANT. A family that has been admitted to the PHA program, and is currently assisted in the program.

PERSON WITH DISABILITIES

1. A person who has a disability, as defined in 42 U. S. C. 423, and is determined, under HUD regulations, to have a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.
2. A person who has a developmental disability as defined in 42 U.S.C. 6001.
3. An "individual with handicaps", as defined in 24 CFR 8.3, for purposes of reasonable accommodation and program accessibility for persons with disabilities
4. Does not exclude persons who have AIDS or conditions arising from AIDS
5. Does not include a person whose disability is based solely on any drug or alcohol dependence (for low income housing eligibility purposes)

PREMISES. The building or complex in which the dwelling unit is located including common areas and grounds.

PREVIOUSLY UNEMPLOYED. Includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

PUBLIC ASSISTANCE. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA). A state, county, municipality, or other governmental entity or public body authorized to administer the programs. The term "PHA" includes an Indian housing authority (IHA). ("PHA" and "IHA" mean the same thing.)

QUALIFIED FAMILY. A family residing in public housing whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment; or increased earnings by a family member during participation in any economic self-sufficiency or on the job training program; or new employment or increased earnings of a family member, during or within 6 months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local TANF agency and Welfare to Work programs. TANF includes income and benefits & services such as one time payments, wage subsidies & transportation assistance, as long as the total amount over a 6-month period is at least \$500.

QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998. The Act which amended the U.S. Housing Act of 1937 and is known as the Public Housing Reform Bill. The Act is directed at revitalizing and improving HUD's Public Housing and Section 8 assistance programs.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if no interim changes are reported by the family.

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other family members have left and become unassisted.

RESIDENCY PREFERENCE. A local preference for admission of persons who reside in a specified geographic area.

RESPONSIBLE ENTITY. For the public housing, Section 8 tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

SECRETARY. The Secretary of Housing and Urban Development.

SECURITY DEPOSIT. A dollar amount which can be collected from the family by the owner upon termination of the lease and applied to unpaid rent, damages or other amounts owed to the owner under the lease according to State or local law.

SERVICEPERSON. A person in the active military or naval service (including the active reserve) of the United States.

SINGLE PERSON. A person living alone or intending to live alone who is not disabled, elderly, or displaced, or the remaining member of a tenant family.

SPECIFIED WELFARE BENEFIT REDUCTION. Those reductions of welfare agency benefits (for a covered family) that may not result in a reduction of the family rental contribution. "Specified welfare benefit reduction" means a reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement

to participate in an economic self- sufficiency program.

SPOUSE. The marriage partner of the head of the household.

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

SUBSIDY STANDARDS. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

TENANT. (Synonymous with resident) The person or persons who executes the lease as lessee of the dwelling unit.

TENANT RENT. The amount payable monthly by the family as rent to the PHA.

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

UNIT/HOUSING UNIT. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero bedrooms to six bedrooms.

UTILITIES. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE. The PHA's estimate of the average monthly utility bills for an energy-conscious household. If all utilities are included in the rent, there is no utility allowance. The utility allowance will vary by unit size and type of utilities.

UTILITY REIMBURSEMENT PAYMENT. The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

VERY LARGE LOWER-INCOME FAMILY. Prior to the change in the 1982 regulations this

meant a lower-income family which included eight or more minors. (Term no longer used)

VERY LOW INCOME FAMILY. A Low-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

VETERAN. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

VIOLENT CRIMINAL ACTIVITY. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

WAITING LIST. A list of families organized according to HUD regulations and PHA policy who are waiting for subsidy to become available.

WELFARE ASSISTANCE. Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, state, or local governments. **"Welfare assistance" means income assistance from Federal or State welfare programs, and includes only cash maintenance payments designed to meet a family's ongoing basic needs.** The definition borrows from the Department of Health and Human Services' TANF definition of "assistance" and excludes nonrecurring short-term benefits designed to address individual crisis situations. **For FSS purposes, the following do not constitute welfare assistance: food stamps; emergency rental and utilities assistance; and SSI, SSDI, and Social Security.**

III. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE

CHILD. A member of the family other than the family head or spouse who is under 18 years of age.

CITIZEN. A citizen or national of the United States.

EVIDENCE. Evidence of citizenship or eligible immigration status means the documents which must be submitted to evidence citizenship or eligible immigration status.

PHA. A housing authority- either a public housing agency or an Indian housing authority or both.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD. Department of Housing and Urban Development.

