

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

PHA Plans

5 Year Plan for Fiscal Years 2005 - 2009

Annual Plan for Fiscal Year 2008

**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: Marquette Housing Commission **PHA Number:** MI070

PHA Fiscal Year Beginning: (mm/yyyy) 10/2008

PHA Programs Administered:

Public Housing and Section 8
 Section 8 Only
 Public Housing Only
 Number of public housing units: Number of S8 units: Number of public housing units:
 Number of S8 units:

PHA Consortia: (check box if submitting a joint PHA Plan and complete table)

Participating PHAs	PHA Code	Program(s) Included in the Consortium	Programs Not in the Consortium	# of Units Each Program
Participating PHA 1:				
Participating PHA 2:				
Participating PHA 3:				

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
- PHA local 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 Pine Ridge, Lake Superior Village
- PHA local offices
- Main administrative office of the local government
- Main administrative office of the County government
- Main administrative office of the State government
- Public library
- PHA website
- Other (list below)

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

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

5-YEAR PLAN
PHA FISCAL YEARS 2005 - 2009
[24 CFR Part 903.5]

A. Mission

State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

- 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.
- X The PHA's mission is: (state mission here) To provide safe, sanitary, affordable housing to low and moderate income individuals and families; and to promote personal responsibility and self-sufficiency to residents while maintaining fiscal integrity. Also to provide adequate and affordable housing economic opportunity and a suitable living environment free from discrimination.

B. Goals

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAS ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS.** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

- X PHA Goal: Expand the supply of assisted housing
Objectives:
- Apply for additional rental vouchers:
 - Reduce public housing vacancies:
 - X Leverage private or other public funds to create additional housing opportunities: Through our non-profit.
 - Acquire or build units or developments
 - Other (list below)
- PHA Goal: Improve the quality of assisted housing
Objectives:
- Improve public housing management: (PHAS score)
 - Improve voucher management: (SEMAP score)
 - X Increase customer satisfaction:
 - Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)

- X Renovate or modernize public housing units:
- Demolish or dispose of obsolete public housing:
- Provide replacement public housing:
- Provide replacement vouchers:
- Other: (list below)

X PHA Goal: Increase assisted housing choices

Objectives:

- Provide voucher mobility counseling:
- Conduct outreach efforts to potential voucher landlords
- Increase voucher payment standards
- X Implement voucher homeownership program:
- X Implement public housing or other homeownership programs:
- Implement public housing site-based waiting lists:
- Convert public housing to vouchers:
- Other: (list below)

HUD Strategic Goal: Improve community quality of life and economic vitality

X PHA Goal: Provide an improved living environment

Objectives:

- Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
- Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
- Implement public housing security improvements:
- Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
- X Other: (list below) Give priority to working families until we reach an average rent of \$195/more or more.

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

X PHA Goal: Promote self-sufficiency and asset development of assisted households

Objectives:

- X Increase the number and percentage of employed persons in assisted families:
- X Provide or attract supportive services to improve assistance recipients' employability:

- X Provide or attract supportive services to increase independence for the elderly or families with disabilities.
- Other: (list below)

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

- X PHA Goal: Ensure equal opportunity and affirmatively further fair housing Objectives:
 - X Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:
 - X Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
 - X Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
 - Other: (list below)

Other PHA Goals and Objectives: (list below)

Annual PHA Plan
PHA Fiscal Year 2008
[24 CFR Part 903.7]

i. Annual Plan Type:

Select which type of Annual Plan the PHA will submit.

Standard Plan

Troubled Agency Plan

ii. Executive Summary of the Annual PHA Plan

[24 CFR Part 903.7 9 (r)]

Provide a brief overview of the information in the Annual Plan, including highlights of major initiatives and discretionary policies the PHA has included in the Annual Plan.

Highlights and major initiatives included in our plan are to: 1) Continue paying debt service for our CFFP; 2) continue exterior renovations at Lake Superior Village (our family site), 3) continue to support our Youth and Family Center; 4) pursue construction/partial ownership in additional affordable housing through our non-profit; and 5) convert some of our vouchers to a homeownership program.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 (r)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

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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. Note: 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.

Required Attachments:

- Admissions Policy for Deconcentration
- X FY 2006, 2007, & 2008 Capital Fund Program Annual Statement
- Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)
- List of Resident Advisory Board Members
- List of Resident Board Member
- Community Service Description of Implementation
- Information on Pet Policy
- Section 8 Homeownership Capacity Statement, if applicable
- Description of Homeownership Programs, if applicable

Optional Attachments:

- PHA Management Organizational Chart
- X FY 2008 - 2012 Capital Fund Program 5 Year Action Plan
- Public Housing Drug Elimination Program (PHDEP) Plan
- Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)
- Other (List below, providing each attachment name)

Supporting Documents Available for Review

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	Applicable 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	5 Year and Annual Plans
X	Fair Housing Documentation:	5 Year and Annual Plans

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	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.	
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) 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), which includes the Tenant Selection and Assignment Plan [TSAP] Revised 5/17/08	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan Revised 5/27/08	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public housing rent determination policies, including the methodology for setting public housing flat rents <input checked="" 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
X	Section 8 rent determination (payment standard) policies <input checked="" 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	Public housing grievance procedures <input type="checkbox"/> check here if included in the public housing	Annual Plan: Grievance Procedures

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	A & O Policy	
X	Section 8 informal review and hearing procedures X 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 the active grant year	Annual Plan: Capital Needs
X	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
X	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
	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
	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
	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	Annual Plan: Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
	Policies governing any Section 8 Homeownership program <input type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
	FSS Action Plan/s for public housing and/or Section 8	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
	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	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
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)
X	Violence Against Women's Act Policy	

1. Statement of Housing Needs

[24 CFR Part 903.7 9 (a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Income <= 30% of AMI		2212					
Income >30% but <=50% of AMI		890					
Income >50% but <80% of AMI		768					
Elderly	16%						
Families with Disabilities	95% caucasian						
Race/Ethnicity	2% native American						
Race/Ethnicity	2% African American						
Race/Ethnicity	1% Hispanic						
Race/Ethnicity							

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s
Indicate year: 2007
- U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset

- American Housing Survey data
Indicate year:
- X Other housing market study
Indicate year: 2005 Community Research Report
- X Other sources: (list and indicate year of information) 1/7/03 Rental Housing Market Study; 2003/2008 Demographic forecasts, Claritas, Ithaca NY; US Bureau of Labor Stats/Marquette County Housing Plan 2005-2009

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA's waiting list/s. **Complete one table for each type of PHA-wide waiting list administered by the PHA.** PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input type="checkbox"/> Section 8 tenant-based assistance			
X Public Housing			
<input type="checkbox"/> Combined Section 8 and Public Housing			
<input type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional)			
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	26		81
Extremely low income <=30% AMI	25		
Very low income (>30% but <=50% AMI)	1		
Low income (>50% but <80% AMI)	0		
Families with children	11		
Elderly families	12		
Families with Disabilities	3		
Race/ethnicity	25 caucasion		
Race/ethnicity	1 African American		
Race/ethnicity			
Race/ethnicity			

Housing Needs of Families on the Waiting List			
Characteristics by Bedroom Size (Public Housing Only)			
1BR	13		42
2 BR	10		9
3 BR	1		25
4 BR	2		5
5 BR			
5+ BR			
Is the waiting list closed (select one)? X No <input type="checkbox"/> Yes If yes: How long has it been closed (# of months)? Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input type="checkbox"/> No <input type="checkbox"/> Yes			

C. Strategy for Addressing Needs

Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR**, and the Agency’s reasons for choosing this strategy.

(1) Strategies

Need: Shortage of affordable housing for all eligible populations

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

Select all that apply

- X Employ effective maintenance and management policies to minimize the number of public housing units off-line
- X Reduce turnover time for vacated public housing units
- X Reduce time to renovate public housing units
- Seek replacement of public housing units lost to the inventory through mixed finance development
- Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction

- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- Other (list below)

Strategy 2: Increase the number of affordable housing units by:

Select all that apply

- Apply for additional section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- Other: (list below)

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI

Select all that apply

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work
- Other: (list below) Market to the underemployed

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI

Select all that apply

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work
- Other: (list below)m Market to the underemployed.

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

Select all that apply

- Seek designation of public housing for the elderly
- Apply for special-purpose vouchers targeted to the elderly, should they become available
- Other: (list below)

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

Select all that apply

- Seek designation of public housing for families with disabilities
- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing (where reasonable)
- Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- Affirmatively market to local non-profit agencies that assist families with disabilities Superior Alliance for Independent Living, Michigan Protection and Advocacy, Pathways
- Other: (list below)

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:

Select if applicable

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- Other: (list below) Market to the underemployed

Strategy 2: Conduct activities to affirmatively further fair housing

Select all that apply

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- Market the section 8 program to owners outside of areas of poverty /minority concentrations
- Other: (list below) Market to the underemployed.

Other Housing Needs & Strategies: (list needs and strategies below)

(2) Reasons for Selecting Strategies

Of the factors listed below, select all that influenced the PHA’s selection of the strategies it will pursue:

- X Funding constraints
- X Staffing constraints
- Limited availability of sites for assisted housing
- X Extent to which particular housing needs are met by other organizations in the community
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- Community priorities regarding housing assistance
- X Results of consultation with local or state government
- Results of consultation with residents and the Resident Advisory Board
- X Results of consultation with advocacy groups SAIL, MPAS, COC
- Other: (list below)

2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2008 grants)		
a) Public Housing Operating Fund	634,391	634,391
b) Public Housing Capital Fund	437,926	437,926
c) HOPE VI Revitalization	0	
d) HOPE VI Demolition	0	
e) Annual Contributions for Section 8 Tenant-Based Assistance	161,536	161,536
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	0	
g) Resident Opportunity and Self-Sufficiency Grants	0	
h) Community Development Block Grant	0	

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
i) HOME	0	
Other Federal Grants (list below)		
2. Prior Year Federal Grants (unobligated funds only) (list below)		
2006 CF	116,756.66	116,756.66
2007 CF	336,750.00	336,750.00
3. Public Housing Dwelling Rental Income	578,937.00	578,937.00
4. Other income (list below)		
Cable TV, excess utilities, interest	81,813.00	81,813.00
4. Non-federal sources (list below)		
Roof Rental	6,800.00	6,800.00
Early Head Start	3,720.00	3,720.00
Lutheran Social Services	1,785.00	1,785.00
Total resources	1,326,738.66	1,360,414.66

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.7 9 (c)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

(1) Eligibility

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

When families are within a certain number of being offered a unit: (state number)

X When families are within a certain time of being offered a unit: (state time)

- 30 days
 Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- X Criminal or Drug-related activity
X Rental history
X Housekeeping
X Other (describe) Sex offender, personal & professional references

c. X Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

d. X Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

e. X Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

(2)Waiting List Organization

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- X Community-wide list
 Sub-jurisdictional lists
 Site-based waiting lists
 Other (describe)

b. Where may interested persons apply for admission to public housing?

- X PHA main administrative office
 PHA development site management office
 Other (list below)

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year?

2. Yes No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?

If yes, how many lists?

3. Yes No: May families be on more than one list simultaneously

If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?

- PHA main administrative office
- All PHA development management offices
- Management offices at developments with site-based waiting lists
- At the development to which they would like to apply
- Other (list below)

(3) Assignment

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

- One
- X Two
- Three or More

b. X Yes No: Is this policy consistent across all waiting list types?

c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

(4) Admissions Preferences

a. Income targeting:

- Yes X No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

- X Emergencies
- Overhoused
- Underhoused
- X Medical justification
- X Administrative reasons determined by the PHA (e.g., to permit modernization work)
- Resident choice: (state circumstances below)
- X Other: (list below) If the waiting list demands certain sized unit and those units have over/under housed families, we will transfer families to make room for the applicants.

c. Preferences

1. X Yes No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If “no” is selected, skip to subsection **(5) Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- 1X Working families and those unable to work because of age or disability
- 1X Veterans and veterans’ families
- 1X Residents who live and/or work in the jurisdiction
- 1X Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- 1X Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- 2X Other preference(s) (list below) For Pine Ridge, 2 preference points are given to elderly/disabled families.

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

Date and Time

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- 1X Working families and those unable to work because of age or disability
- 1X Veterans and veterans' families
- 1X Residents who live and/or work in the jurisdiction
- 1X Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- 1X Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- 2X Other preference(s) (list below) For Pine Ridge, preference is given to elderly/disabled.

4. Relationship of preferences to income targeting requirements:

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- X The PHA-resident lease
- X The PHA's Admissions and (Continued) Occupancy policy
- X PHA briefing seminars or written materials
- X Other source (list) 'rack cards'

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

- At an annual reexamination and lease renewal
- Any time family composition changes
- At family request for revision
- X Other (list) Any time there is a change in family composition, income, assets, medical expense or child care expenses.

(6) Deconcentration and Income Mixing

a. Yes X No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the

need for measures to promote deconcentration of poverty or income mixing?

b. Yes X No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

Adoption of site based waiting lists
If selected, list targeted developments below:

Employing waiting list “skipping” to achieve deconcentration of poverty or income mixing goals at targeted developments
If selected, list targeted developments below:

Employing new admission preferences at targeted developments
If selected, list targeted developments below:

Other (list policies and developments targeted below)

d. Yes X No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

- Additional affirmative marketing
- Actions to improve the marketability of certain developments
- Adoption or adjustment of ceiling rents for certain developments
- Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
- Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

- X Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Eligibility

- a. What is the extent of screening conducted by the PHA? (select all that apply)
- X Criminal or drug-related activity only to the extent required by law or regulation
- Criminal and drug-related activity, more extensively than required by law or regulation
- More general screening than criminal and drug-related activity (list factors below)
- X Other (list below) Sex offender and do they owe rent to MHC or other assisted housing.
- b. X Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- c. X Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- d. X Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- Criminal or drug-related activity
- X Other (describe below) none. We do the screening for eligibility purposes. We remind landlords it is their responsibility to do background checks.

(2) Waiting List Organization

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
- X None
- Federal public housing
- Federal moderate rehabilitation
- Federal project-based certificate program

Other federal or local program (list below)

b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)

X PHA main administrative office

X Other (list below) By US mail.

(3) Search Time

a. X Yes No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below: When an applicant requests and can show they have tried to find a suitable unit, persons with disabilities. Granted a 30 day extension; up to two extensions (30 days each).

(4) Admissions Preferences

a. Income targeting

Yes X No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income? No, but we always do.

b. Preferences

1. X Yes No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)

Victims of domestic violence

Substandard housing

Homelessness

High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

Working families and those unable to work because of age or disability

Veterans and veterans' families

- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- 1X Other preference(s) (list below) If an assisted family breaks up, the departing member will get preference.

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

- 1 Port In
- 1 Remaining member of a tenant family
- 2 Date and Time

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- X Other preference(s) (list below) Port Ins, break up of family, remaining member of a resident family

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- X Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)

- This preference has previously been reviewed and approved by HUD
 The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- The PHA applies preferences within income tiers
X Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- X The Section 8 Administrative Plan
X Briefing sessions and written materials
 Other (list below)

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public? N/A

- Through published notices
 Other (list below)

4. PHA Rent Determination Policies

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA’s income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- X The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare

rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- \$0
 \$1-\$25
X \$26-\$50

2. Yes X No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

c. Rents set at less than 30% than adjusted income

1. Yes No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- For the earned income of a previously unemployed household member
 For increases in earned income
 Fixed amount (other than general rent-setting policy)

If yes, state amount/s and circumstances below:

Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:

- For household heads
 For other family members
 For transportation expenses
 For the non-reimbursed medical expenses of non-disabled or non-elderly families
 Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

- Yes for all developments
- Yes but only for some developments
- X No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- For all developments
- For all general occupancy developments (not elderly or disabled or elderly only)
- For specified general occupancy developments
- For certain parts of developments; e.g., the high-rise portion
- For certain size units; e.g., larger bedroom sizes
- Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- Market comparability study
- Fair market rents (FMR)
- 95th percentile rents
- 75 percent of operating costs
- 100 percent of operating costs for general occupancy (family) developments
- Operating costs plus debt service
- The "rental value" of the unit
- Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- X Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_____
- X Other (list below) Any time a family experiences a change in income or assets, change in family composition, or change in medical expenses and/or child care expenses. Must be reported within ten days of the change.

- g. Yes No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)
- The section 8 rent reasonableness study of comparable housing
 - Survey of rents listed in local newspaper
 - Survey of similar unassisted units in the neighborhood
 - Other (list/describe below) Area market survey

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies.

- a. What is the PHA's payment standard? (select the category that best describes your standard)
- At or above 90% but below 100% of FMR Outlying areas (Gwinn, Palmer, Ishpeming, Negaunee, Michigamme)
 - 100% of FMR
 - Above 100% but at or below 110% of FMR City of Marquette
 - Above 110% of FMR (if HUD approved; describe circumstances below)
- b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)
- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area Outlying areas.
 - The PHA has chosen to serve additional families by lowering the payment standard
 - Reflects market or submarket
 - Other (list below) Survey results.
- c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- X FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area City of marquette
- X Reflects market or submarket
- X To increase housing options for families
- Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- X Annually
- Other (list below)

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- X Success rates of assisted families
- X Rent burdens of assisted families
- X Other (list below) Survey results

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- X \$26-\$50

b. Yes X No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

5. Operations and Management

[24 CFR Part 903.7 9 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

A. PHA Management Structure

Describe the PHA's management structure and organization.

(select one)

- An organization chart showing the PHA's management structure and organization is attached.
- X A brief description of the management structure and organization of the PHA follows:

Board of Directors

Executive Director

HCV

Pine Ridge
Proj. Mgr.

LSV
Proj. Mgr.

CF

Lead Maint. Lead Maint.
 Maint. Mech. IV Maint. Mech. IVs

B. HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	248	81
Section 8 Vouchers	46	16
Section 8 Certificates		
Section 8 Mod Rehab		
Special Purpose Section 8 Certificates/Vouchers (list individually)		
Public Housing Drug Elimination Program (PHDEP)		
Other Federal Programs(list individually)		

C. Management and Maintenance Policies

List the PHA's public housing management and maintenance policy documents, manuals and handbooks that contain the Agency's rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

(1) Public Housing Maintenance and Management: (list below)

- ACOP
- Confidentiality
- Check Signing
- Community Space
- Criminal/Drug Treatment/Sex Offender
- Deceased Tenant
- Smoking
- Travel
- Community Service
- Computer Use
- Capitalization

Disposition	Drug Free Work Place
Equal Employment Oppty.	Equal Housing Oppty
Ethics	Funds Transfer
Grievance Procedure	Harrassment
Hazardous Materials	Internal Controls
Investment	Minority Business Enterprise
Personnel	Pest Control
Pet	Procurement
Public Records	Resident Initiatives
EIV/UIV Guidelines	Violence Against Women's Act
No Smoking Policy – PR	

(2) Section 8 Management: (list below)

Administrative Plan

6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

A. Public Housing

1. Yes No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)

- X PHA main administrative office
 X PHA development management offices
 Other (list below)

B. Section 8 Tenant-Based Assistance

1. Yes No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)

- PHA main administrative office
 Other (list below)

7. Capital Improvement Needs

[24 CFR Part 903.7 9 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

A. Capital Fund Activities

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

(1) Capital Fund Program Annual Statement

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

(2) Optional 5-Year Action Plan

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

a. Yes No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

- The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund) N/A

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

- Yes No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
- b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name:
2. Development (project) number:
3. Status of grant: (select the statement that best describes the current status)

- Revitalization Plan under development
- Revitalization Plan submitted, pending approval
- Revitalization Plan approved
- Activities pursuant to an approved Revitalization Plan underway

- Yes No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?
- If yes, list development name/s below:

- Yes No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?
- If yes, list developments or activities below:

- Yes No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?
- If yes, list developments or activities below:

8. Demolition and Disposition N/A

[24 CFR Part 903.7 9 (h)]

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

1. Yes X 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 component 9; if “yes”, complete one activity description for each development.)

2. Activity Description

Yes No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

Demolition/Disposition Activity Description	
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: (DD/MM/YY)	
5. Number of units affected:	
6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development	
7. Timeline for activity: a. Actual or projected start date of activity: b. Projected end date of activity:	

9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities

[24 CFR Part 903.7 9 (i)]

Exemptions from Component 9; Section 8 only PHAs are not required to complete this section.

1. Yes X No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly

families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

Designation of Public Housing Activity Description	
1a. Development name:	
1b. Development (project) number:	
2. Designation type:	
Occupancy by only the elderly	<input type="checkbox"/>
Occupancy by families with disabilities	<input type="checkbox"/>
Occupancy by only elderly families and families with disabilities	<input type="checkbox"/>
3. Application status (select one)	
Approved; included in the PHA’s Designation Plan	<input type="checkbox"/>
Submitted, pending approval	<input type="checkbox"/>
Planned application	<input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission: (DD/MM/YY)	
5. If approved, will this designation constitute a (select one)	
<input type="checkbox"/> New Designation Plan	
<input type="checkbox"/> Revision of a previously-approved Designation Plan?	
6. Number of units affected:	
7. Coverage of action (select one)	
<input type="checkbox"/> Part of the development	
<input type="checkbox"/> Total development	

10. Conversion of Public Housing to Tenant-Based Assistance

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act

1. Yes X No: Have any of the PHA's developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If "No", skip to component 11; if "yes", complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

2. Activity Description

Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If "yes", skip to component 11. If "No", complete the Activity Description table below.

Conversion of Public Housing Activity Description	
1a. Development name:	
1b. Development (project) number:	
2. What is the status of the required assessment?	<input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question) <input type="checkbox"/> Other (explain below)
3. <input type="checkbox"/> Yes <input type="checkbox"/> No:	Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)
4. Status of Conversion Plan (select the statement that best describes the current status)	<input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one)	<input type="checkbox"/> Units addressed in a pending or approved demolition application (date submitted or approved:) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved:) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved:) <input type="checkbox"/> Requirements no longer applicable: vacancy rates are less than 10 percent <input type="checkbox"/> Requirements no longer applicable: site now has less than 300 units <input type="checkbox"/> Other: (describe below)

--

B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937

C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937

11. Homeownership Programs Administered by the PHA

[24 CFR Part 903.7 9 (k)]

During the course of the year we expect to create a Homeownership Plan.

A. Public Housing

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1. Yes No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.) One of our goals is to create a homeownership program using vouchers.

2. Activity Description

Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

Public Housing Homeownership Activity Description (Complete one for each development affected)
1a. Development name:
1b. Development (project) number:
2. Federal Program authority:

<input type="checkbox"/> HOPE I <input type="checkbox"/> 5(h) <input type="checkbox"/> Turnkey III <input type="checkbox"/> Section 32 of the USHA of 1937 (effective 10/1/99)
3. Application status: (select one) <input type="checkbox"/> Approved; included in the PHA's Homeownership Plan/Program <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)
5. Number of units affected: 6. Coverage of action: (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

B. Section 8 Tenant Based Assistance

1. X 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 component 12; if "yes", describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

2. Program Description:

a. Size of Program

X Yes No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- X 25 or fewer participants
 26 - 50 participants
 51 to 100 participants
 more than 100 participants

b. PHA-established eligibility criteria

Yes X No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

12. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 9 (l)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

- Yes No: Has the PHA entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? DD/MM/YY

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- Client referrals
 Information sharing regarding mutual clients (for rent determinations and otherwise)
 Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
 Jointly administer programs
 Partner to administer a HUD Welfare-to-Work voucher program
 Joint administration of other demonstration program
 Other (describe)

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- Public housing rent determination policies
 Public housing admissions policies
 Section 8 admissions policies
 Preference in admission to section 8 for certain public housing families
 Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
 Preference/eligibility for public housing homeownership option participation
 Preference/eligibility for section 8 homeownership option participation
 Other policies (list below)

b. Economic and Social self-sufficiency programs

X Yes No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If “yes”, complete the following table; if “no” skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use.)

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
<i>Youth & Family Center</i>	34		<i>Child & Family Serv.</i>	<i>Income, 200% of poverty guidelines</i>
Tutoring	34		Same	Same
Family Programming	40		Same	Same
Mentoring	34		Same	Same
Substance Abuse Awareness	40		Same	Same
Leadership Development	10		Same	Same
Future Self sufficiency	50		Same	Same

(2) Family Self Sufficiency program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2005 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing		
Section 8		

b. Yes No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?
If no, list steps the PHA will take below:

C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)
 - X Adopting appropriate changes to the PHA's public housing rent determination policies and train staff to carry out those policies
 - X Informing residents of new policy on admission and reexamination
 - X Actively notifying residents of new policy at times in addition to admission and reexamination.
 - Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
 - X Establishing a protocol for exchange of information with all appropriate TANF agencies
 - X Other: (list below) Is covered in our ACOP, Admin Plan and Lease

D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937

13. PHA Safety and Crime Prevention Measures

[24 CFR Part 903.7 9 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

A. Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)
 - High incidence of violent and/or drug-related crime in some or all of the PHA's developments
 - High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
 - Residents fearful for their safety and/or the safety of their children
 - Observed lower-level crime, vandalism and/or graffiti
 - People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
 - X Other (describe below) We have a very low level of crime in our developments. A unit at our family site was deprogrammed to house a police officer which has served as a detriment to crime. At Pine Ridge we have cameras, a dedicated TV station where a resident can see the front and rear entrances at all times and see their visitor before allowing them entrance to the building. However, a group of Pine Ridge Residents have decided to create a modified Neighborhood Watch Program just to monitor the front entrance on weekends. Too often people have 'snuck in' when a resident enters the

building instead of calling the person who they are here to see and having that person let them in to the building. This program goes into effect 5/1/08.

2. What information or data did the PHA use to determine the need for PHA actions to improve safety of residents (select all that apply).

- Safety and security survey of residents
- X Analysis of crime statistics over time for crimes committed “in and around” public housing authority
- Analysis of cost trends over time for repair of vandalism and removal of graffiti
- X Resident reports
- X PHA employee reports
- X Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- Other (describe below)

3. Which developments are most affected? (list below)

B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- X Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- X Crime Prevention Through Environmental Design
- X Activities targeted to at-risk youth, adults, or seniors
- Volunteer Resident Patrol/Block Watchers Program
- Other (describe below)

2. Which developments are most affected? (list below)

Both, equally.

C. Coordination between PHA and the police

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- X Police provide crime data to housing authority staff for analysis and action
- X Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- Police regularly testify in and otherwise support eviction cases

- Police regularly meet with the PHA management and residents
- Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- X Other activities (list below) Daily log of police activity in local paper.

2. Which developments are most affected? (list below)

Our level of crime is very low at both of our developments.

D. Additional information as required by PHDEP/PHDEP Plan N/A

PHAs eligible for FY 2005 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

- Yes No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
- Yes No: Has the PHA included the PHDEP Plan for FY 2005 in this PHA Plan?
- Yes No: This PHDEP Plan is an Attachment. (Attachment Filename: ____)

14. RESERVED FOR PET POLICY

[24 CFR Part 903.7 9 (n)]

15. Civil Rights Certifications

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations. Attachment

16. Fiscal Audit Attachment

[24 CFR Part 903.7 9 (p)]

- 1. X Yes No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?
(If no, skip to component 17.)
- 2. X Yes No: Was the most recent fiscal audit submitted to HUD?
- 3. Yes X No: Were there any findings as the result of that audit?
- 4. Yes No: If there were any findings, do any remain unresolved?
If yes, how many unresolved findings remain? ____
- 5. Yes No: Have responses to any unresolved findings been submitted to HUD?
If not, when are they due (state below)?

17. PHA Asset Management

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component. High performing and small PHAs are not required to complete this component.

1. X Yes No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock , including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?

2. What types of asset management activities will the PHA undertake? (select all that apply)
 Not applicable
 Private management
X Development-based accounting
X Comprehensive stock assessment
 Other: (list below)

3. Yes No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

18. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board Recommendations

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

2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)
X Attached at Attachment (File name)
Provided below:
All comments came from Pine Ridge Residents, none from Lake Superior Village.
Enclose the bus shelter, it's a wind tunnel.
We don't need anti-tipping brackets.
Don't let Betty move back in.
Bike shelter might be good.
Removing flooring; flooring is OK
Drapes are ok. (Community Room)
Walls in apartments are OK, they don't need work.
Security monitor upgrade sounds good.
Put a camera by where the empty pop cans are kept to see who is stealing them.
Elevator generator upgrading sounds real good.
How about new ranges?

Kitchen cabinets are still good.
 Don't think we need to seal the building.
 Undecided on replacing common area windows.
 Reupholster couches.
 Maybe put a change machine in for people who need change for the laundry.
 Put chain locks on the doors so they don't have to open the door all the way when someone comes to their door.
 Replace floor tile in apartments when they are vacated.
 Instead of just doing floor replacement, do everything in the apartment – floors, walls, cabinets, doors, etc.

When we look at the amount of money we have available and what we need/would like to have done, we have to set priorities. A goal set in 2001 to continue exterior remodeling at our family site until all 34 buildings are completed continues to be a priority. This means no funds are available for the bus shelter, bike shelter, flooring, drapes, walls, or cabinets, camera, sealing the building, windows. Although the ranges at Pine Ridge may be older, they are all functional and in good condition. We cannot justify replacing them when they work properly. We have already made arrangements to have the couches reupholstered. We have already authorized the elevator generator be rebuilt and will need to use reserves for such.

3. In what manner did the PHA address those comments? (select all that apply)
- Considered comments, but determined that no changes to the PHA Plan were necessary.
- The PHA changed portions of the PHA Plan in response to comments
 List changes below: Below the list of resident requests is our response to their Requests.
- Other: (list below)

B. Description of Election process for Residents on the PHA Board

1. Yes No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
2. Yes No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

- a. Nomination of candidates for place on the ballot: (select all that apply)
- Candidates were nominated by resident and assisted family organizations
- Candidates could be nominated by any adult recipient of PHA assistance

Self-nomination: Candidates registered with the PHA and requested a place on ballot

X Other: (describe) Residents are asked by management if they are interested in serving. If yes, we give them an application provided by our City. The application is turned in to our City who then reviews it and considers them for appointment to the position. They serve 5 year terms.

b. Eligible candidates: (select one)

Any recipient of PHA assistance

Any head of household receiving PHA assistance

X Any adult recipient of PHA assistance

Any adult member of a resident or assisted family organization

Other (list)

c. Eligible voters: (select all that apply) N/A

All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)

Representatives of all PHA resident and assisted family organizations

Other (list)

C. 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: (provide name here)

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.

X 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 the initiatives contained in the Consolidated Plan. (list below)

Other: (list below)

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

D. Other Information Required by HUD

Use this section to provide any additional information requested by HUD.

Attachments

Use this section to provide any additional attachments referenced in the Plans.

Civil Rights Certifications

Audit

Certification for a Drug Free Workplace, HUD 50070

Disclosure of Lobbying Activities, Standard Form LLL

Certification of Payments to Influence Federal Transactions, HUD 50071

Annual Statement/Performance & Evaluation Report, 2006 and 2007

Certification of Consistency with Consolidated Plan

Resolution 2008-15, PHA Certification of Compliance with the PHA
Plans and Related Regulations

PHA Plan Table Library

Component 7 Capital Fund Program Annual Statement Parts I, II, and II

Annual Statement Capital Fund Program (CFP) Part I: Summary

Capital Fund Grant Number MI33P070501-08 FFY of Grant Approval: 2008

X Original Annual Statement

Line No.	Summary by Development Account	Total Estimated Cost
1	Total Non-CGP Funds	
2	1406 Operations	25,000.00
3	1408 Management Improvements	7000.00
4	1410 Administration	42,500.00
5	1411 Audit	
6	1415 Liquidated Damages	
7	1430 Fees and Costs	23,000.00
8	1440 Site Acquisition	
9	1450 Site Improvement	
10	1460 Dwelling Structures	252,045.04
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 9002 Debt Service	88,380.96
20	Amount of Annual Grant (Sum of lines 2-19)	437,926.00
21	Amount of line 20 Related to LBP Activities	
22	Amount of line 20 Related to Section 504 Compliance	5,000
23	Amount of line 20 Related to Security	
24	Amount of line 20 Related to Energy Conservation Measures	2,000

Annual Statement

Capital Fund Program (CFP) Part II: Supporting Table

Development Number/Name HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Total Estimated Cost
70-1	Youth & Family Ctr. Cash Match Progr.	1406	25,000.00
70-1, 2	Energy Audit (5 year)	1408	7,000.00
70-1, 2	Administration	1410	42,500.00
70-1, 2	A & E	1430	23,000.00
70-2	Exterior Improvements LSV	1460	234,045.04
70-1	Remove flooring, replace	1460	15,000.00
70-1	Bike Shelter	1470	
70-1	Wall treatment	1460	
70-1	Security Monitor Upgrade	1460	3,000.00
70-1	Replace windows	1460	
70-1, 2	Replace cabinets	1460	
70-1	Seal Building	1460	
70-1,2	Anti-tipping brackets	1460	
70-1, 2	Debt Service	9002	88,380.96

Annual Statement

Capital Fund Program (CFP) Part III: Implementation Schedule

Development Number/Name HA-Wide Activities	All Funds Obligated (Quarter Ending Date)	All Funds Expended (Quarter Ending Date)
70-1, 70-2	9/30/2010	9/30/2011

Optional Table for 5-Year Action Plan for Capital Fund (Component 7)

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.

Optional 5-Year Action Plan Tables				
Development Number	Development Name (or indicate PHA wide)	Number Vacant Units	% Vacancies in Development	
70-1, 70-1	Pine Ridge, Lake Superior Village	2 each site	70-1	1%; 70-2 2%
Description of Needed Physical Improvements or Management Improvements			Estimated Cost	Planned Start Date (HA Fiscal Year)
Debt Service			441,904.80	2005
Youth and Family Center Administration			25,000.00	2008
Exterior Improvements to LSV			212,500.00	2008
Replace flooring 70-1			1,231,545.00	2008
			110,300.20	2008
Total estimated cost over next 5 years			2,021,250.00	

mi 070 v a-04
Adopted 5/27/08 Resolution 2008-14
Adopted 6/12/06 Resolution 2005-10
Adopted 6/26/07 Resolution 2007-07
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ADMISSIONS AND CONTINUED OCCUPANCY
POLICY

Adopted 5/27/08

ADMISSIONS AND CONTINUED OCCUPANCY POLICY

Adopted 6/26/07

This Admissions and Continued Occupancy Policy defines the Marquette Housing Commission's policies for the operation for the Public Housing Program, incorporating Federal, State and local law. If there is any conflict between this policy and laws or regulations, the laws and regulations will prevail.

1.0 FAIR HOUSING

It is the policy of the MHC to fully comply with all Federal, State and local nondiscrimination laws; the Americans with Disabilities Act; and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, sexual preference, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the MHC's programs.

The MHC will assist any family that believes they have suffered illegal discrimination by providing them with the address of the nearest HUD office of Fair Housing and Equal Opportunity.

2.0 REASONABLE ACCOMMODATION

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the MHC housing programs and related services. A reasonable accommodation can be a physical modification of a unit or a modification in a policy or procedure of the MHC so the program may be accessible to a person with a disability. When such accommodations are granted, they do not confer special treatment or advantage for the person with a disability; rather, they make the program accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodations and the guidelines the MHC will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the MHC will ensure that all applicants/tenants are aware of the opportunity to request reasonable accommodations.

2.1 COMMUNICATION

A person with a disability may request a reasonable accommodation at anytime they are a tenant. Anyone requesting an application will be able to request reasonable accommodation during the application process.

Notifications of reexamination, inspection, appointment, or eviction will include information about requesting a reasonable accommodation. Any notification requesting action by the tenant will include information about requesting a reasonable accommodation.

All decisions granting or denying requests for reasonable accommodations will be in writing.

2.2 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION

- A. Is the requestor a person with disabilities? For this purpose the definition of person with disabilities is different than the definition used for admission. The Fair Housing definition used for this purpose is:

A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment. (The disability may not be apparent to others, i.e., a heart condition).

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than the apparent disability. If the disability is not apparent or documented, the MHC will obtain verification through a licensed doctor or psychiatrist that the person is a person with a disability

- B. Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the MHC will obtain documentation that the requested accommodation is needed due to the disability. The MHC will not inquire as to the nature of the disability.
- C. Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet two criteria:
1. Would the accommodation constitute a fundamental alteration? The MHC's business is housing. If the request would alter the fundamental business that the MHC conducts, that would not be reasonable. For instance, the MHC would deny a request to have the MHC do grocery shopping for a person with disabilities.
 2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the MHC may request a meeting with the individual to investigate and consider equally effective alternatives with costs shared equally by the resident and MHC.

- D. Generally the individual knows best what it is they need; however, the MHC retains the right to be shown how the requested accommodation enables the individual to access or use the MHC's programs or services.

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

The reasonable cost necessary to carry out approved requests, including requests for physical modifications, will be borne by the MHC if there is no one else willing to pay for the modifications. At the time of move out, the unit must be returned to its original condition and this is the responsibility of the resident.

If the tenant requests as a reasonable accommodation that they be permitted to make physical modifications at their own expense, the MHC will generally approve such request if it does not violate codes or affect the structural integrity of the unit.

Any request for an accommodation that would enable a tenant to materially violate essential lease terms will not be approved, i.e. allowing nonpayment of rent, destruction of property, disturbing the peaceful enjoyment of others, etc. The concept of reasonable accommodation involves assisting a resident to meet essential lease requirements, it does not require the lowering or waiving of essential requirements

3.0 SERVICES FOR NON-ENGLISH SPEAKING APPLICANTS AND RESIDENTS

The MHC will endeavor to assist people who speak languages other than English to the extent possible as available through local community resources.

4.0 FAMILY OUTREACH

The MHC will publicize the availability and nature of the Public Housing Program for extremely low-income, very low and low-income families in a newspaper of general circulation, *or* by other suitable means.

The MHC will communicate the status of housing availability to other service providers in the community and inform them of housing eligibility factors and guidelines so they can make proper referrals for the Public Housing Program.

5.0 RIGHT TO PRIVACY

All adult members of both applicant and tenant households are required to sign HUD Form 9886, Authorization for Release of Information and Privacy Act Notice. The

Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement.

Any request for applicant or tenant information will not be released unless there is a signed release of information request from the applicant or tenant.

6.0 REQUIRED POSTINGS

In each of its offices, the MHC will post, in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, the following information:

- A. Statement of Policies and Procedures governing Admission and Continued Occupancy
- B. Notice of the status of the waiting list (opened or closed)
- C. A listing of all the developments by name, address, number of units, address of all project offices, office hours, telephone numbers, TDD numbers.
- D. Income Limits for Admission
- E. Excess Utility Charges
- F. Utility Allowance Schedule
- G. Current Schedule of Routine Maintenance Charges
- H. Dwelling Lease
- I. Grievance Procedure
- J. Fair Housing Poster
- K. Equal Opportunity in Employment Poster
- L. Any current MHC Notices

7.0 TAKING APPLICATIONS

Families wishing to apply for the Public Housing Program will be required to complete an application for housing assistance. Applications will be accepted during regular business hours at:

316 Pine Street, Marquette MI 49855

Applications are taken to compile a waiting list. Due to the demand for housing in the MHC jurisdiction, the MHC may take applications on an open enrollment basis, depending on the length of the waiting list.

Completed applications will be accepted for all applicants and the MHC will verify the information.

Applications will be mailed to interested families upon request.

The completed application will be dated and time stamped upon its return to the MHC.

Persons with disabilities who require a reasonable accommodation in completing an application may call the MHC to make special arrangements. A Telecommunication Device for the Deaf (TDD) is available for the deaf. The TDD telephone number is **906-226-7559**.

The application process will involve two phases. The first phase is the initial application for housing assistance. The pre-application requires the family to provide basic information establishing any preferences to which they may be entitled.

Upon receipt of the family's application, the MHC will make a preliminary determination of eligibility. The MHC will notify the family in writing of the date and time of placement on the waiting list, and the approximate wait before housing may be offered. If the MHC determines the family to be ineligible, the notice will state the reasons therefore and will offer the family the opportunity of an informal review of the determination. Such request for an informal review must be *made* within ten (10) calendar days of the date of the letter.

Such request for an informal review must be in writing and within ten (10) calendar days of the date of the letter.

The applicant may at any time report changes in their applicant status including changes in family composition, income, or preference factors. The MHC will annotate the applicant's file and will update their place on the waiting list.

The second phase is the final determination of eligibility, which takes place when the family nears the top of the waiting list. The MHC will ensure that verification of all preferences, eligibility, suitability and selection factors are current in order to determine the family's final eligibility for admission into the Public Housing Program.

8.0 ELIGIBILITY FOR ADMISSION (24CFR 912.2)

8.1 INTRODUCTION

There are seven eligibility requirements for admission to public housing: head of household must be able to know, understand and comply with the provisions of a lease, qualifies as a family, has an income within the income limits, meets citizenship/eligible

immigrant criteria, provides documentation of Social Security numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet the MHC screening criteria in order to be admitted to public housing.

8.2 **ELIGIBILITY CRITERIA**

A. Family status.

1. A **family with or without children**. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that they live together in a stable family relationship. In the case of “affinity”, the family shall sign a Declaration of Affinity (Attachment A).
 - a. Children temporarily absent from the home due to placement in foster care are considered family members for residents in possession. At time of application, children temporarily absent from the home due to placement in foster care are considered family members ONLY if a qualified agency can assure the MHC, in writing, that the child(ren) will be returned within six (6) months of move in.
 - b. Unborn children and children in the process of being adopted are considered family members for the purpose of determining bedroom size but are not considered family members for determining income limit. A custodial parent must have child at least 180 days annually in order to qualify as part of tenant family.
2. An **elderly family**, which is:
 - a. A family whose head, spouse, or sole member is a person who is at least 62 years of age;
 - b. Two or more persons who are at least 62 years of age living together; or
 - c. One or more persons who are at least 62 years of age living with one or more live-in aides.
3. A **near elderly family**, which is:
 - a. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62;
 - b. Two or more persons, who are at least 50 years of age but below the age of 62, living together; or

- c. One or more persons, who are at least 50 years of age but below the age of 62, living with one or more live-in aides.
- 4. A **disabled family**, which is:
 - a. A family whose head, spouse, or sole member is a person with disability.
 - b. Two or more persons with a disability living together; or
 - c. One or more persons with a disability living with one or more live-in aides.
- 5. A **displaced family**, which is a family in which each member, or whose sole member, has been displaced by governmental action, or 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.
- 6. A **remaining member of a tenant family**. When the head of household chooses to move out, in certain circumstances, remaining member(s) of a resident family may be permitted to remain. However, their name(s) must have already been on the lease. The remaining member(s) shall appoint a head or heads of the new household. Such head(s) must be over age 18. All persons in the household over age 18 must pass the standard screening process as with new applicants. No remaining members of a resident family shall have automatic rights to said apartment.
- 7. A **single person** who is not an elderly or displaced person, a person with disabilities, or the remaining member of a resident family. Person must be 18 years of age or older to qualify for the program.
- 8. A **Live In Aide**: A live-in aide shall mean a person who resides with an elderly, disabled or handicapped person and who (a) Is determined to be essential to the care and well-being of the person, verified in writing by a licensed physician or psychiatrist; (b) Is not obligated for the support of the person; and (c) Would not be living in the unit except to provide the necessary supportive services.

B. Income eligibility

- 1. To be eligible for admission to developments or units that were available for occupancy before 10/1/81, the family's annual income must be within the low-income limit set by HUD. This means the family income cannot exceed 80 percent of the median income for the area.
- 2. Income limits apply only at admission and are not applicable for continued occupancy.

3. A family may not be admitted to the public housing program from another assisted housing program (e.g., tenant-based Section 8) or from a public housing program operated by another housing authority without meeting the income requirements of the MHC.

C. Citizenship/Eligibility Status

- To be eligible each member of the family must be a citizen, national, or a noncitizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).
- Family eligibility for assistance.
 - a. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.
 - b. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (See Section 13.6 for calculating rents under the noncitizen rule)

D. Social Security Number Documentation

To be eligible, all family members must provide a copy of their Social Security card or certify that they have applied for one (ex: copy of SS application). Once received, applicant must bring into the MHC the Social Security card within ten (10) calendar days of its receipt.

E. Signing Consent Forms

1. In order to be eligible, each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
 - a. A provision authorizing HUD or the MHC to obtain information necessary to complete or verify the application for participation or for eligibility for continued occupancy; and
 - b. A provision authorizing HUD or the MHC to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance;

- c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits; and
- d. Permission to run a confidential police check and credit check..
- e. Permission to contact former landlords and/or references to make inquiries about applicant's past rental history, responsibility, use of illegal drugs or abuse of alcohol, etc., or other information pertinent to renting from the MHC.
- f. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

F. Copies of Birth Certificates of all family members are required.

8.3 *SUITABILITY*

- A. Applicant families will be evaluated to determine whether, based on their behavior, such behavior could reasonably be expected to result in noncompliance with the public housing lease. The MHC will look at past conduct as an indicator of future conduct. Emphasis will be placed on whether a family's admission could reasonably be expected to have a detrimental effect on the development environment, other tenants, MHC employees, or other people residing in the immediate vicinity of the property. Otherwise eligible families will be denied admission if they fail to meet the suitability criteria.
- B. The MHC will consider objective and reasonable aspects of the family's background, including the following (including live in aides):
 - 1. History of meeting financial obligations, especially rent;
 - 2. Ability to maintain (or with assistance would have the ability to maintain) their housing in a decent and safe condition based on living or housekeeping habits and whether such habits could adversely affect the health, safety, or welfare of other residents or Housing Commission property.
 - 3. History of criminal activity by any household member, *live in aide*, or guests/visitors involving crimes or physical acts of violence against persons or property; or activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property of another, other criminal *or drug related criminal activity* that would adversely affect the health, safety, or well being of other residents, **neighbors** or staff; current use by applicant, household members or guests of illegal controlled substances; or pattern of illegal use by the applicant or

household members of a controlled substance, or pattern of abuse of alcohol, which may interfere with health, safety or right to peaceful enjoyment of the premises by others; or cause damage to the property.