INS. The U.S. Immigration and Naturalization Service.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NONCITIZEN. A person who is neither a citizen nor nation of the United States.

PHA. A housing authority who operates Public Housing.

RESPONSIBLE ENTITY. The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the PHA).

SECTION 214. Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214.

SPOUSE. Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, but not by public and Indian housing programs.

PROGRAM INTEGRITY ADDENDUM

INTRODUCTION

The US Department of HUD conservatively estimates that 200 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental subsidy than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families are either totally ineligible, or are receiving benefits that exceed their legal entitlement. The PHA is committed to assure that the proper level of benefits is paid to all tenants, and that housing resources reach only income-eligible families so that program integrity can be maintained.

The PHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines the PHA's policies for the prevention, detection and investigation of program abuse and tenant fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will the PHA undertake an inquiry or an audit of a tenant family arbitrarily. The PHA's expectation is that tenant families will comply with HUD requirements, provisions of the lease, and other program rules. The PHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, the PHA has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance, to monitor tenants' lease obligations for compliance and, when indicators of possible abuse come to the PHA's attention, to investigate such claims.

The PHA will initiate an investigation of a tenant family only in the event of one or more of the following circumstances:

Referrals, Complaints, or Tips. The PHA will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a tenant family is in non-compliance with, or otherwise violating the lease or the program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the tenant file.

Internal File Review. A follow-up will be made if PHA staff discovers (as a function of a [re]certification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, the PHA's knowledge of the family, or is discrepant with statements made by the family.

Verification or Documentation. A follow-up will be made if the PHA receives independent verification or documentation which conflicts with representations in the tenant file (such as public record information or credit bureau reports, reports from other

agencies).

B. STEPS THE PHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

The management and occupancy staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and tenant families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by tenant families.

Things You Should Know. This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify the PHA's expectations for cooperation and compliance.

Program Orientation Session. Mandatory orientation sessions will be conducted by the Site Manager for all prospective tenants either prior to or upon execution of the lease. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a "Program Briefing Certificate" to confirm that all rules and pertinent regulations were explained to them.

Resident Counseling. The PHA will routinely provide tenant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and explanation of Forms. Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

Use of Instructive Signs and Warnings. Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse

Tenant Certification. All family representatives will be required to sign a "Tenant Certification" form, as contained in HUD's Tenant Integrity Program Manual.

C. STEPS THE PHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

The PHA Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews. Prior to initial certification, and at the completion of all subsequent recertifications, each tenant file will be reviewed. Such reviews shall include, but are not limited to:

Changes in reported Social Security Numbers or dates of birth.

Authenticity of file Documents.

Ratio between reported income and expenditures.

Review of signatures for consistency with previously signed file documents.

Observation. The PHA Management and Occupancy Staff (to include maintenance personnel) will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Public Record Bulletins may be reviewed by Management and Staff.

State Wage Data Record Keepers. Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits

Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the tenant) in the following circumstances:

At the time of final eligibility determination

When an allegation is received by the PHA wherein unreported income sources are disclosed.

When a tenant's expenditures exceed his/her reported income, and no plausible explanation is given.

D. THE PHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

The PHA staff will encourage all tenant families to report suspected abuse to **Executive Director**. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the tenant file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The **PHA** will not follow up on allegations which are vague or otherwise non-specific. The will only review allegations which contain one or more independently verifiable facts.

File Review. An internal file review will be conducted to determine:

If the subject of the allegation is a tenant of the PHA and, if so, to determine whether or not the information reported has been previously disclosed by the family.

It will then be determined if the PHA is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the **Executive Director** will initiate an investigation to determine if the allegation is true or false.

E. HOW THE PHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If the PHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the Executive Director to monitor the program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, the PHA will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries. In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity which conflicts with the reported income of the family.

Verification of Credit. In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to the PHA's review.

Other Agencies. Investigators, case workers or representatives of other benefit agencies may be contacted.

Public Records. If relevant, the PHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members. The PHA will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the appropriate PHA office. A high standard of courtesy and professionalism will be maintained by the PHA Staff Person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE PHA

Documents and other evidence obtained by the PHA during the course of an investigation will be considered "work product" and will either be kept in the tenant file, or in a separate "work file." In either case, the tenant file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among PHA Staff unless they are involved in the process, or have information which may assist in the investigation.

G. CONCLUSION OF THE PHA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Executive Director or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

H. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

The type of violation. (Procedural, non-compliance, fraud.)