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, MHC has the discretion to consider all of the circumstances in each case, including (1) the seriousness of the case; (2) the extent of participation or culpability of individual family members; and (3) the effects of denial or termination of assistance on other family members not involved in the action or failure to act.

Examples of unacceptable criminal activity or drug-related activity includes, but is not limited to, the following:

- * Applicants convicted of manufacturing or producing methamphetamine will be permanently denied admissions to the MHC.

- * One of the following types of conduct committed by any applicant/resident, household member, or guests, regardless of date committed: (1) capitol murder, (2) murder/manslaughter, (3) kidnapping, (4) child molestation, or (5) rape or crimes of a sexual nature;

- * Any type of drug trafficking, use or possession by the applicant/resident, household members or guests, within the last ten years. The term “drug Trafficking” includes the illegal manufacture, sale or distribution, or the possession with the intent to manufacture, sell or distribute a controlled substance.

- * One of the following types of conduct committed by an applicant/resident, household member, or guests within the past five (5) years: (1) illegal possession/discharge/display/carrying of firearm or illegal weapon/deadly weapon; (2) assault, aggravated assault, assault by threat, stalking; and (3) physical violence to persons or property, or criminal activity that has as one of its elements the sue, attempted use, or threatened use of physical force against the person or property of another;

- * A pattern of continuing conducts/acts, regardless of type or severity which may interfere with the health, safety or right to peaceful enjoyment of the premises by others;

- * A pattern of past conduct of illegal use of controlled substances; and

- * Past conduct of abuse or pattern of abuse of alcohol which threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

The existence of any of the above-referenced behaviors by applicant/resident/ Live-in aide or any household member, regardless of the resident's knowledge of The household members' or guest's behavior, shall be grounds for rejection at the time of admission. In order to deny assistance, it is not necessary that the resident, family member or guest be convicted.

In addition, an applicant's misrepresentation or omission of any information related to eligibility, local preference for admission, income, allowances, assets, rental history, criminal history, family composition or rent shall be grounds for rejection at the time of admission.

MHC may require any additional documentation it deems necessary to determine the applicants ability to uphold the lease agreement.

4. History of disturbing neighbors or destruction of property;
5. Having committed fraud in connection with any Federal, State or Local Program, including the intentional misrepresentation of information related to their housing application or benefits derived there from; or have an outstanding balance with a Housing Commission/Authority or other subsidized housing from a previous tenancy, and
6. A record of disregard for rules of occupancy and rights of others.
7. History of abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment by others.
8. History of noncompliance with a lease.
9. If single, an applicant shall be determined ineligible if (s)he is not capable of complying with the provisions of the lease.

C. The MHC will ask applicants to provide information demonstrating their ability to know, understand and comply with their lease. The MHC will verify the information provided. Such verification may include but may not be limited to the following:

1. A credit check of the head, spouse and co-head of all adult family members ;
2. A rental history check of all adult family members and live in aides; applicant must provide a minimum of two (2) landlord references and/or five (5) years of rental history for Management to contact regarding suitability as a tenant. If due to other circumstances, there was no accessible rental history for the immediate past five years, the MHC may request and use information gathered beyond the immediate past five year period.

3. A criminal background check on all adult household members, including live-in aides. Criminal history will be verified by the following methods in the order given:
 - a. Police report from the Marquette City Police which will identify the applicant's FBI and/or SID number (if it applies);
 - b. Review of the Michigan State database ICHAT This check will be made through State or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. Where the individual has lived outside the local area, the MHC may contact law enforcement agencies where the individual had lived or request a check through the FBI's National Crime Information Center (NCIC);
4. Live In Aides shall be subject to the same screening (suitability) criteria as an applicant.
5. A check of the State's lifetime sex offender registration program for each adult household member, including live-in aides. No individual registered with this program will be admitted to public housing or allowed on MHC property.

Additional information may be obtained if necessary, from social service agencies, health agencies, etc.

8.4 GROUND FOR DENIAL

The MHC is not required or obligated to assist applicants who:

- A. Do not meet any one or more of the eligibility criteria; including inability to know, understand and comply requirements of the lease.
- B. Do not supply information or documentation required by the application process or following a hearing;
- C. Have failed to respond to a written request for information, or a request to declare their continued interest in the program or other inquiry;
- D. Have a history of not meeting financial obligations, especially rent;
- E. Do not have the ability to maintain their housing in a decent and safe condition where such habits could adversely affect the health, safety, or welfare of other tenants;
- F. Have a history of criminal activity by any household member or visitors involving crimes of physical violence against persons or property and any other criminal activity. This would include drug-related criminal activity.

- G. Have a history of disturbing neighbors, destruction of property, or poor housekeeping.
- H. Currently owes rent or other amounts to any subsidized housing program. Family may be considered for re-admission after account is paid in full and three (3) years has passed since full payment is received. If applicant owed money to any subsidized housing program, later filed bankruptcy which dismissed responsibility for such debt, such applicant will be denied.

Exception: If an applicant owes the Marquette Housing Commission \$50.00 or less, the balance must be paid in full but the applicant will not be subject to the 3 year waiting period.

- I. Have committed fraud, bribery or any other corruption in connection with any Federal, State or local government program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;

Were evicted or asked to leave from any housing within five years of the projected date of admission because of drug-related criminal activity involving the personal use or possession for personal use.

Were evicted or asked to leave from any housing because of repeated violations of terms of the lease within the past 5 years;

- L. Were evicted or asked to leave from any housing within five years of the projected date of admission because of lease violations, abuse of alcohol or drug-related criminal activity involving the illegal manufacture, sale, distribution or possession with the intent to manufacture, sell, distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802;
- M. Are illegally using a controlled substance or are abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- N. Have engaged in or threatened abusive or violent behavior towards any MHC staff or residents or others;
- O. Have a household member (including live in aides) who has ever been evicted from public housing or any housing assistance program within the past 5 years;
- P. Have a family household member who has been terminated for cause under the certificate or voucher program;
- Q. If the MHC determines that a family member has knowingly permitted an ineligible noncitizen to reside in their unit.

- R. Have a history of violating a lease.
- S. **Denied for Life:** If any family member has been arrested and/or convicted of manufacturing or producing methamphetamine (speed) or other illegal drug ;
- T. **Denied for Life:** Has a lifetime registration under a State sex offender registration program.
- U. Nothing in this section relieves MHC of its obligation to provide reasonable accommodation where required under state or federal law.

8.5 *INFORMAL REVIEW*

- A. If the MHC determines that an applicant does not meet the criteria for receiving public housing assistance, the MHC will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision and state that the applicant may request an informal review of the decision within 10 business days of the denial. The MHC will describe how to obtain the informal review.

The informal review may be conducted by any person designated by the MHC. The applicant must be given the opportunity to present written or oral objections to the MHC's decision. The MHC must notify in writing the applicant of the final decision within 14 calendar days after the informal review, including a brief statement of the reasons for the final decision.

- B. The participant family may request that the MHC provide for an Informal Hearing after the family has notification of an INS decision on their citizenship status on appeal, or in lieu of request of appeal to the INS. This request must be made by the participant family within 30 days of receipt of the Notice of Denial or Termination of Assistance, or within 30 days of receipt of the INS appeal decision.

9.0 **MANAGING THE WAITING LIST**

9.1 *OPENING AND CLOSING THE WAITING LIST*

Opening of the waiting list will be announced with a public notice stating that applications for public housing will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation and also by any available minority media. The public notice will state any limitations to who may apply.

Closing of the waiting list will also be announced with a public notice. The public notice will state the date the waiting list will be closed and for what bedroom sizes. The public notice will be published in a local newspaper of general circulation and also by any available minority media.

9.2 ORGANIZATION OF THE WAITING LIST

The waiting list will be maintained in accordance with the following guidelines:

- A. The application will be a permanent file;
- B. All applications will be separated according to housing program requested. If more than one program is requested- appropriated cross referencing will be maintained; and
- C. Any contacts between the MHC and the applicant will be documented in the applicant file.

9.3 FAMILIES NEARING THE TOP OF THE WAITING LIST

When a family appears at the top of the waiting list, the MHC will contact the family.

9.4 PURGING THE WAITING LIST

The MHC will update and purge its waiting list at least annually to ensure that the pool of applicants reasonably represents the interested families for whom the MHC has current information, i.e. applicant's address, family composition, income category, and preferences.

9.5 REMOVAL OF APPLICANTS FROM THE WAITING LIST

The MHC will not remove an applicant's name from the waiting list unless:

- A. The applicant requests in writing that the name be removed;
- B. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program; or
- C. The applicant no longer meets either the eligibility or suitability criteria for the program.

9.6 MISSED APPOINTMENTS

All applicants who fail to keep a scheduled appointment with the MHC will be sent a notice of termination of the process for eligibility.

The MHC will allow the family to reschedule for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities will be given for good cause. When good cause exists for missing an appointment, the MHC will work closely with the family to find a more suitable time.

Applicants will be offered the right to an informal review before being removed from the waiting list.

9.7 NOTIFICATION OF NEGATIVE ACTIONS

Any applicant whose name is being removed from the waiting list will be notified by the MHC, in writing, that they have ten (10) calendar days from the date of the written correspondence to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the timeframe specified. The MHC system of removing applicant names from the waiting list will not violate the rights of persons with disabilities. If an applicant claims that their failure to respond to a request for information or updates was caused by a disability, the MHC will verify that there is in fact a disability and the disability caused the failure to respond, and provide a reasonable accommodation. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

10.0 TENANT SELECTION AND ASSIGNMENT PLAN

10.1 PREFERENCES

The MHC will select families based on the following local preferences within each bedroom size category:

- 1 Point Applicant is a resident of the City of Marquette.
- 1 Point Applicant is a veteran or the spouse of a veteran or service person who has served in the Armed Forces of the United States of America and was discharged under circumstances other than dis-honorable. A service person is a person presently serving in the Armed Forces.
- 1 Point Applicant is a working family and/or in an educational program..
- 2 Points For Pine Ridge preference will be given to elderly/disabled families.
- 1 Point If there are no elderly or disabled families on the list for Pine Ridge, preference will then be given to near-elderly families.(ages 50-62) If there are no near-elderly families on the waiting list, units will be offered to families who qualify for the appropriate bedroom size using these priorities. All such families will be selected from the waiting list using the preferences as outlined above.
- 5 points Income sufficient to result in a rent of \$195.00 or more per month (after 40% as long as the ‘ new admissions requirement is met’.

The date and time of application will be noted and utilized to determine the sequence within the above prescribed preferences.

Once the MHC reaches the required 40% of new admissions being very low income, persons with low to moderate incomes will be given priority over very low income applicants. There being no other applicants and efforts to attract low to moderate income applicants have failed, the MHC can house very low income applicants rather than let the apartment(s) set idle.

10.2 ASSIGNMENT OF BEDROOM SIZES

The following guidelines will determine the number of bedrooms required to accommodate a family of a given size except that such standards may be waived when a vacancy problem exists and it is necessary to achieve or maintain full occupancy: Live In Aides shall be taken into consideration when determining bedroom distribution.

No child should share a bedroom with a sibling of the opposite sex. If there is a 5 year or more age difference in children of the same sex, they may have separate bedrooms.

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
1	1	2
2	2	4
3	3	6
4	4	8

10.3 SELECTION FROM THE WAITING LIST

When feasible, the MHC shall follow the statutory requirement that at least 40% of newly admitted families in any fiscal year be families whose annual income is at or below 30% of the area median income. To insure this requirement is met we shall quarterly monitor the incomes of newly admitted families and the incomes of the families on the waiting list. If it appears that the requirement to house extremely low-income families will not be met, we will skip higher income families on the waiting list to reach extremely low-income families.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement. If outreach is unsuccessful, the MHC will house otherwise eligible applicants rather than let the unit remain vacant.

Conversely, once the MHC reaches the required 40% of new admissions being very low income, persons with low to moderate incomes will be given priority over very low income applicants. There being no other applicants and efforts to attract low to moderate income applicants have failed, the MHC can house very low income applicants.

10.4 DECONCENTRATION POLICY

Elderly and disabled developments are excluded from the Deconcentration Rule. Since the MHC has only two developments, an elderly/disabled and a family development, the family development is also not subject to the deconcentration rule.

10.5 OFFER OF A UNIT

When the MHC discovers that a unit will become available, we will contact the first family on the waiting list who has the highest priority for this type of unit or development.

The MHC will contact the family first by telephone to make the unit offer. If the family cannot be reached by telephone, the family will be notified of a unit offer via first class mail. The family will be given seven (7) calendar days from the date the letter was mailed to contact the MHC regarding the offer.

The family will be offered the opportunity to view the unit. After the opportunity to view the unit, the family will have three (3) business days to accept or reject the unit. This verbal offer and the family's decision must be documented in the tenant file. If the family rejects the offer of the unit, the MHC must send the family a letter documenting the offer and the rejection.

10.6 REJECTION OF UNIT

If the family rejects the unit without good cause, the family will forfeit their application's date and time. The family will keep their preferences, but the date and time of application will be changed to the date and time the unit was rejected.

If the family rejects with good cause any unit offered, they will not lose their place on the waiting list. Good cause will be determined by the MHC.

10.7 ACCEPTANCE OF UNIT

The family will be required to sign a lease that will become effective no later than three (3) business days after the date of acceptance or the business day after the day the unit becomes available, whichever is later and pay \$25.00 toward the security deposit to hold a unit (non-refundable if they decide later not to move in). The family does not receive keys to the unit until the full security deposit and first month's rent is paid in full.

The signing of the lease and the review of financial information are to be privately handled. The head of household and all adult family members will be required to execute the lease prior to admission. One executed copy of the lease will be furnished to the head of household and the MHC will retain the original executed lease in the tenant's file.

The family will pay a security deposit of \$100 which must be paid in full by the move in

date.

MHC Dwelling Leases are one calendar year in length. After the first calendar year, the lease automatically renews and becomes a month-to-month lease unless other notice is given by tenant or MHC. Tenants are required to give 30 days notice of their intent to move.

11.0 INCOME, EXCLUSIONS FROM INCOME, AND DEDUCTIONS FROM INCOME

To determine annual income, the MHC counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the MHC subtracts all allowable deductions (allowances) to determine the Total Tenant Payment.

11.1 INCOME

Annual income means all amounts, monetary or not, that:

- A. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or
- B. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- C. Are not specifically excluded from annual income.

Annual income includes, but is not limited to:

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

For those with fluctuating income (Ex.: waitress), MHC will use historical data (when available) and average amounts earned to anticipate annual income.

- B. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is a reimbursement of cash or assets invested in the operation by the family.
- C. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not used as

deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes 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 the MHC. However, with assets under \$5,000, actual income earned is included in income and must be third party verified.

- D. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.
- E. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
- F. Welfare assistance.
 - 1. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.
 - 2. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted as income.
- G. Regular contributions or gifts received from organizations or from persons not residing in the dwelling for such things as utility payments or grocery purchases. The full amount of child support or alimony to which the family is entitled unless it is verified that the family is not getting the payment and is taking legal action to secure the back amount.
- H. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)
- I. After retirement, the amount which the resident is eligible to draw down from his/ her pension or retirement plan shall be counted as income, whether or not the resident elects to draw the entire amount.

The income of all members of the family over the age of 18 who are counted for bedroom size determination, shall be included in the annual income determination unless in school full time.

Non-cash contributions given in exchange for services rendered may be counted as income.

Income from assets shall be considered to be:

- a. Actual income received, or
- b. If total assets equal \$5,000 or more, income from these assets shall be the actual income received or a percentage of the total value of the assets, based based on the current passbook savings rate average for the area.

- M. Per capita payments from Indian tribes/casinos.
- N. First \$480 of income of dependent full time student over age 18. If head or co-head or other adult (not considered a dependent) of household, full earnings are used.
- O. Seasonal Employment: An Interim Review will be conducted when income changes and the residents requests the change.

11.2 ASSETS

Assets shall not preclude admission to the MHC developments. Assets shall be used to determine income earned as follows:

- A. The actual income earned from the ownership of bank accounts, investments, such as certificates of deposit, annuities, stocks, bonds, etc.
- B. The income from real property such as land contract interest, rental income, etc.
- C. Where the family has Net Family Assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate (average for the area). All income earned on assets of less than \$5,000 is included in income.

In determining Net Family Assets, the MHC shall include the value of any assets disposed of by an applicant or resident for less than fair market value during the two (2) years preceding the date of application for the program or re-examination, as applicable, in excess of the consideration received therefore.

- D. The value to be assigned to the assets shall be the value of the assets after deducting costs that would be incurred in disposing of the asset, such as real estate or stock brokers commissions or penalty for early withdrawal of a time deposit.
- E. Retirement or pension plans will be counted as an asset before resident has

retired, only if the resident may draw down a portion before (s)he actually retires.

- F. A burial fund which is treated as an annuity shall be considered as an asset unless it is in an irrevocable burial trust/fund.
- G. The portion of a trust fund which is accessible to the family shall be considered an asset.
- H. The current balance in a checking *and savings* account shall be considered an asset.

11.3 Annual income

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of 18 years; The first \$480 of income of full time students over age 18 is included.
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses;
- D. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- G. The amounts received from the following programs:
 - 1. Amounts received under training programs funded by HUD (such as the Green Thumb Program);
 - 2. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - 3. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;

4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Commission, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;
5. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program;
6. Temporary, nonrecurring or sporadic income (including gifts);
7. 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;
8. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
9. Adoption assistance payments in excess of \$480 per adopted child;
10. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period. For purposes of this exclusion the following definitions apply:
 - a. Comparable Federal, State or local law means a program providing employment training and supportive services that:
 - i. Is authorized by a Federal, State or local law;
 - ii. Is funded by the Federal, State or local government;
 - iii. Is operated or administered by a public agency; and
 - iv. Has as its objective to assist participants in acquiring employment skills.
 - b. Exclusion period means the period during which the family member participates in a program described in this section, plus 18

months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.

- c. Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.
11. The incremental earnings due to employment during the 12-month period following date of hire shall be excluded. This exclusion (paragraph 11) will not apply for any family who concurrently is eligible for exclusion #10. Additionally, this exclusion is only available to the following families:
- a. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years.
 - b. Families whose income increases during the participation of a family member in any family self-sufficiency program.
 - c. Families who are or were, within 6 months, assisted under a State TANF program.

(While HUD regulations allow for the housing authority to offer an escrow account in lieu of having a portion of their income excluded under this paragraph, it is the policy of this housing authority to provide the exclusion in all cases.)

12. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
13. 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;
14. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
15. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits. These exclusions include:
- a. The value of the allotment for food stamps.

- b. Payments to volunteers under the Domestic Volunteer Services Act of 1973
- c. Payments received under the Alaska Native Claims Settlement Act
- d. Income from certain submarginal land of the U.S. that is held in trust for certain Indian tribes
- e. Payments made under HHS's Low-Income Home Energy Assistance Program
- f. Payments received under the Job Training Partnership Act
- g. Income from the disposition of funds of the Grand River Band of Ottawa Indians
- h. The first \$2000 of per capita shares received from judgment funds awarded for certain Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.
- i. Amount of scholarships awarded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study program or under the Bureau of Indian Affairs Student Assistance programs.
- j. Payments received under Title V of the Older Americans Act of 1965
- k. Payments from Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re-Agent- product liability litigation.
- l. Payments received under the Maine Indian Claims Act
- m. The value of child care under the Child Care and Development Block Grant Act of 1990
- n. Earned income tax credit refund payments
- o. Payments for living expenses under the Americorps Program
- p. 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.

- q. Also excluded from income are payments made for individuals under the Community Services Employment Program administered by the Department of Labor, Title V of the Older Americans Act of 1965 (42 USC 3056(f))
- r. Payments derived from Title VI of the Older American Comprehensive Services Amendments of 1973 (PL-93-29) such as Foster Grandparents and Older Americans Community Services programs are not included in family income. Also excluded are ACTION Volunteers, administered under the Domestic Volunteers Act of 1973, Title IX (PL 93-113).
- s. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
- t. Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran.
- u. Any amount of crime victim compensation that the applicant (under the Victims of Crime Act) receives through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant.
- v. Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998.

11.4 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. \$480 for each dependent;
- B. \$400 for any elderly family or disabled family;
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability medical expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities. If head of household is 62 or over or the head of household is disabled, the whole family qualifies for medical expense deduction.
- D. For any elderly or disabled family:

1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
 2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses. Calculate disability expense before taking into account the medical expenses.
 3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.
- E. Child care expenses (for children under age 13), only if unreimbursed, in an amount reasonable for the area, shall be allowed where necessary to allow a family member to be gainfully employed, to further his/her education or is actively seeking employment (which must be verified). The amount deducted shall not exceed the amount of gross income received for such employment. Such expense shall be allowed only if no adult member of the family is available to provide such care.
- F. An elderly family shall be allowed an amount for Medical Expenses equal to the amount by which the medical expenses exceed 3% of annual income if there is no disabled assistance expenses allowance. Medical expense shall include only actual expense, including medical insurance premiums, that are not covered by insurance.
- G. Employed public housing families will be given a deduction equal to the cost of personally paid health insurance.
- H. In no case will allowances be given which exceed the family's annual income.
- I. Up to \$480 per year for making child support payments for children outside the household

11.5 EARNED INCOME DISREGARD

Public Housing residents who secure employment or increase income by participating in an employment training programs will have that income disregarded for 12 months after they get the job (rent could be increased for other reasons.. The resident must have been unemployed for the previous 12 months or have participated in a program providing

employment training and supportive services. It is only the increase in earned family income above the previous source of unearned income resulting from the employment or participation in the employment program that is disregarded, not the entire pay check. (Example: In the case of SSI, if they had been disabled and off work for a year, improved their health and went back to work, the SSI rent amount would be the base).

EID mandates that PHAs discount from household's rent calculation any increase in income if:

- * The increased income is due to employment of a family member who has been previously unemployed;
- * The family received welfare during the previous six months of \$500 or more;
- * The family's income increased during a family member's participation in a self sufficiency or job training program.

NOTE: The 'counting date' for the 12 month 100% disregard, 50% income disregard and lifetime 48 month period in which the disregards may be used, shall be the original date of hire of the original employment (Example: Resident went to work at K-Mart 1/1/04, was fired 3/1/04; same resident got another job 4/1/04 at Radio Shack: the 1/1/04 date would be the beginning 'counting date').

The EID provisions of the statute and regulations require PHAs to exclude 100% of a family's increased income from earnings for a period of 12 months and 50% of the increased earned income for an additional 12 month period. A resident receives the EID during a lifetime 48-month period from the time the EID first goes into effect. Both counters begin to run from the date of hire. If a previously unemployed (for 12 months or longer) family member becomes employed and fails to report his/her income change for 3 months after his/her PHA's requested date of notification, the household would still have 9 months of the 100% EID and a full year of the 50% EID remaining for use in the next 45 months (48 month time line minus the 3 months of non reporting). Under HUD guidelines there is no penalty for failing to report an increase in income that would be subject to the 100% disregard, because any income increase within that period would have been disregarded anyway.

A family qualifies for the EID, if the family income increases as a result of the employment of a family member who was previously unemployed for one or more years. There is no other limit on the time that the resident must have been unemployed prior to gaining work. The definition of previously unemployed includes a person who has earned in the past 12 months no more than the equivalent of 500 hours of work at the greater of the federal or state minimum wage.

A household is entitled to the EID if the family's earned income increases and if any member of the household currently receives or in the past six months received welfare benefits. Also, the tenant may qualify for the EID for increases in earned income while still receiving welfare assistance. The fact that a resident's welfare income is reduced or terminated due to a work-related sanction does not disqualify the family from the benefits of the ID if one its members including the sanctioned member subsequently finds work. However, if the resident's welfare benefits are reduced for fraud or noncompliance with

economic self-sufficiency requirements, the ‘sanctioned’ welfare income will continue to be included in the family income for rent-setting purposes. In other words, the resident will not experience a reduction in rent due to the reduction in welfare precipitated by a sanction for fraud or noncompliance with economic self-sufficiency requirements and will also not be penalized by additional rent increase for responding to the sanction by obtaining work.

A household may also qualify for the EID if the household income increases due to increased earnings of a household member during that member’s participation in a job training or an ‘economic self-sufficiency program’. The definition of such programs includes any program designed to assist residents in gaining their financial independence. This encompasses a large number and wide variety of programs, including, but not limited to job training, English proficiency, and substance-abuse programs. It may also include enrollment in general non-vocational courses at a community college or training or activities at a sheltered workshop. The increases in earnings to be disregarded may occur after the completion of the primary part of the training program if the individual continues to receive some amount of training, mentoring, counseling, or other assistance from the training program.

The MHC must track EID by applicable family members.

12.0 VERIFICATION

The MHC will verify information related to waiting list preferences, eligibility, admission, and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations; full time student status of family members 18 years of age and older; Social Security numbers; and citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance. Residents are required to report any change within ten (10) days of the change.

Income and asset verification information may not be more than sixty (60) days old.

12.1 Acceptable Methods of Verification

In the case of suspected “live ins”, it is the residents duty and responsibility to prove a person is not living with them when requested by the MHC.

Age, relationship, U.S. citizenship, and Social Security numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or for citizenship documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

Other information, such as included income, excluded income, assets and deduction, will be verified by third party verification. This type of verification includes written documentation with forms sent directly to and received directly by a source, not passed through the hands of the family. This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the MHC or automatically by another government agency, i.e. the Social Security Administration. Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e. name, date of contact, amount received, etc. but should be used only if attempts at written verification has failed.

When third party verification cannot be obtained, the MHC will accept documentation received from the applicant/tenant. Hand-carried documentation will be accepted if the MHC has been unable to obtain third party verification in a 2-week period of time. Photocopies of the documents provided by the family will be maintained in the file.

If unable to get information from independent third party and it is not cost effective or reasonable to do so, the MHC must so note the record explaining fully why it was not pursued (make your case).

When neither third party verification nor hand-carried verification can be obtained, the MHC will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

12.2 TYPES OF VERIFICATION

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the MHC will send a request form to the source along with a release form signed by the applicant/tenant via first class mail.

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
General Eligibility Items		
Social Security Number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	INS SAVE confirmation #	INS card
Disability	Letter from medical professional,	Proof of SSI or Social Security

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
	SSI, etc	disability payments
Full time student status (if >18)	Letter from school	For high school students, any document evidencing enrollment
Need for a live-in aide	Letter from doctor or other professional knowledgeable of condition	N/A
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payment
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed For historical data, get previous years receipts as your 3 rd party verification when unavailable any other way. Note the record.	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
Value of and Income from Assets		
Savings, checking accounts	Letter from institution	Passbook, most current statements * We will also require the resident provide us with a copy of their most recent bank statement at move in and at annual and/or interim recertifications.
CDS, bonds, etc	Letter from institution	Tax return, information brochure from institution, the CD, the bond
Stocks	Letter from broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property	Letter from tax office, assessment, etc.	Property tax statement (for current value), assessment,

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
		records or income and expenses, tax return
Personal property	Assessment, bluebook, etc	Receipt for purchase, other evidence of worth
Cash value of life insurance policies	Letter from insurance company	Current statement
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth
Income		
Earned income	Letter from employer	Multiple pay stubs
Self-employed	N/A	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Services	Record of deposits, divorce decree
Periodic payments (i.e., social security, welfare, pensions, workers compensation, unemployment)	Letter or electronic reports from the source	Award letter, letter announcing change in amount of future payments
Training program participation	Letter from program provider indicating <ul style="list-style-type: none"> - whether enrolled or completed - whether training is HUD-funded - whether Federal, State, local govt., or local program - whether it is employment training - whether it has clearly defined goals and objectives - whether program has supportive services - whether payments are for out-of- 	N/A

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
	pocket expenses incurred in order to participate in a program - date of first job after program completion	Evidence of job start

The MHC may use Form IRS 4506 to verify income.

12.3 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS

The citizenship/eligible noncitizen status of each family member regardless of age must be determined.

Prior to being admitted, or at the first reexamination, all citizens and nationals will be required to sign a declaration under penalty of perjury. They will be required to show proof of their status by such means as a Social Security card, birth certificate, military ID, or military DD 214 Form.

Prior to being admitted or at the first reexamination, all eligible noncitizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

Prior to being admitted or at the first reexamination, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The MHC will make a copy of the individual's INS documentation and place the copy in the file. The MHC will also verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the MHC will mail information to the INS in order that a manual check can be made of INS records.

Family members who do not claim to be citizens, nationals, or eligible noncitizens must be listed on a statement of noneligible members and the list must be signed by the head of the household.

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to public housing.

Any family member who does not choose to declare their status must be listed on the statement of noneligible members.

If no family member is determined to be eligible under this section, the family's eligibility will be denied.

The family's assistance will not be denied, delayed, reduced, or terminated because of a delay in the process of determining eligible status under this section, except to the extent that the delay is caused by the family.

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

12.4 VERIFICATION OF SOCIAL SECURITY NUMBERS

Prior to admission, each family member who has a Social Security number must provide verification of their Social Security number.

The best verification of the Social Security number is the original Social Security card. If the card is not available, the MHC will accept letters from the Social Security Agency that establishes and states the number. Documentation from other governmental agencies will also be accepted that establishes and states the number. Driver's licenses, military IDs, passports, or other official documents that establish and state the number are also acceptable.

If an individual states that they do not have a Social Security number, they will be required to sign a statement to this effect. The MHC will not require any individual who does not have a Social Security number to obtain a Social Security number.

If a member of an applicant family indicates they have a Social Security number, but cannot readily verify it, the family cannot be housed until verification is provided.

12.5 TIMING OF VERIFICATION

Verification information must be dated within sixty (60) days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the Housing Authority will verify and update all information related to family circumstances and level of assistance. The Housing Authority will only verify and update those elements reported to have changed.

12.6 FREQUENCY OF OBTAINING VERIFICATION

For each family member, citizenship/eligible noncitizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining the family, their citizenship/eligible noncitizen status will be verified.

For each family member, verification of Social Security number will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security number at admission receives a Social Security number, that number will be verified at the next regular reexamination.

13.0 DETERMINATION OF TOTAL TENANT PAYMENT AND TENANT RENT

13.1 FAMILY CHOICE

At admission, each year in preparation for their annual reexamination and at each interim review, each family is given the choice of having their rent determined under the formula method or having their rent set at the flat rent amount.

The annual letter to flat rent payers regarding the reexamination process will state the following:

- A. Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the reexamination process and having their rent based on the formula amount.
- B. The amount of the flat rent.
- C. Information about formula rents.
- D. Families who opt for the flat rent will be required to go through the income re-examination process every three years, rather than the annual review they otherwise would undergo. However, the interim 3 years, they must report changes within ten (10) days of income, assets, medical costs (if applicable), child care costs, and family composition.
- E. Families who opt for the flat rent may request to have a reexamination and return to the formula (income) based method at any time due to hardships as identified below:
 - 1. The family's income has decreased because of changed circumstances including loss or reduction of employment, or reduction or loss of earnings or other assistance.
 - 2. The family's circumstances have changed increasing their expenses for child care, medical care, transportation, education or similar items.
 - 3. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.
 - 4. Such request by the family must be made within ten (10) days of the hardship. The MHC will verify the financial hardship, if possible.
 - 5. The MHC must make the determination within thirty (30) days after the family request.

6. Once a family switches to formula (income-based) rent because of hardship, the family must wait until its next annual reexamination to switch back.
7. A certification for the family to sign accepting or declining the flat rent.

Each year at least 90 days prior to their anniversary date, MHC will send reexamination letter to the family. The opportunity to select the flat rent is available only at the time of recertification. At the appointment, the MHC may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with the MHC representative, they may make the selection on the form and return the form to the MHC.

13.2 THE FORMULA METHOD

The total tenant payment is equal to the highest of:

- A. 10% of monthly income;
- B. 30% of adjusted monthly income; or
- C. The welfare rent.

The family will pay the greater of the total tenant payment or the minimum rent of \$50.00. Failure to provide required information may result in a rent increase to Flat Rent until the recertification is completed.

In the case of a family who has qualified for the income exclusion at Section 11.3, upon the expiration of the 12-month period described in that section, an additional rent benefit accrues to the family. If the family member's employment continues, then for the 12-month period following the 12-month period of disallowance, the resulting rent increase will be capped at 50 percent of the rent increase the family would have otherwise received for the first year, 100% of the succeeding year.

13.3 EID TRACKING

The MHC will track the use of EID on an annual basis consistent with the residents 100%/50% window (based on date of hire).

13.4 MINIMUM RENT

The MHC has set the minimum rent at \$50.00. However if the family requests a hardship exemption, the MHC will immediately suspend the minimum rent for the family until the Housing Commission can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature.

- A. A hardship exists in the following circumstances:

1. When the family has lost eligibility for or is waiting an eligibility determination for a Federal, State, or local assistance program;
 2. When the family would be evicted as a result of the imposition of the minimum rent requirement;
 3. When the income of the family has decreased because of changed circumstances, including loss of employment;
 4. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
 5. When a death has occurred in the family.
- B. No hardship. If the MHC determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension.
- C. Temporary hardship. If the MHC reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will be not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The MHC will offer a repayment agreement in accordance with the Section 19 of this policy for any rent not paid during the period of suspension. During the suspension period the MHC will not evict the family for nonpayment of the amount of tenant rent owed for the suspension period.
- D. Long-term hardship. If the MHC determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
- E. Minimum rents and cable TV will not be prorated for partial month occupancy.
- F. Appeals. The family may use the grievance procedure to appeal the MHC's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.

13.5 THE FLAT RENT

The MHC has set a flat rent for each public housing unit. In doing so, it considered the size and type of the unit, as well as its condition, amenities, services, and neighborhood. The MHC determined the market value of the unit and set the rent at the market value. The amount of the flat rent will be reevaluated annually and adjustments applied. Affected families will be given a 30-day notice of any rent change. Adjustments are

applied on the annual recertification date for each affected family (for more information on flat rents, see Section 13.1).

The MHC will post the flat rents at each of the developments and at the central office and are incorporated in this policy upon approval by the Board of Commissioners.

13.6 RENT FOR FAMILIES UNDER THE NONCITIZEN RULE

A mixed family will receive full continuation of assistance if all of the following conditions are met:

- A. The family was receiving assistance on June 19, 1995;
- B. The family was granted continuation of assistance before November 29, 1996;
- C. The family's head or spouse has eligible immigration status; and
- D. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision, the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three (3) years. If granted after that date, the maximum period of time for assistance under the provision is eighteen (18) months. The MHC will grant each family a period of six (6) months to find suitable affordable housing. If the family cannot find suitable affordable housing, the MHC will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

The family's assistance is prorated in the following manner:

- A. Determine the 95th percentile of gross rents (tenant rent plus utility allowance) for the MHC. The 95th percentile is called the maximum rent.
- B. Subtract the family's total tenant payment from the maximum rent. The resulting number is called the maximum subsidy.
- C. Divide the maximum subsidy by the number of family members and multiply the result times the number of eligible family members. This yields the prorated subsidy.

- D. Subtract the prorated subsidy from the maximum rent to find the prorated total tenant payment. From this amount subtract the full utility allowance to obtain the prorated tenant rent.

13.7 EXCESS UTILITY ALLOWANCE (FAMILY HOUSING)

The MHC shall establish a utility allowance for electricity. The allowance will be based on a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment. In setting the allowance, the MHC will review the actual consumption of tenant families as well as changes made or anticipated due to modernization (weatherization efforts, installation of energy-efficient appliances, etc). Allowances will be evaluated at least annually as well as any time utility rate changes by 10% or more since the last revision to the allowances.

For MHC paid utilities, the MHC will monitor the utility consumption of each household. Any consumption in excess of the allowance established by the MHC will be billed to the tenant quarterly.

For residents with air conditioners at Pine Ridge Apartments, their monthly excess utility charge shall be based on the wattage of the air conditioner being used. Resident is required to provide the MHC with this information upon request.

Requests for relief from surcharges for excess consumption of MHC purchased utilities or may be granted by the MHC on reasonable grounds. Requests shall be granted to families that include an elderly member or a member with disabilities. Requests by the family shall be submitted under the Reasonable Accommodation Policy. Families shall be advised of their right to individual relief at admission to public housing and at time of utility allowance changes.

13.8 *PAYING RENT*

Rent and other charges are due and payable on the first day of the month. All rents should be paid at 316 Pine Street,(Pine Ridge). Reasonable accommodations for this requirement will be made for persons with disabilities. As a safety measure, no cash shall be accepted as a rent payment

The MHC will charge a \$15.00 late fee each time the rent has not been paid prior to close of business (4:00 PM EST) on the 5th day of the month. If the 5th falls on a weekend or holiday, the MHC will assess the late charge if the rent has not been received by 8 AM EST the following normal work day. For convenience, payment may be placed in the rent drop box located at Pine Ridge Apts., 316 Pine St., Marquette. If rent is paid by a personal check and the check is returned for insufficient funds, this shall be considered a non-payment of rent. A check returned for non-sufficient funds shall be considered non-payment of rent and will require future rent be paid by money order only. A charge of \$15.00 will be assessed to the resident if a check is returned for non- sufficient funds. In addition, a charge of \$15.00 will be assessed to the resident every time rent or any other outstanding balance is late, regardless of the amount.

14.0 CONTINUED OCCUPANCY AND COMMUNITY SERVICE

14.1 GENERAL

In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service (not including political activities) within the community in which the MHC development is located, or (2) participate in an economic self-sufficiency program unless they are exempt from this requirement.

14.2 EXEMPTIONS

The following adult family members of tenant families are exempt from this requirement.

Family members who are 62 or older

Family members who are blind or disabled

Family members who are the primary care giver for someone who is blind or disabled

Family members engaged in work activity

Family members who are exempt from work activity under Part A Title IV of the Social Security Act or under any other State welfare program, including welfare-to-work program

Family members receiving assistance under a State program funded under Part A, Title IV of the Social Security Act or under any other State welfare program, including welfare-to-work and who are in compliance with that program.

Families participating in a Self-Sufficiency Program or are in school for at least 8 hours per month or a combination of each activity for a total of 8 hours per month.

14.3 NOTIFICATION OF THE REQUIREMENT

The MHC shall identify all adult family members who are apparently not exempt from the community service requirement.

The MHC shall notify all such family members of the community service requirement and of categories of individuals who are exempt from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status. The MHC shall verify such claims.

The notification will advise families that their community service obligation will begin upon the effective date of their first annual reexamination on or after 10/1/99. For family's paying a flat rent, the obligation begins on the date their annual reexamination would have been effective had an annual reexamination taken place. It will also advise them that failure to comply with the community service requirement

will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

14.4 VOLUNTEER OPPORTUNITIES

Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident with the community.

An economic self-sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to Ready a participant to work (such as substance abuse or mental health treatment).

The MHC will coordinate with social service agencies, local schools, and the Human Resources Office in identifying a list of volunteer community service positions.

The MHC may create volunteer positions such as hall monitoring, litter patrols, and supervising and record keeping for volunteers.

14.5 THE PROCESS

At the first annual reexamination on or after October 1, 1999, and each annual re-examination thereafter, the MHC will do the following:

- A. Provide information about obtaining suitable volunteer positions.
- B. Provide a volunteer time sheet to the family member. Instructions for the time sheet require the individual to complete the form and have a supervisor date and sign for each period of work.
- C. MHC staff will assist the family members in identifying appropriate volunteer positions and in meeting their responsibilities. Family members shall track their monthly progress and report about any problems or concerns to MHC staff at the development in which they reside.
- D. At FYE, MHC will determine whether each applicable adult family member is in compliance with the community service requirement.

14.6 NOTIFICATION OF NON-COMPLIANCE WITH COMMUNITY SERVICE REQUIREMENT

The MHC will notify any family found to be in noncompliance of the following:

- A. The family member(s) has been determined to be in noncompliance;

That the determination is subject to the grievance procedure; and

That, unless the family member(s) enter into an agreement to comply, the lease will not be renewed or will be terminated;

14.7 OPPORTUNITY FOR CURE

The MHC will offer the family member(s) the opportunity to enter into an agreement prior to the anniversary of the lease. The agreement shall state that the family member(s) agrees to enter into an economic self-sufficiency program or agrees to contribute to community service for as many hours as needed to comply with the requirement over the past 12-month period. The cure shall occur over the 12-month period beginning with the date of the agreement and the resident shall at the same time stay current with that year's community service requirement. The first hours a resident earns goes toward the current commitment until the current year's commitment is made. Compliance will be monitored on a quarterly basis. The Cure Compliance Agreement can be for a period of one month to not more than a 12-month period.

If any applicable family member does not accept the terms of the agreement, does not fulfill their obligation to participate in an economic self-sufficiency program, or falls behind in their obligation under the agreement to perform community service by more than three (3) hours after three (3) months, the MHC shall take action to terminate the lease.

15.0 RECERTIFICATIONS

At least annually, the MHC will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family is housed in the correct unit size.

15.1 GENERAL

The MHC will send a notification letter to the family letting them know that it is time for their annual reexamination. At the conclusion of their annual recertification, the family would be given the option of selecting either the flat rent or formula method. If the family thinks they may want to switch from a flat rent to a formula rent, they should request such. The notification letter tells families who may need to make alternate arrangements due to a disability that they may contact staff to request an accommodation of their needs.

Failure to provide updated information may result in a rent increase to Flat Rent until a recertification is completed. Once all verifications are in, rent will be assessed at 30% of the resident's adjusted income. Such rent will be effective the next following month, not charged retroactively (unless fraud is involved).

During the appointment, the MHC will determine whether family composition may

require a transfer to a different bedroom size unit, and if so, the family's name will be placed on the transfer list.

15.2 MISSED APPOINTMENTS

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the MHC taking eviction actions against the family.

15.3 FLAT RENTS

The annual letter to flat rent payers regarding the reexamination process will state the following:

- A. Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the reexamination process and having their rent based on the formula amount.
- B. The amount of the flat rent.
- C. Information about formula rents.
- D. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they otherwise would undergo.
- E. Families who opt for the flat rent may request to have a reexamination and return to the formula-based method at any time for any of the following reasons:
 - 1. The family's income has decreased.
 - 2. The family's circumstances have changed increasing their expenses for child care, medical care, etc.
 - 3. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.
- F. The dates upon which the MHC expects to review the amount of the flat rent, the approximate rent increase the family could expect, and the approximate date upon which a future rent increase could become effective.
- G. The name and phone number of an individual to call to get additional information or counseling concerning flat rents.
- H. A certification for the family to sign accepting or declining the flat rent.

Each year at least 60 days prior to their anniversary date, MHC will send a reexamination letter to the family. The opportunity to select the flat rent is available only at the time of recertification. At the appointment, the MHC may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with the MHC representative, they may make the selection on the form and return the form to the MHC. In such case, the MHC will cancel the appointment.

15.4 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS

The new rent will generally be effective upon the anniversary date with thirty (30) days notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30-day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

15.5 INTERIM REEXAMINATIONS

Any and all reports in changes in family income, assets, composition, medical expenses, disability, child care expense, or any circumstances that may affect rent, must be submitted in writing using the MHC's Tenant Report of Change Form (unless prior written approval from staff is given). Verbal reports will not be accepted.

During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified.

Families are required to report the following changes to the MHC between regular reexaminations. If the family's rent is being determined under the formula method, these changes will trigger an interim reexamination. The family shall report these changes within ten (10) days of their occurrence.

- A. A member has been added to the family through birth or adoption or court-awarded custody, marriage, live in aide, or familial status.
- B. A household member is leaving or has left the family unit.
- C. Changes in income, assets, family composition or expenses (medical, child care).

In order to add a household member other than through birth or adoption (including a live-in aide), the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The

individual must provide their Social Security number if they have one and must verify their citizenship/eligible immigrant status. (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family.) The new family member will go through the screening process similar to the process for applicants. The MHC will determine the eligibility of the individual before adding them to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, their name will be added to the lease. At the same time, if the family's rent is being determined under the formula method, the family's annual income will be recalculated taking into account the circumstances of the new family member. The effective date of the new rent will be in accordance with paragraph below 15.5. In the case of unofficial live ins, the MHC may issue a No Trespass Order in accordance with the duly adopted No Trespass Order Policy.

Although required to be reported within 10 days of the change (such as changes in food stamps or other excluded income), any processing will not take place until the participants next Annual Recertification.

For temporary interim decreases in family income, the loss of income must exceed 30 days before the MHC will verify and process any change in rent.

For decreases in child support, the participant must provide proof that they have not received payment in at least 30 days AND proof of current legal action taken to recover such payments before the MHC will process the change.

Monthly income increases that total \$50 or less (unless the participant has 0 income) will not be performed until the participants next Annual Recertification.

15.6 SPECIAL REEXAMINATIONS

If a family's income is too unstable to project for twelve (12) months or have a temporary decrease in income, the MHC may schedule special reexaminations every sixty (60) days until the income stabilizes and an annual income can be determined. Families with no income shall be recertified every sixty (60) days.

Residents that are on minimum rent due to excluded or disregarded income will not be required to recertify every sixty (60) days.

15.7 EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL REEXAMINATIONS

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

15.8 FRAUD

The MHC shall deny admission to applicants who have committed fraud in connection with any Federal, State or Local government program. If it is found that resident misrepresented the facts upon which his/her rent is based so that the rent (s)he is paying is less than (s)he should have been charged, the increase in rent will be made retroactive and the family will/may be subject to eviction. If a resident fails to report changes of income or family composition in a timely manner for verification, the rent which should have been charged shall be made retroactive to the date of the change.

Staff will investigate any and all suspected fraud cases in a timely manner. Thirty days from knowledge of such fraud shall be considered a reasonable time in which to conduct the necessary investigation. Any resulting retroactive rent shall be charged to the resident within sixty days of the initial knowledge of fraud.