Whether the violation was intentional or unintentional.

What amount of money (if any) is owed by the tenant.

Is the family eligible for continued occupancy.

I. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, the PHA will propose the most appropriate remedy based upon the type and severity of the violation.

Procedural Non-compliance

This category applies when the tenant "fails to" observe a procedure or requirement of the PHA , but does not misrepresent a material fact, and there is no retroactive rent owed by the family. Examples of non-compliance violations are:

Failure to appear at a pre-scheduled appointment.

Failure to return verification in time period specified by the PHA .

Warning Notice to the Family. In such cases a notice will be sent to the family which contains the following:

A description of the non-compliance and the procedure, policy or obligation which was violated.

The date by which the violation must be corrected, or the procedure complied with.

The action which will be taken by the PHA if the procedure or obligation is not complied with by the date specified by the PHA.

The consequences of repeated (similar) violations.

Procedural Non-compliance - Retroactive Rent

When the tenant owes money to the PHA for failure to report changes in income or assets, the PHA will issue a Notification of Underpaid Rent. This Notice will contain the following:

A description of the violation and the date(s).

Any amounts owed to the PHA .

A **10** day response period.

The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Tenant Fails to Comply with PHA's Notice. If the Tenant fails to comply with the PHA's notice, and a material provision of the lease has been violated, the PHA will initiate termination of tenancy.

Tenant Complies with PHA's Notice. When a tenant complies the PHA's notice, the staff person responsible will meet with him/her to discuss and explain the obligation or lease provision which was violated. The staff person will complete a Tenant Counseling Report, give one copy to the family and retain a copy in the tenant file.

Intentional Misrepresentations

When a tenant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an underpayment of rent by the tenant, the PHA will evaluate whether or not:

the tenant had knowledge that his/her actions were wrong, and

that the tenant willfully violated the lease or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the tenant was made aware of program requirements and prohibitions. The tenant's signature on various certification, briefing certificate, Personal Declaration and *Things You Should Know* are adequate to establish knowledge of wrong-doing.

The tenant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

An admission by the tenant of the misrepresentation.

That the act was done repeatedly.

If a false name or Social Security Number was used.

If there were admissions to others of the illegal action or omission.

That the tenant omitted material facts which were known to them (e.g., employment of self or other household member).

That the tenant falsified, forged or altered documents.

That the tenant uttered and certified to statements at a rent (re)determination which were later independently verified to be false.

The Tenant Conference for Serious Violations and Misrepresentations

When the PHA has established that material misrepresentation(s) have occurred, a Tenant Conference will be scheduled with the family representative and the PHA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by the PHA. The purpose of such conference is to review the information and evidence obtained by the PHA with the tenant, and to provide the tenant an opportunity to explain any document findings which conflict with representations in the tenant file. Any documents or mitigating circumstances presented by the tenant will be taken into consideration by the PHA . The tenant will be given **10** days to furnish any mitigating evidence.

A secondary purpose of the Tenant Conference is to assist the PHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, the PHA will consider:

The duration of the violation and number of false statements.

The tenant's ability to understand the rules.

The tenant's willingness to cooperate, and to accept responsibility for his/her action.

The amount of money involved.

The tenant's past history

Whether or not criminal intent has been established.

The number of false statements.

Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, the PHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution: If the PHA has established criminal intent, and the case meets the criteria for prosecution, the PHA may:

Refer the case to the local State or District Attorney, notify HUD's RIGI, and terminate rental assistance.

Administrative Remedies: The PHA may:

Terminate tenancy and demand payment of restitution in full.

Terminate tenancy and pursue restitution through civil litigation.

Continue assistance at the correct rent upon repayment of restitution in full.

Permit continued occupancy at the correct rent and execute an administrative repayment agreement in accordance with the PHA's repayment policy.

Notification to Tenant of Proposed Action

The PHA will notify the tenant of the proposed action no later than **10** days after the tenant conference by certified mail.

**ATTACHMENT I
FLAT RENT RATES**

The ST. JAMES HRA has established the following as flat rent rates for FYE2003. These rates are based on market rents in our area, Watonwan County and number of bedrooms.

0 Bedroom (efficiency apartment)	\$283.00
1 Bedroom (corner apartments)	\$346.00
2 Bedroom	\$438.00
3 Bedroom	\$548.00
4 Bedroom	\$627.00

Required Attachment J: Voluntary Conversion Required Initial Assessments.