In fraud cases, penalties shall be as follows:

1. If the retroactive rent calculation results in a total tenant repayment of \$100 or less, the MHC will send a letter warning the offender of the penalties associated with fraud (repayment, possible referral to OIG or local prosecuting attorney, credit bureau, possible program termination, etc.). The resident will be given thirty (30) days to pay the full amount owing; no repayment agreement will be offered. Failure to pay will result in the issuance of a Notice to Quit.

2. If the retroactive rent calculation results in a total between \$101 and \$2,000.00, the MHC will send a letter warning the offender of the penalties associated with fraud (repayment, possible referral to OIG or local prosecuting attorney, credit bureau possible program termination, etc.,. The Resident will be given the option of entering into a repayment agreement not to exceed six months and placed on a 12 month probation. While on this 12 month probation, should the resident violate any other Lease Provision, the Resident will be served with a Cause Eviction and their lease will be terminated.

3. If the retroactive rent calculation results in a total over and above \$2,000.00, the Resident will be served with a Notice to Quit, the lease will be terminated, the amount owed will be due in full within 30 days and the case may be turned over to the OIG and/or local prosecuting attorney. After 30 days, if full payment is not made, the MHC will notify the Credit Bureaus of such balance.

4. *If the resident commits fraud (fails to report changes in income, assets, family composition, changes in circumstances that affect deductions) more than once during*

their tenancy, a Notice to Quit will be issued and the lease will be terminated. The MHC may notify OIG and/or local prosecuting attorney. The MHC will continue its efforts to collect any outstanding debt owed by the resident, including any retroactive rent resulting from the fraud..

16.0 UNIT TRANSFERS

16.1 OBJECTIVES OF THE TRANSFER POLICY

Reassignments or transfer to other dwelling units shall be made without regard to race, creed, color, national origin, religion, sex, disability, marital status, lawful source of income, sexual preference or familial status and to alleviate a medical problem (verified in writing by a licensed physician or psychiatrist. Residents shall not be transferred to a dwelling unit of equal bedroom size either within a development or between developments except for alleviating hardships as determined by the Executive Director/Housing Manager or his/her designee. Transfers within the development shall be made only to correct occupancy standards. Transfers between developments shall be made for families requiring larger or smaller size units which do not exist within a development.

The objectives of the Transfer Policy include the following:

- A. To address emergency situations.
- B. To fully utilize available housing resources while avoiding overcrowding by insuring that each family occupies the appropriate size unit. The occupancy standards of the MHC shall balance the need to avoid overcrowding with the need to make the best use of available space. If a unit becomes overcrowded or underutilized, the family will be required to move to an appropriate size unit as soon as one becomes available.
- C. To facilitate a relocation when required for modernization or other management purposes.
- D. To facilitate relocation of families with inadequate housing accommodations.
- E. To eliminate vacancy loss and other expense due to unnecessary transfers. Transfers should be the exception, not the rule.
- F. To make a handicap accessible unit available for an applicant with special needs by a resident placed in a handicap unit during a time when no handicapped applicant was interested.
- G. Transfers should be the exception, not the rule.

16.2 CATAGORIES OF TRANSFERS

Category 1: Emergency transfers. These transfers are necessary when conditions pose an

immediate threat to the life, health, or safety of a family or one of its members. Such situations may involve defects of the unit or the building in which it is located, the health condition of a family member, a hate crime, the safety of witnesses to a crime, or a law enforcement matter particular to the neighborhood.

Category 2: Immediate administrative transfers. These transfers are necessary in order to permit a family needing accessible features to move to a unit with such a feature or to enable modernization work to proceed.

Category 3: Regular administrative transfers. These transfers are made to offer incentives to families willing to help meet certain MHC occupancy goals, to correct occupancy standards where the unit size is inappropriate for the size and composition of the family, to allow for non-emergency but medically advisable transfers, and other transfers approved by the MHC when a transfer is the only or best way of solving a serious problem.

16.3 DOCUMENTATION

When the transfer is at the request of the family, the family may be required to provide third party verification of the need for the transfer. For medical purposes, a licensed physician or psychiatrist must verify the need and how the transfer would remedy the medical condition.

Transfer requests will be permitted only if the following eligibility criteria are met:

- A. Have been a tenant in good standing for the immediate past twelve (12) months.
- B. Adult members who are required to perform community service have been current in these responsibilities since the inception of the requirement or for one year which ever is less;
- C. The family is current in the payment of all charges owed the MHC and has not paid late rent in the immediate last full year;
- D. The family passes a current housekeeping inspection and does not have any record of housekeeping problems during the last year;
- E. The family has not materially violated the lease over the immediate past one year by disturbing the peaceful enjoyment of their neighbors, caused damages, by engaging in criminal or drug-related activity, or by threatening the health or safety of tenants, others or Housing Commission staff.

16.4 PROCESSING TRANSFERS

Transfers on the transfer waiting list will be sorted by the above categories and within each category by date and time.

Emergency transfers will be housed ahead of any other families, including those on the applicant waiting list.

Transfers in category C will be housed as needed.

Upon offer and acceptance of a unit, the family will execute all lease up documents and pay any rent and/or security deposit within three (3) days of being informed the unit is ready to rent. The family will be allowed fourteen (14) calendar days to complete a transfer.

The following is the policy for the rejection of an offer to transfer:

- A. If the family rejects with good cause any unit offered, they will not lose their place on the transfer waiting list.
- B. If the transfer is being made at the request of the MHC for modernization or other management purposes, the family will be required to transfer to the first unit offered by the MHC.
- C. If the transfer is being made at the family's request, the family will maintain their place on the transfer list and will not otherwise be penalized.
- D. If the transfer is being made at the family's request the family will maintain their the family will maintain their place on the transfer list and will not otherwise be penalized.
- E. If the transfer is being made at the family's request, the family may, without good cause and without penalty, turn down one offer. After turning down a second such offer without good cause, the family's name will be removed from the transfer list.

16.5 COST OF THE FAMILY'S MOVE

The cost of the transfer generally will be borne by the family in the following circumstances:

- A. When the transfer is made at the request of the family or by others on behalf of the family (i.e. by the police);
- B. When the transfer is needed to move the family to an appropriately sized unit, either larger or smaller;
- C. When the transfer is necessitated because a family with disabilities needs the accessible unit into which the transferring family moved (The family without disabilities signed a statement to this effect prior to accepting the accessible unit);
or
- D. When the transfer is needed because action or inaction by the family caused the

unit to be unsafe or uninhabitable.

The cost of the transfer will be borne by the MHC in the following circumstances:

- A. When the transfer is needed in order to carry out rehabilitation activities; or
- B. When action or inaction by the MHC has caused the unit to be unsafe or uninhabitable.

The responsibility for moving costs in other circumstances will be determined on a case by case basis.

16.6 TRANSFER REQUESTS

A tenant may request a transfer at any time.

The MHC will grant or deny the transfer request in writing within ten (10) business days of receiving the request.

If the transfer is approved, the family's name will be added to the transfer waiting list.

16.7 RIGHT OF THE MARQUETE HOUSING COMMISSION IN TRANSFER POLICY

The provisions listed above are to be used as a guide to insure fair and impartial means of assigning units for transfers. It is not intended that this policy will create a property right or any other type of right for a tenant to transfer or refuse to transfer.

17.0 INSPECTIONS

An adult family member will inspect the premises prior to commencement of occupancy and turn in the signed Inventory Check List to MHC within seven (7) days. A written statement of the condition of the premises will be made, all equipment will be provided, and the statement will be signed by both parties with a copy retained in the MHC file and a copy given to the family member. An authorized MHC representative will inspect the premises at the time the resident vacates. In accordance with State law, the MHC will furnish a statement of any charges to be made. The resident's security deposit and pet deposit can be used to offset against any MHC damages to the unit.

The MHC does not provide carpeting in dwelling units. Should a resident accept carpeting in place at time of move in, it is understood that such resident assumes all responsibility for its care and/or removal. Ownership of the carpeting passes on to the new resident.

Should a new resident accept an apartment in "as is" condition, such resident will be required to leave it, at move out, in a good clean condition. "As is" shall be defined as requiring minor repairs and some cleaning (such as washing windows or floors).

17.1 MOVE-IN INSPECTIONS

An adult member of the family will inspect the unit prior to move in. Both parties will sign a written statement of the condition of the unit. A copy of the signed inspection will be given to the family and the original will be placed in the tenant file.

17.2 ANNUAL INSPECTIONS

The MHC will inspect each public housing unit annually to ensure that each unit meets the MHC's and HUD's housing standards. Work orders will be submitted and completed to correct any deficiencies.

17.3 PREVENTATIVE MAINTENANCE INSPECTIONS

This is generally conducted along with the annual inspection. This inspection is intended to keep items in good repair. It checks weatherization; checks the condition of the smoke detectors, water heaters, furnaces, automatic thermostats and water temperatures; checks for leaks; and provides an opportunity to change furnace filters and provide other minor servicing that extends the life of the unit and its equipment.

17.4 SPECIAL INSPECTIONS

A special inspection may be scheduled to enable HUD or others to inspect a sample of the housing stock maintained by the MHC or in cases where the MHC has cause to believe a problem exists.

17.5 HOUSEKEEPING INSPECTIONS

At other times as necessary, the MHC will conduct a housekeeping inspection to ensure the family is maintaining the unit in a safe and sanitary condition.

17.6 NOTICE OF INSPECTION

For inspections defined as annual inspections, preventative maintenance inspections, special inspections, and housekeeping inspections the MHC will give the tenant at least forty eight (48) hours written notice.

17.7 EMERGENCY INSPECTIONS

If any employee and/or agent of the MHC has reason to believe that an emergency exists within the housing unit, the unit can be entered without notice. The person(s) that enters the unit will leave a written notice to the resident that indicates the date and time the unit was entered and the reason why it was necessary to enter the unit.

17.8 MOVE-OUT INSPECTIONS

The MHC conducts the move-out inspection after the tenant vacates and turns in all keys to assess the condition of the unit and determine responsibility for any needed repairs. When possible, the tenant is notified of the inspection and is encouraged to be present. This inspection becomes the basis for any claims that may be assessed against the security deposit.

18.0 PET POLICY

The MHC will allow for pet ownership according to the MHC's Pet Policy.

18.1 APPROVAL

Residents must have prior approval of the MHC before moving a pet into their unit. Approval is contingent upon meeting the requirements of this policy including but not limited to payment of the Pet Deposit, registration, shots, *and an* assignment of a person to look after pet in owner's absence.

All pet information must be verified and updated at the resident's annual recertification including all shot records, licenses and health information.

18.2 TYPES AND NUMBER OF PETS

Residents shall be permitted to have common household pets as listed below:

- A. Birds – Canary, parakeet, finch and other species that are normally kept in cages (birds of prey are not permitted).
- B. Fish – In tanks or aquariums, not to exceed 20 gallons in capacity. Poisonous or dangerous fish are not permitted.
- C. Rodents: Rabbits, hamsters, ferrets, gerbils, rats and mice permitted. However, a family cannot have more than one rabbit, hamster, ferret, gerbil, rat or mouse.

Dogs – Not to exceed 30 lbs in weight and 18" high at the withers. Females must be spayed and males neutered. Seeing eye dogs are an exception on weight and height. No attack or fight-trained dogs permitted.

Cats – Must be neutered or spayed and declawed or have a scratching post.

Dogs and Cats – In case of kittens or puppies too young to be spayed/neutered, they must be spayed/neutered at the earliest age possible and proof of such must be provided to the LSV Office in case of family housing and at Pine Ridge in the case of senior housing.

- D. Resident may have two of any one of the following: lizards, iguana, turtles or frogs.

- E. Exotic pets, such as snakes, monkeys, game pets, etc. will NOT be permitted.
- F. In a household, family may have not more than one dog or one cat. In addition to the one dog or cat, the family may have one other pet as is allowed by this policy. If the family has no dog or cat, they may be permitted to have two other pets of other types allowed and identified in this policy. No family, however, may have more than one rabbit, hamster, gerbil, ferret, mouse or rat. They may have one gerbil and one rabbit, or any combination thereof.

18.3 INOCULATIONS

Dogs and cats must be inoculated as required by veterinarians for the following:

Dogs	Cats
Rabies	Rabies
Distemper	Feline distemper
Hepatitis	Rhinotracheitis
Parainfluenza	Calici virus
Paravirus	Panleukopenia virus
Leptosporosis	

Every dog and cat must wear a tag containing the owner's name, address and phone number and a valid rabies tag.

All fur-bearing pets must wear flea collars at all times or be on flea prevention medication. This rule must be adhered to for the protection of non-pet residents.

18.4 PET DEPOSIT

For dogs and cats, pet owner agrees to pay \$100 as a Pet Deposit. This will be over and above the required security deposit to be used as collateral in case of damage in the apartment or Commission property. The Pet Deposit shall be paid in full at the time of admission. In the case of a resident already in possession of an apartment after the adoption of this policy, the full deposit shall be paid before the pet is acquired. The deposit is to be paid at the main office at 316 Pine Street. For LSV, the receipt must be shown at the LSV office to register the pet.

Within thirty (30) days of the move out inspection, the Pet Deposit will be returned to the resident provided there are no pet related damages, unpaid rent, or any other outstanding debts owed the MHC. Should the pet and apartment security deposits exceed debts owed the MHC, such balance will be returned to the resident.

18.5 FINANCIAL OBLIGATION OF RESIDENTS

Pet owners are liable for any damages caused by their pet. Liability is not limited to the amount of the pet deposit. Resident will be required to reimburse the MHC for any and all real costs caused by his/her pet where damage exceeds the pet deposit.

A \$25.00 per offense clean up charge will be charged to the family for pet waste found in buildings or on Housing Commission property.

18.6 NUISANCE OR THREAT TO HEALTH OR SAFETY

If the pet poses a nuisance, such as but not limited to, excessive noise, barking, whining, digging, or running loose) which is disruptive to others, owner will remove the pet from the premises within fourteen (14) days of a request to do so by the MHC or face eviction. Unregistered pets or pets not in compliance with this policy must be removed within seven (7) calendar days of notice by the MHC.

Residents who violate the Pet Policy as it relates to dogs and cats, will no longer be permitted to have a dog or cat as long as they resident in MHC property.

Any pet that causes any bodily injury to any resident, guest, visitor or MHC staff member shall be immediately and permanently removed from the premises without prior notification. Such pet may not be replaced because the resident has just demonstrated their inability to control their pet.

18.7 VISITING PETS

Residents will not be allowed to pet sit or to house a pet without fully complying with this policy (including payment of a Pet Deposit).

18.8 OTHER CONDITIONS

All pets must be on a leash when not in the owner's home. Leash must be no longer than 4' and dogs must be appropriately and effectively restrained and under the control of a responsible individual at all times. At no time may the animal be tied where it can get into a neighbor's yard.

No pet shall be tied up or left unattended in the common areas or outside of the building(s) (such as the day care center or youth center) at any time on Housing Commission property.

All birds must be provided with, and in a cage when outside the resident's home.

Dogs must be house broken.

Dogs and cats shall not be permitted to excrete anywhere in the building (other than using litter box in resident's home). Pet owner shall be responsible for the immediate removal of feces dropped anywhere in the building or on the grounds. Waste must be placed in a plastic bag, tied securely and deposited directly into the trash.

Kitty litter must be cleaned on a daily basis, disposing of feces in a plastic bag tied securely and placed in the trash.

All apartments with pets must be kept free of pet odors and maintained in a clean and sanitary manner.

No dog houses will be permitted.

At no time will pets be allowed in or around the child care center, Youth Center or common areas except when leaving or entering resident's home.

At Pine Ridge, pets are not to be in any common area except to enter or exit the building with their owner. This is a courtesy for those who are allergic to animals.

Every pet must be registered annually with the MHC. Registration includes the following:

Proof of current license (dogs only)	Proof of inoculations
Identification tag	Proof of spaying//neutering if not already provided
Photograph of pet	Cats must be declawed or have a scratching post
Certificate of good health from a vet	

All families who have a pet must designate annually a person to serve as the pet's custodian when the head of household will be absent from the unit.

Cats and rabbits must be provided with a litter box and be litter box trained. Litter is not to be dumped on MHC property.

18.9 GRANDFATHER CLAUSE

Any resident in possession of a pet which has been approved by the Marquette Housing Commission prior to the adoption of this policy 1) will be grandfathered in; 2) should something happen to such pet(s) (such as death or run/given away) resident may not get another pet without coming into compliance with this Pet Policy.

19.0 REPAYMENT AGREEMENTS

When a resident owes the MHC back charges and is unable to pay the balance by the due date, the resident may request that the MHC allow them to enter into a Repayment Agreement. The MHC has the sole discretion of whether to accept such an agreement. All Repayment Agreements must assure that the full payment is made within a period not to exceed twelve (12) months or other reasonable period *with the exception of fraud cases. For fraud cases refer to 15.8.* All Repayment Agreements (*except fraud cases, refer to 15.8*) must be in writing and signed by both parties. Failure to comply with the Repayment Agreement terms may subject the Resident to eviction procedures.

20.0 TERMINATION

20.1 TERMINATION BY TENANT

The tenant may terminate the lease at any time upon submitting a *thirty (30)* day notice in writing. If the tenant vacates prior to the end of the *thirty (30)* days, they will be responsible for rent through the end of the notice period or until the unit is re-rented, whichever occurs first.

20.2 TERMINATION BY THE HOUSING COMMISSION

The MHC will terminate the lease for serious or repeated violations of material lease terms. Refer to MHC Rent Collection Policy for details. Such violations include but are not limited to the following:

- A. Nonpayment of rent or other charges; (see details below)
- B. A history of late rental payments;
- C. Failure to provide timely and accurate information regarding family composition, income circumstances, or other information related to eligibility or rent;
- D. Failure to allow inspection of the unit;
- E. Failure to maintain the unit in a safe and sanitary manner;
- F. Assignment or subletting of the premises;
- G. Use of the premises for purposes other than as a dwelling unit (other than for housing authority approved resident businesses);
- H. Destruction of property;
- I. Acts of destruction, defacement, or removal of any part of the premises or failure to cause guests to refrain from such acts;
- J. Any criminal activity, drug-related activity or any evidence of drug/drug-related activity on or off the premises. This includes but is not limited to the manufacture of methamphetamine on the premises of the MHC;
- K. Non-compliance with Non-Citizen Rule requirements;
- L. Permitting persons not on the lease to reside in the unit more than fourteen (14) days each year without the prior written approval of the Housing Authority; and
- M. Violation of the Computer Use Guidelines and/or Agreement of Understanding Computer Use at Pine Ridge
- N. Allowing people on the No Trespass List or a Sex Offender on public housing Property, can result in eviction.

- O. Committed fraud as defined by the MHC.
- P. All residents have the right to follow the established Marquette Housing Commission Grievance Procedure. A request for a grievance hearing must be made within ten (10) business days of the Notice to Quit.
- Q. For purposes of eviction, monthly rent, retroactive rent, utilities, repairs, past and present legal fees, garbage fees, dog feces fees, and any other fees charged to the Resident, shall be part of, included in and due with the Notice to Quit.
- R. Violence Against Women Act: Joint and Several Liability: Each adult resident signing the lease expressly agrees and acknowledges that (s)he is jointly and severally liable for any and all damages, fees, charges or rents arising out of the tenancy, whether those damages, fees, charges, or rents were caused by or incurred by the resident or someone else. Bifurcation: In the event Management terminates the lease, the MHC reserves the right to bifurcate the lease obligations and rights of the various adult residents. The MHC may bifurcate this lease in order to evict, remove or terminate assistance to an individual who is a tenant or lawful occupant. This means that the parties agree that the MHC may, at its option and under its sole discretion, choose to take action or other action against one adult resident without taking the same action against another adult resident. Also see 22.8, Violence Against Women’s Act, Bifurcation.

The MHC will take immediate action to evict any household that includes an individual who is subject to a lifetime registration requirement under a State Sex Offender registration program. Guests or visitors who are on the State Sex Offender registration program are prohibited from being on MHC property and a resident can be evicted for allowing them on the property.

Resident will be charged administrative costs directly related to bringing eviction action against a resident for non-payment of rent or for cause. This includes staff time, processing fees (including postage) and any other direct costs. This is in addition to attorney fees, court costs and other related fees.. Such administrative costs will be based on the employees pay who is performing this function (including value of fringe benefits).

The MHC will charge a \$15.00 late fee each time the family’s rent has not been paid prior to close of business (4:00 PM EST) on the 5th day of the month. If the 5th falls on a Saturday, Sunday or holiday, the MHC will assess the late charge if rent has not been received by 8:00 AM EST the following normal work day. For convenience of the resident, payment may be placed in the rent drop box located at Pine Ridge Apartments, 316 Pine Street, Marquette.

Refer to MHC Rent Collection Policy for details.

20.3 ABANDONMENT

The MHC considers a unit to be abandoned where a resident has clearly indicated by

words or actions an intention not to continue living in the unit. An arrearage in rent owed to the MHC will also be taken into consideration to determine as to whether a unit has been abandoned. Examples include, but are not limited to, observation by any MHC employee of a resident packing and removing their belongings from a unit, statements made to the MHC by neighbors or relatives or others indicating that a unit has been abandoned or will be abandoned (confirmation will be sought from the resident as soon as possible, unless it is clear that the resident has removed their belongings from the unit), or when a resident has forwarded their mail and/or has not retrieved mail to the premises within a two week period of time. In the event the resident is away from the unit, without intent to abandon, it is the resident's sole responsibility to make arrangements for the pick up of mail, newspaper, or other such items delivered to their unit. When the MHC considers a unit to be abandoned, it will post a "Notice of Abandonment" on the door of the residence and send a *copy* by first class mail along with a "Notice to Quit". It is understood, as previously allowed under the Dwelling Lease Agreement, attorney's fees and court costs will be passed on to the resident. If the resident has failed to provide a new address for forwarding by the U.S. Post Office and mail is returned as undeliverable or by lack of forwarding order, this will be conclusive proof that the resident has relinquished any claim in the property so abandoned. A "Notice of Abandonment" may be sent at any time the MHC has cause to consider a unit to be abandoned, not limited to the circumstances set forth above. The "Notice of Abandonment" will explain to the resident the abandonment policy, the date of the termination of notice (thirty days from the date of posting), and the date when the MHC will no longer retain any abandoned property (sixty days from the date of notice).

When a unit has been abandoned, a MHC representative may enter the unit to secure the unit, make sure all MHC property is safe, and ascertain if property has been left in the unit. Items clearly defined as garbage or trash will be removed from the unit to make the unit safe and sanitary, and the charges for removal will be added to the resident's account. The unit will stay posted for thirty days. During the thirty day period the resident can come in and sign an "Inventory Checklist" relinquishing the unit, provide a forwarding address, return all keys to the unit, and remove any personal property from the unit. If that should occur, the MHC will process the unit as if no abandonment had occurred and all normal charges will be added to the resident's account. When the thirty days has passed, the locks on the unit will be changed, and any items of property left in the unit may be removed to a storage facility, retained in the unit or another reasonably secured location. Property totaling \$100.00 or more will be retained. At that time a second thirty day notice (Notice of Sale or Disposition") will be mailed to the resident by first class mail informing the resident of where the items are being retained, that there may be charges for the storage of these items, and the method that the MHC will use to dispose of these items. The "Notice of Sale or Disposition" will be the only direct communication notice to the resident of the MHC's intent to sell or dispose of the property. All sales of property claimed as abandoned by the MHC will be noted in a newspaper of general circulation in the Marquette County area, on or after the 30th day from the date the "Notice of Sale and Disposition" is sent to the resident.

Property sold by the MHC, regardless of value, will take place only after both the "Notice of Abandonment" and the "Notice of Sale or Disposition" to the resident has occurred, but in no event earlier than 60 days from the original posting of the "Notice of

Abandonment". All items of property can be reclaimed at any time by the resident upon receipt of a signed written request/statement that the resident relinquishes the unit, the return of the keys, and payment of all rent and charges due and owing to the MHC. The letter must include a verified address and telephone number where the former resident may be reached.

It is the policy of the MHC to also retain family pictures, keepsakes, and personal papers and documents for 60 days after the original posting and mailing of the "Notice of Abandonment". These items can be reclaimed with a written request that includes a verified address and telephone number where the former resident may be reached.

Upon sale of abandoned property, any money so raised will be applied to any sums owed by the resident or resident's family to the MHC such as back rent, utilities, or other services or fees, damage to the unit, as well as the cost of storage and sale of goods. Any funds left over as a result will be forwarded to any forwarding address provided to the MHC by the former residents, however, if the address is not known, the MHC will keep the money on deposit with a local bank for a period of time not to exceed one year. If the funds are not claimed in writing by the resident within that time, ownership of the funds will revert to the MHC.

This provision with respect to abandonment does not alter the obligation of the MHC to either return any security deposits paid or to provide a written statement of why the security deposit is being kept. Residents should make every reasonable effort to advise the MHC of their forwarding address, or of any circumstances that requires them to abandon their unit, in order to prevent the potential loss of personal property by notification of abandonment and subsequent sale. It is not the desire nor the intent of the MHC to declare personal property as abandoned, nor is it the desire nor the intent of the MHC to become a depository or auctioneer for property abandoned by residents. Accordingly, it is the resident's sole and distinct obligation to notify the MHC of any circumstances, which give rise to possible abandonment of the unit and/or other reasons for termination of their residency.

20.4 RETURN OF SECURITY DEPOSIT

After a family moves out, the MHC will return the security deposit and pet deposit within 30 days or give the family a written statement of why all or part of the security deposit is being kept. The rental unit must be restored to the same conditions as when the family moved in, except for normal wear and tear. Deposits will not be used to cover normal wear and tear or damage that existed when the family moved in.

The MHC will be considered in compliance with the above if the required payment, statement, or both, are deposited in the U.S. mail with first class postage paid within 30 days.

For families paying \$50/month rent at the time of move in or move out, rent will not be pro-rated. The family will be charged the full \$50 regardless of the move in or move out date. Additionally, for families paying \$51 or more per month, they will be charged a minimum of \$50 or the prorated amount of rent based on the day they move out,

whichever is greater. (Example: Tenant # 1: Tenant's monthly rent is \$150, they move out on the 15th, their prorated rent - \$150 divided by 30 days x 15 days =, this tenant's prorated rent will be \$75.00. Tenant # 2: Tenant's monthly rent is \$51. \$51 divided by 30 days = \$1.70/day x 15 days = \$25.50. This tenant would pay \$50.00)

20.5 MISCELLANEOUS PROVISIONS

- A. Grievance Procedure: All residents have the right to follow the established Marquette Housing Commission Grievance Procedure. A request for a Grievance Hearing must be made within 5 business days of the date of the Notice to Quit.
- B. For purposes of eviction, monthly rent, retroactive rent, utilities, repairs, past and present legal fees, garbage fees, dog poop fees, and any other fees charged to the resident, shall be part of, included in and due with the Notice to Quit.

21.0 UIV (UPFRONT INCOME VERIFICATION)

HUD has provided public housing agencies with upfront income verification of wages to reduce income and rent errors and improper payments in the administration of public housing. When received, the MHC's occupancy staff shall compare tenant reported wage information against the wage information reported by the State Wage Information Collection Agency (SWICA) and promptly correct anticipated income to ensure that families are paying accurate rent. Discrepancies must be investigated and appropriate action taken. The MHC must compare UIV information with the participant, let the resident see the U.I.V. information and resolve income discrepancies promptly to determine accurate tenant rents based on available information. Once information provided under U.I.V. has been investigated, the printed material from SWICA is to be destroyed. All staff is to follow the protocol directed by the U.S. Department of Housing and Urban Development and training received by staff on July 1, 2004. Refer to the file entitled 'U.I.V' contained in the main office general files.

22.0 CONTINUED OCCUPANCY AND COMMUNITY SERVICE

22.1 GENERAL

In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service (not including political activities) within the community in which the public housing development is located, or (2) participate in an economic self-sufficiency program unless they are exempt from this requirement.

22.2. EXEMPTIONS

The following adult family members of tenant families are exempt from this requirement.

- A. Family members who are 62 or older;
- B. Family members who are blind or disabled;

- C. Family members who are the primary care giver for someone who is blind or disabled;
- D. Family member engaged in work activity;
- E. Family members who are exempt from work activity under Part A Title IV of the Social Security Act or under any other State welfare program, including the welfare-to-work program;
- F. Family members receiving assistance under State program funded under part A Title IV of the Social Security Act or under any other State welfare program, including welfare-to-work and who are in compliance with that program;
- G. Families participating in Self-Sufficiency Program or are in school for at least 8 hours per month or a combination of each activity for a total of 8 hours per month.
- H. If a family member is laid off, loses or quits their job and has worked at least 92 hours in the current fiscal year, they will be granted a 90 day grace period.

22.3 NOTIFICATION OF THE REQUIREMENT

The MHC shall identify all adult family members who are apparently not exempt from the community service requirement.

The MHC shall notify all such family members of the community service requirement and of the categories of individuals who are exempt from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status. The MHC shall verify such claims.

For family's paying a flat rent, the obligation begins on the date their annual reexamination would have been effective had an annual reexamination taken place. It will also advise them that failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

22.4 VOLUNTEER OPPORTUNITIES

Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident within the community.

An economic self-sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to ready a participant toward (such as substance abuse or mental health treatment).

22.5 THE PROCESS

Each annual reexamination, the MHC will do the following:

- A. Provide a volunteer time sheet to the family member. Instructions for the time sheet require the individual to complete the form and have a supervisor date and sign for each period of work.
- B. At the time of annual recertification, the MHC will determine whether each applicable adult family member is in compliance with the community service requirement.
- C. Resident will be responsible to pick up monthly tracking sheets from the office.

22.6 NOTIFICATION OF NON-COMPLIANCE WITH COMMUNITY SERVICE REQUIREMENT

The MHC will notify any family found to be in noncompliance of the following:

- A. The family member(s) has been determined to be in noncompliance;
- B. That the determination is subject to the grievance procedure; and
- C. That, unless the family member(s) enter into an agreement to comply, the lease will not be renewed or will be terminated.

22.7 OPPORTUNITY FOR CURE

The MHC will offer the family member(s) the opportunity to enter into an agreement prior to the anniversary of the lease. The agreement shall state that the family member(s) agrees to enter into an economic self-sufficiency program or agrees to contribute to community service for as many hours as needed to comply with the requirement over the past 12 month period. The cure shall occur over the 12 month period beginning with the date of the agreement and the resident shall at the same time stay current with that year's commitment until it is made. Compliance will be monitored on a quarterly basis. The Cure Compliance Agreement can be for a period of one month to no more than a 12 month period.

If any applicable family member does not accept the terms of the agreement, does not fulfill their obligation to participate in an economic self-sufficiency program, or falls behind in their obligation under the agreement to perform community service by more than three (3) hours after three (3) months., the MHC shall take action to terminate the lease.

Family members will be permitted to "bank" hours. In other words, a family member may perform community service of more than 8 hours in a given month to be applied to a future month.

22.8 VIOLENCE AGAINST WOMEN'S ACT AND BIFURCATION OF LEASE

Each adult resident signing the lease expressly agrees and acknowledges that (s)he is jointly and severally liable for any and all damages, fees, charges or rents arising out of the tenancy, whether those damages, fees, Charges, or rents were caused by or incurred by the resident or someone

else. Bifurcation: In the event Management terminates the lease, the MHC reserves the right to bifurcate the lease obligations and rights of the various adult residents. The MHC may bifurcate this lease in order to evict, remove or terminate assistance to an individual who is a tenant or lawful occupant. This means that the parties agree that the MHC may, at its option and under its sole discretion, choose to take action against one adult resident without taking the same action against another adult resident.

23.0 SET ASIDE FOR CHRONICALLY HOMELESS

23.1 The Marquette Housing Commission will set aside one unit at Pine Ridge Apartments for a chronically homeless individual. Chronically homeless is defined as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more or has had at least four episodes of homelessness in the past three years.” In an effort to allow individuals who meet HUD eligibility but not Marquette Housing Commission eligibility be accepted for housing; Lutheran Social Services and the Superior Alliance for Independent Living (SAIL) will provide case management and support services to the individual, to assure compliance with the Dwelling Lease Agreement. Homeless assistance programs (LSS) will provide case management and support services for up to six months and SAIL can provide continuing case management and support services thereafter. Any person, including chronically homeless must have the capacity to know, understand and comply with the provisions of the lease.

When the initial chronically homeless individual vacates Pine Ridge Apartments, another unit should be set aside for another chronically homeless individual.

Unless the income of the chronically homeless individual is sufficient to generate a monthly rent of \$195 or more, the chronically homeless individual will be considered part of the 40% requirement that 40% of new admissions must be very low income.

GLOSSARY/DEFINITIONS

50058 Form: The HUD form that housing authorities are required to complete for each assisted household in public housing to record information used in the certification and re-certification process and, at the option of the housing authority, for interim reexaminations.

1937 Housing Act: The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) (24 CFR 5.100)

Actively Seeking Employment: Resident is out applying for a job and can provide proof of such employment search.

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant rent is based. (24 CFR 5.611)

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

Affinity: Close relationship as in a marriage but without the benefit of marriage (lovers).

Allowances: Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowance can be given at the discretion of the housing authority.

Annual Contributions Contract (ACC): The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program. (24 CFR 5.403)

Annual Income: All amounts, monetary or not, that:

- A. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or
- B. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- C. Are not specifically excluded from annual income.

Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access. (1937 Housing Act; 24 CFR 5.609)

Applicant (applicant family): A person or family that has applied for admission to a program but is not yet a participant in the program. (24 CFR 5.403)

Assets: The 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 are not counted as assets. (Also see "net family assets.")

Asset Income: Income received from assets held by family members. If assets total more than \$5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income. (See "imputed asset income" below.)

Bugs: Any creepy, crawly creature, including but not limited to roaches.

Certification: The examination of a household's income, expenses, and family composition to determine the family's eligibility for program participation and to calculate the family's share of rent.

Child: For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age. (24 CFR 5.504(b))

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

Child Care, Reasonable Charges: The amount of money charged for the care of a child under age 13. Such amount cannot exceed the amount of the total family income for which child care became necessary.

Citizen:A citizen or national of the United States. (24 CFR 5.504(b))

Consent Form: Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits. (24 CFR 5.214)

Decent, Safe, and Sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

Department: The Department of Housing and Urban Development. (24 CFR 5.100)

Dependent: A member of the family (except foster children and foster adults), other than the family head or spouse, who is under 18 years of age or is a person with a disability or is a full-time student. (24 CFR 5.603(d))

Dependent Allowance: An amount, equal to \$480 multiplied by the number of dependents, that is deducted from the household's annual income in determining adjusted annual income.

Disability Assistance Expenses: Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. (24 CFR 5.603(d))

Disability Assistance Expense Allowance: In determining adjusted annual income, the amount of disability assistance expenses deducted from annual income for families with a disabled household member.

Disabled Family: A family whose head, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. (24 CFR 5.403(b)) (Also see "person with disabilities.")

Disabled Person: See "person with disabilities."

Displaced Family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), 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. (24 CFR 5.403(b))

Displaced Person: 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. [1937 Act]

Drug-Related Criminal Activity: Drug trafficking or the 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).

Education, to further: As it relates to Community Service, to further ones education includes (but is not limited to) courses offered through the Internet, home schooling, Charter schools, public schools, correspondence courses, training programs and conferences for the purpose of increasing their knowledge.

Elderly Family: A family whose head, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides. (24 CFR 5.403)

Elderly Family Allowance: For elderly families, an allowance of \$400 is deducted from the household's annual income in determining adjusted annual income.

Elderly Person: A person who is at least 62 years of age. (1937 Housing Act)

Extremely low-income families: Those families whose incomes do not exceed 30% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

Exterminator: Person who is qualified to spray for bugs.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.). (24 CFR 5.100)

Family includes but is not limited to:

- A. A family with or without children;

- B. An elderly family;
- C. A near-elderly family;
- D. A disabled family;
- E. A displaced family;
- F. The remaining member of a tenant family; and
- G. A single person who is not an elderly or displaced person, a person with disabilities, or the remaining member of a tenant family. (24 CFR 5.403)

Family Members: All members of the household other than live-in aides, foster children, and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the lease.

Flat Rent: A rent amount the family may choose to pay in lieu of having their rent determined under the formula method. The flat rent is established by the housing authority set at the lesser of the market value for the unit or the cost to operate the unit. Families selecting the flat rent option have their income evaluated once every three years, rather than annually.

Formula Method: A means of calculating a family's rent based on 10% of their monthly income, 30% of their adjusted monthly income, the welfare rent, or the minimum rent. Under the formula method, rents may be capped by a ceiling rent. Under this method, the family's income is evaluated at least annually.

Gainful Employment: Earning a wage or barter.

Full-Time Student: For rent calculation purposes, a Full Time Student is a person who is a dependent of a resident and is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree. (24 CFR 5.603(d))

Head of Household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. (24 CFR 5.504(b))

Household Members: All members of the household including members of the family, live-in aides, foster children, and foster adults. All household members are listed on the lease, and no one other than household members are listed on the lease.

Housing Assistance Plan: A housing plan that is submitted by a unit of general local government and approved by HUD as being acceptable under the standards of 24 CFR 570.

Imputed Income: For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is

more than actual income from assets, the imputed amount is used as income from assets in determining annual income.

In-Kind Payments: Contributions other than cash made to the family or to a family member in exchange for services provided or for the general support of the family (e.g., groceries provided on a weekly basis, baby sitting provided on a regular basis).

Interim (examination): A reexamination of a family income, expenses, and household composition conducted between the regular annual recertifications when a change in a household's circumstances warrants such a reexamination.

Live-In Aide: A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities and who:

- A. Is determined to be essential to the care and well-being of the persons;
- B. Is not obligated for the support of the persons; and
- C. Would not be living in the unit except to provide the necessary supportive services. (24 CFR 5.403(b))
- D. Must be verified in writing by a licensed physician.

Low-Income Families: Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes. (1937Act)

Medical Expenses: Medical expenses (of all family members of an elderly or disabled family), including medical insurance premiums, that are anticipated during the period for which annual income is computed and that are not covered by insurance. (24 CFR 5.603(d)). These expenses include, but are not limited to, prescription and non-prescription drugs, costs for doctors, dentists, therapists, medical facilities, care for a service animals, transportation for medical purposes.

Mixed Family: A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status. (24 CFR 5.504(b))

Monthly Adjusted Income: One twelfth of adjusted income. (24 CFR 5.603(d))

Monthly Income: One twelfth of annual income. (24 CFR 5.603(d))

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. (24 CFR 5.504(b))

Near-Elderly Family: A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; two or more persons, who are at least 50 years of age

but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides. (24 CFR 5.403(b))

Net Family Assets:

- A. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- B. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
- B. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms. (24 CFR 5.603(d))

Non-Citizen: A person who is neither a citizen nor national of the United States. (24 CFR 5.504(b))

Occupancy Standards: The standards that a housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Person with Disabilities: A person who:

- A. Has a disability as defined in Section 223 of the Social Security Act, which states:

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

In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which (s)he has previously engaged with some regularity and over a substantial period of time."

- B. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
1. Is expected to be of long-continued and indefinite duration;
 2. Substantially impedes his or her ability to live independently; and
 3. Is of such a nature that such ability could be improved by more suitable housing conditions, or
- C. Has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act, which states:

"Severe chronic disability that:

1. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
2. Is manifested before the person attains age 22;
3. Is likely to continue indefinitely;
4. Results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (e) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
5. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated."

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. (1937 Act)

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

Proration of Assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance. (24 CFR5.520)

Public Housing Agency (PHA): Any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of low-income housing under the 1937 Housing Act. (24 CFR 5.100)

Qualifying State of Local Employment Training Program: The MHC will consider the program to be a qualifying employment training program if the resident provides verification of their enrollment and attendance.

Recertification: The annual reexamination of a family's income, expenses, and composition to determine the family's rent.

Remaining Member of a Tenant Family: A member of the family listed on the lease who continues to live in the public housing dwelling after all other family members have left. (Handbook 7565.1 REV-2, 3-5b.)

Self-Declaration: A type of verification statement by the tenant as to the amount and source of income, expenses, or family composition. Self-declaration is acceptable verification only when third-party verification or documentation cannot be obtained.

Single Person: Someone living alone or intending to live alone who does not qualify as an elderly family, a person with disabilities, a displaced person, or the remaining member of a tenant family. (Public Housing: Handbook 7465.1 REV-2, 3-5)

State Wage Information Collection Agency (SWICA): The State agency receiving quarterly wage reports from employers in the State or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information. (24 CFR 5.214)

Temporary Assistance to Needy Families (TANF): The program that replaced the Assistance to Families with Dependent Children (AFDC) that provides financial assistance to needy families who meet program eligibility criteria. Benefits are limited to a specified time period.

Tenant: The person or family renting or occupying an assisted dwelling unit. (24 CFR 5.504(b))

Tenant Rent: The amount payable monthly by the family as rent to the housing authority. Where all utilities (except telephone) and other essential housing services are supplied by the housing authority or owner, tenant rent equals total tenant payment. Where some or all utilities (except telephone) and other essential housing services are supplied by the housing authority and the cost thereof is not included in the amount paid as rent, tenant rent equals total tenant payment less the utility allowance. (24 CFR 5.603(d))

Third-Party (verification): Written or oral confirmation of a family's income, expenses, or household composition provided by a source outside the household.

Total Tenant Payment (TTP):

- A. Total tenant payment for families whose initial lease is effective on or after August 1, 1982:
 1. Total tenant payment is the amount calculated under Section 3(a)(1) of the 1937 Act which is the higher of :

- a. 30% of the family's monthly adjusted income;
- b. 10% of the family's monthly income; or
- c. If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under section 3(a)(1) shall be the amount resulting from one application of the percentage.

- 2. Total tenant payment for families residing in public housing does not include charges for excess utility consumption or other miscellaneous charges.
- B. Total tenant payment for families residing in public housing whose initial lease was effective before August 1, 1982: Paragraphs (b) and (c) of 24 CFR 913.107, as it existed immediately before November 18, 1996), will continue to govern the total tenant payment of families, under a public housing program, whose initial lease was effective before August 1, 1982.

Utility Allowance: If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made by a housing authority of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment. (24 CFR 5.603)

Utility Reimbursement: 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. (24 CFR 5.603)

Very Low-Income Families: Low-income families whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the areas on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes. Such ceilings shall be established in consultation with the Secretary of Agriculture for any rural area, as defined in Section 520 of the Housing Act of 1949, taking into account the subsidy characteristics and types of programs to which such ceilings apply. (1937 Act)

Welfare Assistance: Welfare or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. (24 CFR 5.603(d))

ACRONYMS

ACC	Annual Contributions Contract
CFR	Code of Federal Regulations
FSS	Family Self Sufficiency (program)
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
MHC	Marquette Housing Commission
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NOFA	Notice of Funding Availability
OMB	(U.S.) Office of Management and Budget
PHA	Public Housing Agency
QHWR	Quality Housing and Work Responsibility Act of 1998
SSA	Social Security Administration
TTP	Total Tenant Payment

Appendix I

Income Limits and Deconcentration Worksheet

Development Name	Number of Units Under ACC	Number of Occupied Units	Number of Units Occupied by Very Poor Families	% Occupied by Very Poor Families

%Very Poor in

Census Tract

Target Number

Number Needed of below 30% of median area income

Number Needed above 30% of median area income

Waiting list number of families Appendix 2

Proposed 4/7/08
Adopted 5/27/08
 Adopted 8/2/05
Amended 6/19/06
Proposed 4/7/08 RESOLUTION 2008-13
mi 070 v q-02
HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN
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1.0 EQUAL OPPORTUNITY

1.1 FAIR HOUSING

It is the policy of the Marquette Housing Commission to comply fully with all Federal, State, and local nondiscrimination laws; the Americans With Disabilities Act; and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, sexual preference, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the MHC housing programs.

To further its commitment to full compliance with applicable Civil Rights laws, the MHC will provide Federal/State/local information to applicants for and participants in the Housing Choice Voucher Program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination.

The MHC will assist any family that believes they have suffered discrimination and will provide them with the address of the nearest HUD Office of Fair Housing and Equal Opportunity or State Civil Rights.

1.2 REASONABLE ACCOMMODATION

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the MHC housing programs and related services. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodations and the guidelines the MHC will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the MHC will ensure that all applicants/participants are aware of the opportunity to request reasonable accommodations.

1.3 COMMUNICATION

All decisions granting or denying requests by the MHC will be in writing.

Under the Voucher Program, request for accommodation will apply only to access to our programs. Any accommodation requests regarding the dwelling unit itself must be presented to the landlord.

1.4 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION

- A. Is the requestor a person with disabilities? For this purpose the definition of disabilities is different than the definition used for admission. The Fair Housing definition used for this purpose is:

A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. (The disability may not be apparent to others, i.e., a heart condition).

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than the apparent disability. If the disability is not apparent or documented, the MHC will obtain verification that the person is a person with a disability.

- B. Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the MHC will obtain documentation that the requested accommodation is needed due to the disability. The MHC will not inquire as to the nature of the disability.

- C. Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet two criteria:

1. Would the accommodation constitute a fundamental alteration? The MHC's business is housing. If the request would alter the fundamental business that the MHC conducts, that would not be reasonable. For instance, the MHC would deny a request to have the MHC do grocery shopping for the person with disabilities.
2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the MHC may request a meeting with the individual to investigate and consider equally effective alternatives.

Generally the individual knows best what they need; however, the MHC retains the right to be shown how the requested accommodation enables the individual to access or use the MHC's programs or services.

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

PHYSICAL MODIFICATIONS TO THE DWELLING UNIT

If the participant requests, as a reasonable accommodation, that (s)he be permitted to make physical modifications to their dwelling unit, at their own expense, the request should be made to the property owner/manager. The MHC does not have responsibility for the owner's unit and does not have responsibility to make the unit accessible.