- a. How many of the PHA's developments are subject to the Required Initial Assessments?**

two

- b. How many of the PHA's developments are not subject to the Required Initial Assessments based on exemptions (e.g., elderly and/or disabled developments not general occupancy projects)?**

none

- c. How many Assessments were conducted for the PHA's covered developments?**

one

- d. Identify PHA developments that may be appropriate for conversion based on the Required Initial Assessments:**

Development Name: Park Apartments

Number of Units: 18

- e. If the PHA has not completed the Required Initial Assessments, describe the status of these assessments:**

**Attachment K : Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

PHA Name: SAINT JAMES HRA	Grant Type and Number Capital Fund Program: MN46P03150101 Capital Fund Program Replacement Housing Factor Grant No:	Federal FY of Grant: 2001
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Original Annual Statement (revision no: 1)
 Reserve for Disasters/ Emergencies
 Revised Annual Statement
 Performance and Evaluation Report for Period Ending: 3/31/02
 Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations	20,000	0	0	0
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 liquidated Damages				
7	1430 Fees and Costs	6,000	30,900	0	0
8	1440 Site Acquisition				
9	1450 Site Improvement	25,000	18,500	0	0
10	1460 Dwelling Structures	35,000	25,368	0	0
11	1465.1 Dwelling Equipment— Nonexpendable	26,980	11,232	0	0
12	1470 Nondwelling Structures	0	26,980		
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1498 Mod Used for Development				
19	1502 Contingency				

**Attachment K : Annual Statement/Performance and Evaluation Report
 Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

PHA Name: SAINT JAMES HRA	Grant Type and Number Capital Fund Program: MN46P03150101 Capital Fund Program Replacement Housing Factor Grant No:	Federal FY of Grant: 2001
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Original Annual Statement (revision no: 1) Reserve for Disasters/ Emergencies Revised Annual Statement
 Performance and Evaluation Report for Period Ending: 3/31/02 Final Performance and Evaluation Report

Lin e No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
20	Amount of Annual Grant: (sum of lines 2-19)	\$112,980	112,980	0	0
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security		18,150.77	0	0
24	Amount of line 20 Related to Energy Conservation Measures				

**Annual Statement/Performance and Evaluation Report
 Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
 Part II: Supporting Pages**

PHA Name: SAINT JAMES HRA		Grant Type and Number Capital Fund Program #: MN46P03150101 Capital Fund Program Replacement Housing Factor #:			Federal FY of Grant: 2001			
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Proposed Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Operations	1406	LS	20,000	0			

**Attachment L: Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

PHA Name: SAINT JAMES HRA	Grant Type and Number Capital Fund Program: MN46P03150100 Capital Fund Program Replacement Housing Factor Grant No:	Federal FY of Grant: 2000
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Original Annual Statement (revision no: 2)
 Reserve for Disasters/ Emergencies
 Revised Annual Statement
 Performance and Evaluation Report for Period Ending 3/31/2002
 Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original/Rev. 1	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations	38,176	42,113.06	38,176	38,176
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 liquidated Damages				
7	1430 Fees and Costs	3,000	0		
8	1440 Site Acquisition				
9	1450 Site Improvement	10,000	8,751.40	4,937.64	4,937.64
10	1460 Dwelling Structures	60,000	60,311.54	31,049.76	13,631.76
11	1465.1 Dwelling Equipment— Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1498 Mod Used for Development				
19	1502 Contingency				

**Attachment L : Annual Statement/Performance and Evaluation Report
 Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

PHA Name: SAINT JAMES HRA	Grant Type and Number Capital Fund Program: MN46P03150100 Capital Fund Program Replacement Housing Factor Grant No:	Federal FY of Grant: 2000
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Original Annual Statement (revision no: 2)
 Reserve for Disasters/ Emergencies
 Revised Annual Statement
 Performance and Evaluation Report for Period Ending 3/31/2002
 Final Performance and Evaluation Report

Lin e No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
20	Amount of Annual Grant: (sum of lines 2-19)	\$111,176	111,176	74,163.40	56,745.4
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security				
24	Amount of line 20 Related to Energy Conservation Measures				

**Annual Statement/Performance and Evaluation Report
 Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
 Part II: Supporting Pages**

PHA Name: SAINT JAMES HRA		Grant Type and Number Capital Fund Program #: MN46P03150100 Capital Fund Program Replacement Housing Factor #:			Federal FY of Grant: 2000			
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Proposed Work
				Original/Rev 1	Revised	Funds Obligated	Funds Expended	