Any request for an accommodation that would enable a participant to materially violate family obligations will not be approved.

1.5 SERVICES FOR NON-ENGLISH SPEAKING APPLICANTS AND PARTICIPANTS

The MHC will endeavor to have bilingual staff or access to people who speak languages other than English to assist non-English speaking families when requested ten (10) days in advance.

1.6 FAMILY/OWNER OUTREACH

The MHC will publicize the availability and nature of the Housing Choice Program for extremely low-income, very low and low-income families in a newspaper of general circulation, minority media, and by other suitable means as needed.

To reach persons, who cannot or do not read newspapers, the MHC will distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel. The MHC will also try to utilize public service announcements as needed.

The MHC will communicate the status of program availability to other service providers in the community and advise them of housing eligibility factors and guidelines so that they can make proper referral of their clients to the program.

When owners call we explain who can participate in the Housing Choice Voucher Program. The explanation is intended to:

- A. Explain how the program works;
- B. Explain how the program benefits owners;
- C. Explain owners' responsibilities under the program. Emphasis is placed on quality screening and ways the MHC helps owners do better screening; and

- D. Provide an opportunity for owners and families to ask questions, obtain written materials, and meet MHC staff.

1.7 RIGHT TO PRIVACY

All adult members of both applicant and participant households are required to sign HUD Form 9886, Authorization for Release of Information and Privacy Act Notice. The Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement.

Any request for applicant or participant information will not be released unless there is a signed release of information request from the applicant or participant.

1.8 REQUIRED POSTINGS

The MHC will post in its office in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, that the following are available for review upon request:

- A. The Section 8 Administrative Plan
- B. Notice of the status of the waiting list (opened or closed)
- C. Address of all MHC offices, office hours, telephone numbers, TDD numbers, and hours of operation
- D. Income Limits for Admission
- E. Informal Review and Informal Hearing Procedures
- F. Fair Housing Poster
- G. Equal Opportunity in Employment Poster

2.0 MHC/OWNER RESPONSIBILITY/ OBLIGATION OF THE FAMILY

This Section outlines the responsibilities and obligations of the MHC, the Section 8 Owners/Landlords, and the participating families.

2.1 MHC HOUSING COMMISSION RESPONSIBILITIES

- A. The MHC will comply with the consolidated ACC, the application, HUD regulations and other requirements, and the MHC Housing Choice Voucher Program Administrative Plan.

- B. In administering the program, the MHC must:
1. Publish and disseminate information about the availability and nature of housing assistance under the program as necessary;
 2. Explain the program to owners and families;
 3. Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
 4. Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;
 5. Affirmatively further fair housing goals and comply with equal opportunity requirements;
 6. Make efforts to help disabled persons find satisfactory housing via referrals;
 7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, screen for drug-related activity and if subject to registration as a sex offender, and provide housing information to families selected;
 8. Determine who can live in the assisted unit at admission and during the family's participation in the program;
 9. Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
 10. Review the family's request for approval of the tenancy and the owner/landlord lease, including the HUD prescribed tenancy addendum;
 11. Inspect the unit before the assisted occupancy begins and at least annually during the assisted tenancy;
 12. Determine the amount of the housing assistance payment for a family;
 13. Determine the maximum rent to the owner and whether the rent is reasonable;
 14. Make timely housing assistance payments to an owner in accordance with the HAP contract;

15. Examine family income, size and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;
16. Establish and adjust MHC utility allowances;
17. Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by the MHC, if the owner defaults (e.g., HQS violation);
18. Determine whether to terminate assistance to a participant family for violation of family obligations;
19. Conduct informal reviews of certain MHC decisions concerning applicants for participation in the program if necessary;
20. Conduct informal hearings on certain MHC decisions concerning participant families if necessary;
21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits.

2.2 OWNER RESPONSIBILITY

- A. The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- B. The owner is responsible for:
 1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit.
 2. Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance.
 3. Complying with equal opportunity requirements.
 4. Preparing and furnishing to the MHC information required under the HAP contract.
 5. Collecting from the family:
 - a. Any security deposit required under the lease.

- b. The tenant contribution (the part of rent to owner not covered by the housing assistance payment).
 - c. Any charges for unit damage by the family.
- 6. Enforcing tenant obligations under the lease.
- 7. Paying for utilities and services (unless paid by the family under the lease.)
- 8. Evictions, if necessary.
- C. For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities see 24 CFR 100.203.
- D. The MHC Owner Information Brochure: this brochure can be given to a prospective owner to help explain the program if owner requests additional information.

2.3 OBLIGATIONS OF THE PARTICIPANT

This Section states the obligations of a participant family under the program. To be submitted at the time of application.

- A. Supplying required information.
 - 1. The family must supply any information that the MHC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
 - 2. The family must supply any information requested by the MHC or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
 - 3. The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information. Birth certificates (or other suitable proof) for all family members are also required.
 - 4. Any information supplied by the family must be true and complete.
 - 5. Deadline for changes – In order for changes to be made for either tenants or landlords; moves, changes in address; sale of property; portability, etc. Housing Choice Voucher staff must have received the new information by the

15th of the month. If information regarding changes is not received, the Housing Assistance Payment will go to the current owner of record. If changes occur on or after the 15th, parties are to petition Section 8 staff to hold payment. In order to do this, owners, etc. must bring in documentation such as deed, court order or legal notice of change, in order to justify holding current payment. If necessary, Section 8 staff will verify ownership with City Tax Assessors Office.

B. HQS breach caused by the Family

The family is responsible for any HQS breach caused by the family or its guests.

C. Allowing MHC Inspection

The family must allow the MHC to inspect the unit at reasonable times and after at least *2 business days written* notice.

D. Violation of Lease

The family may not commit any serious or repeated violation of the lease.

E. Family Notice of Move or Lease Termination

The family must notify the MHC and the owner before the family moves out of the unit or terminates the lease by a notice to the owner. Family is required to give thirty (30) day notice to landlord with copy simultaneously given to the MHC.

F. Owner Eviction Notice

The family must promptly give the MHC a copy of any owner eviction notice it receives.

G. Use and Occupancy of the Unit

1. The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.

2. The MHC must approve the composition of the assisted family residing in the unit. The family must promptly inform the MHC of the birth, adoption or court-awarded custody of a child. The family must request approval from the MHC to add any other family member or others as an occupant of the unit. No other person (i.e., no one but members of the assisted family) may reside in the unit (except for a foster child/foster adult, live-in aide, or roommates as provided below and in paragraph (4) of this Section).

Roommates are permitted with Landlord approval but will have no impact on rent subsidy or unit size. Rent, subsidy and unit size are based entirely on the applicant and his/her family members who are to reside in the unit. However, Lease-Holder must report the roommate's name, social security number and birth date within ten (10) days of moving into the unit. See Glossary for additional information.

3. The family must notify the MHC within ten (10) days if any family member no longer resides in the unit.
4. If the MHC has given approval, a foster child/foster adult or a live-in aide may reside in the unit provided the unit is suitably sized for the number of persons who would occupy the unit. If the family must move to accommodate the additional family members, the MHC may deny subsidy if they (the MHC) cannot afford the increase in rent subsidy required for the family.
5. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses. This is predicated on Landlord's approval. Further, such must be reported to the MHC for proper rent calculation.
6. The family must not sublease or let the unit.
7. The family must not assign the lease nor transfer the unit.

H. Absence from the Unit

The family must supply any information or certification requested by the MHC to verify that the family is living in the unit, or relating to family absence from the unit, including any MHC requested information or certification on the purposes of family absences. The family must cooperate with the MHC for this purpose. The family must notify the MHC within ten (10) days of its absence from the unit.

Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to 30 days. The family must request written permission from the MHC for absences exceeding 30 days. The MHC will make a determination within 5 business days of the request. An authorized absence may not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program.

Authorized absences may include, but are not limited to:

1. Prolonged hospitalization
2. Absences beyond the control of the family (i.e., death in the family, other family member illness)
3. Other absences that are deemed necessary by the MHC

Any participant that will be leaving the unit for 14 days or more, must report the absence and the address and phone number where they can be reached to the Marquette Housing Commission.

I. Interest in the Unit

The family may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space).

J. Fraud and Other Program Violation

The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with subsidized housing programs. If fraud is found, the participants contribution should have been greater than was calculated, rent will be charged retroactively and the participant will be required to reimburse the MHC for their overpayment of the HAP.

K. Crime by Family Members

The members of the family may not engage in drug-related criminal activity. If it is found that members of the family have engaged in drug-related criminal activity or are subject to the registration requirements as a sex offender, they will be terminated from the program immediately, without prior notice.

L. Other Housing Assistance

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) Federal, State or local housing assistance program. If this is found, family will be required to pay back the MHC for any payments made on family's behalf.

3.0 ELIGIBILITY FOR ADMISSION

3.1 INTRODUCTION

There are six eligibility requirements for admission to Housing Choice Voucher Program -- qualifies as a family, has an income within the income limits, meets citizenship/eligible immigrant criteria, provides birth certificates (or other suitable proof), provides documentation of Social Security Numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet the MHC screening criteria in order to be admitted to the Section 8 Program.

3.2 ***ELIGIBILITY CRITERIA***

A. Family status.

1. A **family with or without children**. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
 - a. Children temporarily absent from the home due to placement in foster care are considered family members.
 - b. Unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size, but are not considered family members for determining income limit.
2. An **elderly family**, which is:
 - a. A family whose head, spouse, or sole member is a person who is at least 62 years of age;
 - b. Two or more persons who are at least 62 years of age living together; or
 - c. One or more persons who are at least 62 years of age living with one or more live-in aides
3. A **near elderly family**, which is:
 - a. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62;
 - b. Two or more persons who are at least 50 years of age but below the age of 62 living together; or
 - c. One or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
4. A **disabled family**, which is:

- a. A family whose head, spouse, or sole member is a person with disabilities;
 - b. Two or more persons with disabilities living together; or
 - c. One or more persons with disabilities living with one or more live-in aides.
5. A **displaced family** is a family in which each member, or whose sole member, has been displaced by governmental action, or 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.
6. A **remaining member of a tenant family**. When the head of household of record leaves the household, all other members of that household are “a remaining member of a tenant family.”
7. A **single person** who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family. Person must be 18 years of age or older to qualify for the program.

No assistance will be provided to a student under the age of 24 that doesn't meet the following criteria: elderly, displaced person, or a person with disabilities, or the remaining member of a tenant family. However, an individual student under the age of 24 that is enrolled in higher education and is unmarried, a non-veteran, with no dependent children, and who individually or who's parents individually or jointly are not eligible for assistance is individually ineligible for HCV assistance.

B. Income eligibility

1. To be eligible to receive assistance a family shall, at the time the family initially receives assistance under the Housing Choice Voucher Program, be a low-income family that is:
- a. A very low-income family;
 - b. A low-income family continuously assisted under the 1937 Housing Act;
 - c. A low-income family that meets additional eligibility criteria specified by the Housing Commission;

- d. A low-income family that is a nonpurchasing tenant in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR 248.173;
 - e. A low-income family or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing.
 - f. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 (HOPE for public housing homeownership) or HOPE 2 (HOPE for homeownership of multifamily units) project.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income rises the assistance will decrease.
 3. The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within the housing authority's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.
 4. Families who are moving into the MHC's jurisdiction under portability and are already program participants at their initial housing authority do not have to meet the income eligibility requirement for the MHC program.
 5. Income limit restrictions do not apply to families transferring units within the MHC Housing Choice Voucher Program.

C. Citizenship/Eligible Immigrant status

To be eligible each member of the family must be a citizen, national, or a noncitizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).

Family eligibility for assistance.

1. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.

2. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (See Section 11.5(K) for calculating rents under the noncitizen rule).
3. A family without any eligible members and receiving assistance on June 19, 1995 may be eligible for temporary deferral of termination of assistance.

D. Social Security Number Documentation

To be eligible, all family members must provide a Social Security Number or certify that they do not have one.

E. Birth Certificates: Family must provide birth certificates (or other suitable proof) for all family members.

F. Signing Consent Forms

1. In order to be eligible each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
 - a. A provision authorizing HUD and the MHC to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy. Obtain information necessary to complete or verify the application for participation for eligibility for continued occupancy; and
 - b. A provision authorizing HUD or the MHC to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance;
 - c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits; and
 - d. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.
 - e. Permission to run a confidential police check.

- G. The MHC will check with the State sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender.

4.0 MANAGING THE WAITING LIST

4.1 OPENING AND CLOSING THE WAITING LIST

Opening of the waiting list will be announced via public notice that applications for Section 8 will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, and also by any available minority media. The public notice will state any limitations to who may apply. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

Closing of the waiting list will be announced via public notice. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper of general circulation, and also by any available minority media.

4.2 TAKING APPLICATIONS

Families wishing to apply for the Housing Choice Voucher Program will be required to complete an application for housing assistance. Applications will be accepted during regular business hours at:

(316 Pine Street, Marquette MI 49855)

Applications are taken to compile a waiting list. Due to the demand for Housing Choice Voucher assistance in the MHC jurisdiction, the MHC may take applications on an open enrollment basis, depending on the length of the waiting list.

When the waiting list is open, completed applications will be accepted from all applicants. The MHC will verify the information in the applications relevant to the applicant's eligibility, admission, and level of benefit.

Applications may be made in person at the **Pine Ridge apartment- 316 Pine Street, Marquette, MI during normal working hours**. Applications will be mailed to interested families who live outside the Marquette area or for other good cause (determined by the MHC) upon request.

The completed application will be dated and time stamped upon its return to the MHC.

Persons with disabilities who require a reasonable accommodation in completing an application may call the MHC to make special arrangements to complete their application. A Telecommunication Device for the Deaf (TDD) is available for the deaf. The TDD telephone number is **(906-226-7559)**.

The application process will involve two phases. The first phase is the initial application for housing assistance. The pre-application requires the family to provide basic information including name, address, phone number, family composition and family unit size, racial or ethnic designation of the head of household, income category, and information establishing any preferences to which they may be entitled.

Upon receipt of the families application, the MHC will make a preliminary determination of eligibility. The MHC will notify the family in writing of the date and time of placement on the waiting list and the approximate amount of time before housing assistance may be offered. If the MHC determines the family to be ineligible, the notice will state the reasons therefore and offer the family the opportunity of an informal review of this determination.

An applicant may at any time report changes in their applicant status including changes in family composition, income, or preference factors. The MHC will annotate the applicant's file and will update their place on the waiting list. Confirmation of the changes will be confirmed with the family in writing.

The second phase is the final determination of eligibility, which takes place when the family nears the top of the waiting list. The MHC will ensure that verification of all preferences, eligibility, suitability selection factors are current in order to determine the family's final eligibility for admission into the Housing Choice Voucher Program.

4.3 ORGANIZATION OF THE WAITING LIST

The waiting list will be maintained in accordance with the following guidelines:

- A. All applications will be maintained in order of preference and then in order of date and time of application;
- B. Any contact between the MHC and the applicant will be documented in the applicant file.

Note: The waiting list cannot be maintained by bedroom size under current HUD regulations.

4.4 FAMILIES NEARING THE TOP OF THE WAITING LIST

When a family comes to the top of the waiting list, MHC will notify the family in writing once by mail, sent to the most current address provided by the applicant, indicating they must contact the MHC within a specified time frame, to confirm their continued interest in the program. Such specified time will not be less than seven (7) calendar days. Upon contacting the MHC, the family will be scheduled to attend a mandatory orientation/informational session where they will be briefed on general program policies and

issued a voucher. Failure to respond within the specified time frame will result in removal from the waiting list.

4.5 MISSED APPOINTMENTS

All applicants who fail to keep a scheduled appointment in accordance with the paragraph below will be sent a notice of denial.

The MHC will allow the family to reschedule appointments for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities for good cause. When a good cause exists, the MHC will work closely with the family to find a more suitable time. Applicants will be offered the right to an informal review before being removed from the waiting list.

4.6 REMOVAL OF APPLICANTS FROM THE WAITING LIST

The MHC will not remove an applicant's name from the waiting list unless:

- A. The applicant requests that the name be removed;
- B. The applicant fails to respond to a written request for information within a designated time or a request to declare their continued interest within a designated time in the program or misses scheduled appointments; or
- C. The applicant no longer meets either the eligibility or screening criteria for the program.
- D. Mail is returned.

4.7 GROUNDS FOR DENIAL

The MHC will deny assistance to applicants who:

- A. Do not meet any one or more of the eligibility criteria;
- B. Do not supply information or documentation required by the application process;
- C. Fail to respond to a written request for information or a request to declare their continued interest in the program;
- D. Fail to complete any aspect of the application or lease-up process;
- E. Have a history of drug-related criminal activity within the past five years (except for methamphetamines, in which case they are denied for life);

- F. Currently owes rent or other amounts to any government program. Family may be considered for re-admission after account is paid in full, proof of full payment is received and three years has passed since full payment was made. If the outstanding balance is \$50 or less, the applicant may pay the full open balance and will not be required to wait the three years.
- G. Have committed fraud, bribery, or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
- H. Have a family member who was evicted from public housing or any housing assistance program within the last five years;
- I. Have an adult family household member who has been terminated under the Certificate or Voucher Program during the last three years;
- J. Have a family member who has been convicted of manufacturing or producing methamphetamine or other illegal drug (denied for life);
- K. Have a family member with a lifetime registration under a State sex offender registration program (Denied for life).
- L. If the MHC determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to the Housing Choice Voucher Program for a period of 24 months from the date of termination.
- M. If the family misses the scheduled inspection and fails to reschedule the inspection, the MHC will only schedule one more inspection. If the family misses two inspections, the MHC will consider the family to have violated a Family Obligation and their assistance will be terminated.
- N. If applicant has applied twice within the last five (5) years, has been granted a Voucher and done nothing with it, the third application will be denied. The "five years" begins with the last voucher issue date.
- O. If applicant is a current resident in any government-housing program and is not a resident in good standing, such applicant will not be eligible for the Housing Choice Voucher Program.

4.8 NOTIFICATION OF NEGATIVE ACTIONS

Any applicant whose name is being removed from the waiting list will be notified by the MHC, in writing, that they have ten (10) business days, from the date of the written correspondence, to present mitigating circumstances or request an informal review. The

letter will also indicate that their name will be removed from the waiting list if they fail to respond within the timeframe specified. The MHC's system of removing applicants' names from the waiting list will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, the MHC will provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, the MHC will verify that there is in fact a disability that caused the inaction and that the accommodation they are requesting is necessary based on the disability. The disability must be directly related to the cause for the inaction/action. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

4.9 *INFORMAL REVIEW*

If the MHC determines that an applicant does not meet the criteria for receiving Section 8 assistance, the MHC will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision, and state that the applicant may request an informal review of the decision within 10 business days of the denial. The MHC will describe how to obtain the informal review. The informal review process is described in Section 15 of this Plan.

5.0 SELECTING FAMILIES FROM THE WAITING LIST

5.1 *WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS*

The MHC may admit an applicant for participation in the program either as a special admission or as a waiting list admission.

If HUD awards funding that is targeted for families with specific characteristics or families living in specific units, the MHC will use the assistance for those families.

If a family is currently participating in the Housing Choice Voucher Program, and the head or co-head of the household split up, the next available voucher will be offered the head/co-head that is leaving the household provided they are a resident in good standing and meet eligibility criteria.

5.2 *PREFERENCES*

The MHC will select families based on the following preferences.

Preferences

An Applicant will be selected from the waiting list in the following order:

When a couple who is receiving assistance under the MHC’s Housing Choice Voucher Program splits up, the departing member will be granted the next available voucher.

The Marquette Housing Commission will give the next preference based on time and date of application..

5.3 SELECTION FROM THE WAITING LIST

The date and time of application will be utilized to determine the sequence within the above-prescribed preferences.

Notwithstanding the above, if necessary to meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income, the MHC retains the right to skip higher income families on the waiting to reach extremely low-income families. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the MHC will monitor incomes of newly admitted families and the income of the families on the waiting list.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

6.0 ASSIGNMENT OF BEDROOM SIZES (SUBSIDY STANDARDS)

The MHC will issue a voucher for a particular bedroom size – the bedroom size is a factor in determining the family’s level of assistance. The following guidelines will determine each family’s unit size without overcrowding or over-housing:

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8

These standards are based on the assumption that each bedroom will accommodate no more than two (2) persons.

In determining bedroom size, the MHC will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained, children who are temporarily away at school or temporarily in foster-care.

Bedroom size will also be determined using the following guidelines:

- A. Children of the same sex may share a bedroom if within a 5 year age range or unless there is a medical condition (verified) requiring separate bedrooms.
- B. Adults and children will not be required to share a bedroom.
- C. Foster-adults and children will not be required to share a bedroom with family members.
- D. Live-in aides will get a separate bedroom

The MHC will grant exceptions to normal occupancy standards when a family requests a larger size than the guidelines allow and documents a medical reason why the larger size is necessary.

The family unit size will be determined by the MHC in accordance with the above guidelines and will determine the maximum rent subsidy for the family; however, the family may select a unit that may be larger or smaller than the family unit size. If the family selects a smaller unit, the payment standard for the smaller size will be used to calculate the subsidy. If the family selects a larger size, the payment standard for the family unit size will determine the maximum subsidy. (Ex.: Eligible for a two bedroom, finds a 3 bedroom. 2 Bedroom payment standard applies but the 3 bedroom utility allowance applies.)

6.1 ISSUANCE OF VOUCHER; REQUEST FOR APPROVAL OF TENANCY

Beginning August 12, 1999, the MHC will issue only vouchers. Treatment of previously issued certificates and vouchers will be in accordance with the contracts entered into with the participant and landlord.

Once all family information has been verified, their eligibility determined, their subsidy calculated, and they have attended the family briefing, the MHC will issue the voucher. At this point the family begins their search for a unit.

When the family finds a unit that the owner is willing to lease under the program, the unit will be inspected by the MHC and if the unit passes the inspection the family and the owner will complete and sign a proposed lease, the HUD required tenancy addendum and the request for approval of the tenancy form. The family will submit the proposed lease and the request form to the MHC during the term of the voucher. The MHC will review

the request, the lease, and the HUD required tenancy addendum and make an initial determination of approval of tenancy. The MHC may assist the family in negotiating changes that may be required for the tenancy to be approvable.

During the initial stage of qualifying the unit, the MHC will provide the prospective owner with information regarding the program. Information will include MHC and owner responsibilities for screening and other essential program elements.

Additional screening is the responsibility of the owner.

6.2 TERM OF THE VOUCHER

The initial term of the voucher will be 60 days and will be stated on the Housing Choice Voucher.

The MHC may grant one or more extensions of the term, but the initial term plus any extensions will never exceed 120 calendar days from the initial date of issuance except in the cases of persons with a disability in which case it can be up to 8 months. To obtain an extension, the family must make a request not less than five (5) days prior to the expiration date. A statement of the efforts the family has made to find a unit must accompany the request. If the family documents their efforts and additional time can reasonably be expected to result in success, the MHC will grant the length of request sought by the family or 60 days, whichever is less.

If the family includes a person with disabilities and the family requires an extension due to the disability, the MHC will grant an extension allowing the family up to 8 months search time.

Upon submittal of a completed request for approval of tenancy form, the MHC will suspend the term of the voucher. The term will be in suspension until the date the MHC provides notice that the request has been approved or denied. This policy allows families the full term (60 days, or more with extensions) to find a unit, not penalizing them for the period during which the MHC is taking action on their request. A family may submit a second request for approval of tenancy before the MHC finalizes action on the first request. No more than two requests will be concurrently considered.

Example: Ms. Smith comes in on 2/12 with a request for approval of tenancy for 123 Easy Street. This is 45 days into her 60-day voucher period. The days stop counting as of 2/12 while the MHC is processing the request. On 2/21 Ms. Smith asks MHC for approval of tenancy at 456 Doe Street. The days for the voucher still do not count. MHC decides on 2/22 to deny 123 Easy Street and on 3/3 denies 456 Doe Street. After the second denial, 456 Doe Street, you then start adding days to the 45 days mentioned above.

The MHC will not process two potential units at the same time. The applicant must decide which unit they prefer and, if that one is denied, the MHC will consider the second unit.

6.3 APPROVAL TO LEASE A UNIT

The MHC will approve a lease if all of the following conditions are met:

- A. The unit is eligible;
- B. The unit is inspected by the MHC and passes HQS;
- C. The lease is approvable and includes the language of the tenancy addendum;
- D. The rent to owner is reasonable;
- E. The family's share of rent does not exceed 40% of their monthly adjusted income;
- F. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or the MHC; and
- G. The family continues to meet all eligibility and screening criteria.

If tenancy approval is denied, the MHC will advise the owner and the family in writing within ten (10) days and advise them also of any actions they could take that would enable the MHC to approve the tenancy.

The lease term may begin only after all of the following conditions are met:

- A. The unit passes the MHC HQS inspection;
- B. The family's share of rent does not exceed 40% of their monthly adjusted income, according to HUD guidelines.
- C. The landlord and tenant sign the lease to include the HUD required addendum; and
- D. The MHC approves the leasing of the unit.

The MHC will prepare the contract when the unit is approved for tenancy. Generally, the landlord, simultaneously with the signing of the lease and the HUD required tenancy addendum, will execute the contract. Upon receipt of the executed lease and the signed contract by the landlord, the MHC will execute the contract. The MHC will not pay any housing assistance to the owner until the contract is executed.

In no case will the contract be executed later than 60 days after the beginning of the lease term.

Any contract executed after the 60-day period will be void and the MHC will not pay housing assistance to the owner.

6.4 MHC DISAPPROVAL OF OWNER

The MHC will deny participation by an owner at the direction of HUD. The MHC will also deny the owner's participation for any of the following reasons:

- A. The owner has violated any obligations under any Housing Choice Voucher Assistance Payments Contract;
- B. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any assisted housing program;
- C. The owner has not paid State or local real estate taxes, fines, or assessments.
- D. The Owner has a history of noncompliance with HQS.
- E. Other conflicts of interest under Federal, State, or local law.

6.5 INELIGIBLE/ELIGIBLE HOUSING

The following types of housing cannot be assisted under the Housing Choice Voucher Tenant-Based Program:

- A. A public housing or Indian housing unit;
- B. A unit receiving project-based assistance under a Section 8 Program;
- C. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- D. College or other school dormitories;
- E. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- F. A unit occupied by its owner. This restriction does not apply to cooperatives, duplexes or to assistance on behalf of a manufactured home owner leasing a manufactured home space. If a disabled adult son or daughter lives with their parents and the parents serve as primary caregiver, whether owning or renting, the MHC may provide a rent subsidy to the disabled adult. This action would prevent premature institutionalization of the disabled individual.

- G. A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

The MHC will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- A. Congregate housing
- B. Group homes
- C. Shared housing
- D. Cooperative housing
- E. Single room occupancy housing (SROs)

The MHC will approve leases for the following housing types:

- A. Single family dwellings
- B. Apartments
- C. Manufactured housing if owner will install tie downs
- D. Manufactured home space rentals where family owns the manufactured housing.
- E. House boats
- F. Trailer homes

6.6 SECURITY DEPOSIT

The owner may collect a security deposit from the tenant in an amount not in excess of amounts charged in private market practice, not in excess of amounts charged by the owner to unassisted tenants nor in excess of that allowed under State Law.

When the tenant moves out of the dwelling unit, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease.

The owner must give the tenant and the MHC simultaneously a written list of all items charged against the security deposit and the amount of each item within 30 days of move out. After deducting the amount, if any, used to reimburse the owner, the owner must refund within 30 days of move out the full amount of the unused balance to the tenant.

If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

7.0 MOVES WITH CONTINUED ASSISTANCE

Participating families are allowed to move to another unit after the initial 12 months has expired. The MHC will issue the family a new voucher if the family does not owe the MHC or any other assisted housing program money, has not violated a Family Obligation, has not moved or been issued a certificate or voucher within the last 12 months, and if the MHC has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, the 12-month requirement will be waived at the MHC's discretion. If the landlord and tenant agree, the MHC will allow one move within the MHC jurisdiction within the first 12 months of the agreement.

7.1 WHEN A FAMILY MAY MOVE

For families already participating in the Certificate and Voucher Program, the MHC will allow the family to move to a new unit if:

- A. The assisted lease for the old unit has terminated;
- B. The owner has given the tenant a notice to vacate, has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant; or
- C. The tenant has given proper notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner) as required under the lease.

7.2 PROCEDURES REGARDING FAMILY MOVES

Families considering transferring to a new unit will be briefed about the procedures for moving.

This briefing is intended to provide the following:

- A. A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements such as leaving the unit in good condition;
- B. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- C. Payment standards, exception payment standard rent areas, and the utility allowance schedule;

- D. An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income;
- E. Portability requirements and opportunities;
- F. The need to have a reexamination conducted within 120 days prior to the move;
- G. An explanation and copies of the forms required to initiate and complete the move; and
- H. All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed 60 days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and the MHC's approval, it will be considered a serious lease violation and subject the family to termination from the program except as allowed above.

The family is required to give the MHC a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to the MHC will be considered a violation of Family Obligations and will result in the immediate termination of assistance.

Failure to follow the above procedures may subject the family to termination from the program.

8.0 PORTABILITY

8.1 GENERAL POLICIES OF THE MHC.

Applicants for participation may lease a unit anywhere in the jurisdiction of the MHC.

The family will not have an option to lease a unit outside the MHC jurisdiction for the first year under the program.

Families participating in the Voucher Program will not be allowed to move in the first 12-month period .

Families may only move to a jurisdiction where a Section 8 Program is being administered.

If a family has moved out of their assisted unit in violation of the lease, the MHC will not issue a voucher, and will terminate assistance in compliance with Section 14.0 and 16.0, Grounds for Termination of the Lease and Contract. Then the family cannot be assisted by the MHC for at least three (3) years.

Families porting to a higher cost area (in or outside Marquette) may be denied continued assistance by the MHC due to increase in costs to the MHC's program.

8.2 INCOME ELIGIBILITY

A. Admission

A family must be income-eligible in the area where the family first leases a unit with assistance in the Voucher Program.

B. If a portable family is already a participant in the Initial Housing Authority's Voucher Program, income eligibility is not re-determined.

8.3 PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AUTHORITY

A. When a family utilizes portability to move to an area outside the Initial Housing Authority jurisdiction, another Housing Authority (the Receiving Housing Authority) must administer assistance for the family if that Housing Authority has a tenant-based program covering the area where the unit is located.

B. A Housing Authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher when one becomes available.. If there is more than one such housing authority, the Initial Housing Authority may choose which housing authority shall become the Receiving Housing Authority.

8.4 PORTABILITY PROCEDURES

A. When the MHC is the Initial Housing Authority:

1. The MHC will brief the family on the process that must take place to exercise portability.
2. The MHC will advise the family how to contact and request assistance from the Receiving Housing Authority.
3. The MHC will, within ten (10) calendar days, notify the Receiving Housing Authority to expect the family.
4. The MHC will immediately mail to the Receiving Housing Authority the most recent HUD Form 50058 (Family Report) for the family, and related verification information.

B. When the MHC is the Receiving Housing Authority:

1. When the portable family requests assistance from the MHC, the MHC will within ten (10) calendar days inform the Initial Housing Authority whether it will bill the Initial Housing Authority for assistance on behalf of the portable family, or absorb the family into its own program. When the MHC receives a portable family, the family will be absorbed if funds are available and a voucher will be issued.
2. The MHC will issue a voucher to the family when one is available. The term of the MHC's Voucher will not expire before the expiration date of any Initial Housing Authority's voucher. The MHC will determine whether to extend the voucher term.
3. The MHC will determine the family unit size for the portable family. The family unit size is determined in accordance with the MHC's subsidy standards.
4. The MHC will within ten (10) calendar days notify the Initial Housing Authority if the family has leased an eligible unit under the program, or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.
5. If the MHC opts to conduct a new reexamination, the MHC will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility.
6. In order to provide tenant-based assistance for portable families, the MHC will perform all Housing Authority program functions, such as reexaminations of family income and composition. At any time, either the Initial Housing Authority or the MHC may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

C. Absorption by the MHC.

1. If funding is available under the consolidated ACC for the MHC's Voucher Program when the portable family is received, the MHC will absorb the family into its Voucher Program. After absorption, the family is assisted with funds available under the consolidated ACC for the MHC's Tenant-Based Program.

D. Portability Billing

1. To cover assistance for a portable family, the Receiving Housing Authority may bill the Initial Housing Authority for housing assistance payments and administrative fees. The billing procedure will be as follows:
 - a. As the Initial Housing Authority, the MHC will promptly reimburse the Receiving Housing Authority for the full amount of the housing assistance payments made by the Receiving Housing Authority for the portable family. The amount of the housing assistance payment for a portable family in the Receiving Housing Authority's program is determined in the same manner as for other families in the Receiving Housing Authority's program.
 - b. The Initial Housing Authority will promptly reimburse the Receiving Housing Authority for 80% of the Initial Housing Authority's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by the Receiving Housing Authority. If both Housing Authorities agree, MHC may negotiate a different amount of reimbursement.
 - c. The initial billing must be received within ten days from the date the HAP contract is executed..

E. When a Portable Family Moves

When a portable family moves out of the tenant-based program of a Receiving Housing Authority that has not absorbed the family, the Housing Authority in the new jurisdiction to which the family moves becomes the Receiving Housing Authority, and the first Receiving Housing Authority is no longer required to provide assistance for the family.

9.0 DETERMINATION OF FAMILY INCOME

9.1 *INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME*

To determine annual income, the MHC counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the MHC subtracts out all allowable deductions (allowances) as the next step in determining the Total Tenant Payment. The income of roommates who are not part of the participating family for rent subsidy, is excluded.

9.2 *INCOME*

- A. Annual income means all amounts, monetary or not, that:

1. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
3. Are not specifically excluded from annual income.

B. Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. Raises granted during the year need to be reported within ten days of the change.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes 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?. All income earned on assets of less than \$5,000 is included in income.
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of

- a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
 6. Welfare assistance.
 - a. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.
 - c. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted.
 7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
 8. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)
 9. Regular contribution or gifts received from organizations or from persons not residing in the dwelling for such things as utility payments or grocery purchases. The full amount of child support or alimony to which the family is entitled unless it is verified that the family is not getting the payment and is taking legal action to secure the back amount.
 10. After retirement, the amount which the resident is eligible to draw down from his/her pension or retirement plan shall be counted as income, whether or not the resident elects to draw the entire amount.
 11. The income of all members of the family over the age of 18 who are counted for bedroom size determination, shall be included in the annual income determination unless in school full time. The first \$480 of income of a full time student over age 18 is included.

12. Non-cash contributions given in exchange for services rendered may be counted as income.
13. Income from assets shall be considered to be:
 - a. Actual income received, or
 - b. If total assets equal \$5,000 or more, income from these assets shall be the actual income received or a percentage of the total value of the assets, based on the current passbook savings rate (*as determined by HUD*).
14. Per capita payments from Indian tribes/casinos.
15. Students enrolled in higher education, in excess of amounts received for tuition, that an individual receives under the higher Education Act of 1965, from private sources, or from an institution, shall be considered income to the individual, except that financial assistance described in this income inclusion is not considered income for persons over the age of 23 with dependent children. Financial assistance does not include loan proceeds for determining income.

9.3 ASSETS

Assets shall not preclude admission to the Voucher Program. Assets shall be used to determine income earned as follows:

- A. The actual income earned from the ownership of bank accounts, investments, such as certificates of deposit, annuities, stocks, bonds, etc.
- B. The income from real property such as land contract interest, rental income, etc.
- C. Where the family has Net Family Assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate (as determined by HUD). All income earned on assets of less
- D. In determining Net Family Assets, the MHC shall include the value of any assets disposed of by an applicant or resident for less than fair market value during the two (2) years preceding the date of application for the program or re-examination, as applicable, in excess of the consideration received therefore.
- E. The value to be assigned to the assets shall be the value of the assets after deducting costs that would be incurred in disposing of the asset, such as real estate or stock brokers commissions or penalty for early withdrawal of a time deposit.
- F. Retirement or pension plans will be counted as an asset before resident has

retired only if the resident may draw down a portion before (s)he actually retires.

- G. Pre-Planned Funerals, Funeral Trusts, Insurance Funded Funeral Plans, Escrow Funded Funeral Plans: Any pre-planned funeral agreement will be considered an asset unless it is specifically certified as irrevocable by the Department of Human Services (formerly FIA), State of Michigan. It is not considered irrevocable unless granted this special certification.
- H. The portion of a trust fund which is accessible to the family shall be considered an asset.
- I. The average six (6) month balance in a checking account shall be considered an asset.

9.4 EXCLUSIONS FROM INCOME

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of 18 years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- D. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The full amount of student financial assistance paid directly to the student or to the educational institution, except the portion designated for housing cost by an "athletic scholarship", which is considered income.
- G. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- H. The amounts received from the following programs:
 - 1. Amounts received under training programs funded by HUD (such as the Green Thumb Program/Experience Works);

2. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
3. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Commission or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period of time;
5. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program;
6. Temporary, nonrecurring, or sporadic income (including gifts);
7. 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;
8. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
9. Adoption assistance payments in excess of \$480 per adopted child;
10. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
11. 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;

12. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
13. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

These exclusions include:

- a. The amount received for food stamps
- b. Payments to volunteers under the Domestic Volunteer Services Act of 1973
- c. Payments received under the Alaska Native Claims Settlement Act
- d. Income from submarginal land of the U.S. that is held in trust for certain Indian tribes
- e. Payments made under HHS's Low-Income Energy Assistance Program
- f. Payments received under the Job Training Partnership Act
- g. Income from the disposition of funds of the Grand River Band of Ottawa Indians
- h. The first \$2000 per capita received from judgment funds awarded for certain Indian claims
- i. Amount of scholarships awarded under Title IV including Work-Study
- j. Payments received under the Older Americans Act of 1965
- k. Payments from Agent Orange Settlement
- l. Payments received under the Maine Indian Claims Act
- m. The value of child care under the Child Care and Development Block Grant Act of 1990
- n. Earned income tax credit refund payments
- o. Payments for living expenses under the AmeriCorps Program

- p. 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.
 - q. Also excluded from income are payments made for individuals under the Community Services Employment Program administered by the Department of Labor, Title V of the Older Americans Act of 1965 (42 USC 3056(f))
 - r. Payments derived from Title VI of the Older American Comprehensive Services Amendments of 1973 (PL-93-29) such as Foster Grandparents and Older Americans Community Services programs are not included in family income. Also excluded are ACTION Volunteers, administered under the Domestic Volunteers Act of 1973, Title IX (PL 93-113).
 - s. Income of a roommate if not under the program.
14. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 2437t), or any comparable Federal, State or local law during the exclusion period. For purposes of this exclusion the following definitions apply:
- a. Comparable Federal, State or local law means a program providing employment training and supportive services that:
 - i. Is authorized by a Federal, State or local law;
 - ii. Is funded by the Federal, State or local government;
 - iii. Is operated or administered by a public agency; and
 - iv. Has as its objective to assist participants in acquiring employment skills.
 - b. Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.
 - c. Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

15. The incremental earning due to employment during the 12 month period following date of hire shall be excluded. This exclusion will not apply for any family who concurrently is eligible for exclusion # 14. Additionally, this exclusion is only available to the following families:
 - a. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years.
 - b. Families whose income increases during the participation of a family member in any family self-sufficiency program.
 - c. Families who are or were, within 6 months, assisted under a State TANF Program.

9.5 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. \$480 for each dependent
- B. \$400 for any elderly family or disabled family
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.
- D. For any elderly or disabled family: (Calculate disability expense before taking into account the medical expenses.)
 1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
 2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;
 3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.
- E. Child care expenses. (for children under age 13), only if unreimbursed, in an

amount reasonable for the area, shall be allowed where necessary to allow a family member to be gainfully employed, to further his/her education or is actively seeking employment (which must be verified). The amount deducted shall not exceed the amount of gross income received for such employment. Such expense shall be allowed only if no adult member of the family is available to provide such care.

- F. An elderly family shall be allowed an amount for Medical Expenses equal to the amount by which the medial expenses exceed 3% of annual income if there is no disabled assistance expenses allowance. Medical expense shall include only actual expense, including medical insurance premiums, that are not covered by insurance.
- G. If an elderly family has disabled assistance expenses less than 3% of annual income, an allowance for combined handicapped assistance expenses that is equal to the amount by which the sum of those expenses exceeds 3% of annual income.
- H. In no case will allowances be given which exceed the family's annual income.

10.0 VERIFICATION

The MHC will third-party verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full time student status of family members 18 years of age and older, Social Security Numbers, birth certificates (or other suitable proof), citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

10.1 ACCEPTABLE METHODS OF VERIFICATION

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or for citizenship documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

Other information will be verified by EIV or written third party verification. This type of verification includes written documentation (with forms sent directly to and received directly from a source, not passed through the hands of the family). This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the MHC or automatically by another government agency,

i.e. the Social Security Administration(SWICA, UIV). Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e. name, date of contact, amount received, etc. but will be used only when twoother efforts to seek written verification is documented and failed. Two attempts at third party verification is required is required before accepting any other method of verification.

When third party verification cannot be obtained, the MHC will accept documentation received from the applicant/participant. Hand-carried documentation will be accepted if the MHC has been unable to obtain third party verification. Photocopies of the documents provided by the family will be maintained in the file.

When neither third party verification nor hand-carried verification can be obtained, the MHC will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

10.2 TYPES OF VERIFICATION

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the MHC will send a request form to the source along with a release form signed by the applicant/participant via first class mail or by fax .

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
General Eligibility Items		
Social Security Number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	INS SAVE confirmation #	INS card
Disability	Letter from medical professional, SSI, etc	Proof of SSI or Social Security disability payments
Full time student status (if >18)	Letter from school	For high school students, any document evidencing enrollment
Need for a live-in aide	Letter from doctor or other	N/A

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
	professional knowledgeable of condition	
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payment
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
Value of and Income from Assets		
Savings, checking accounts	Letter from institution	Passbook, most current statement <i>balance</i> ; <i>most recent bank statement</i>
CDs, bonds, etc	Letter from institution	Tax return, information brochure from institution, the CD, the bond
Stocks	Letter from broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property *	Letter from tax office, assessment, etc.	Property tax statement (for current value), assessment, records or income and expenses, tax return
Personal property	Assessment, bluebook, etc	Receipt for purchase, other evidence of worth
Cash value of life insurance policies	Letter from insurance company	Current statement
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth

Verification Requirements for Individual Items		
Item to Be Verified	3 rd party verification	Hand-carried verification
Income		
Earned income	Letter from employer	Multiple pay stubs
Self-employed	N/A	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Services	Record of deposits, divorce decree
Periodic payments (i.e., social security, welfare, pensions, workers' comp, unemployment)	Letter or electronic reports from the source	Award letter, letter announcing change in amount of future payments
Training program participation	Letter from program provider indicating <ul style="list-style-type: none"> - whether enrolled - whether training is HUD-funded - whether State or local program - whether it is employment training - whether payments are for out-of-pocket expenses incurred in order to participate in a program 	N/A
Actively seeking employment	Compilation of employers with whom applicant applied showing date and signature of company rep.	Brought in by applicant. Staff to call employers listed to verify.

* Real Property: the MHC will use **twice** the most recent taxable value or SEV (State Equalized Value) indicated on the participant's most recent Michigan tax statement to determine the value of this asset.

10.3 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS

The citizenship/eligible noncitizen status of each family member regardless of age must be determined.

Prior to being admitted, or at the first reexamination, all citizens and nationals will be required to sign a declaration under penalty of perjury. (They will be required to show proof of their status by such means as Social Security card, birth certificate, military ID or military DD 214 Form.)

Prior to being admitted or at the first reexamination, all eligible noncitizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

Prior to being admitted or at the first reexamination, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The MHC will make a copy of the individual's INS documentation and place the copy in the file. The MHC also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the MHC will mail information to the INS so a manual check can be made of INS records.

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

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to the Housing Choice Voucher Program.

Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

If no family member is determined to be eligible under this Section, the family's admission will be denied.

The family's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, except to the extent that the delay is caused by the family.

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

10.4 VERIFICATION OF SOCIAL SECURITY NUMBERS

Prior to admission, each family member who has a Social Security Number must provide verification of his or her Social Security Number. In the case of a new birth, a copy of the Social Security card must be provided within ten (10) days of receipt of the card.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the MHC will accept letters from Social Security that establish and state the number. Documentation from other governmental agencies will also be accepted that establish and state the number. Driver's license, military ID, passports, or other official documents that establish and state the number are also acceptable.

If an individual states that they do not have a Social Security Number they will be required to sign a statement to this effect. The MHC will not require any individual who does not have a Social Security Number to obtain a Social Security Number.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided.

10.5 TIMING OF VERIFICATION

Verification must be dated within 60 days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the MHC will verify and update only those elements reported to have changed.

10.6 FREQUENCY OF OBTAINING VERIFICATION

For each family member, citizenship/eligible noncitizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining the family, their status will be verified.

For each family member, verification of Social Security Number or birth certificates (or other acceptable proof) will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security Number at admission receives a Social Security Number, that number will be verified at the next regular reexamination.

11.0 RENT AND HOUSING ASSISTANCE PAYMENT

11.1 RENT REASONABLENESS

The MHC will not approve an initial rent or a rent increase in any of the tenant-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved;
- B. If 60 days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR; and
- C. If the MHC or HUD directs that reasonableness be re-determined.

11.2 COMPARABILITY

In making a rent reasonableness determination, the MHC will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. The MHC will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and the comparable units.

The MHC will maintain current survey information on rental units in the jurisdiction.

The MHC will establish minimum base rent amounts for special amenities such as but not limited to, cable TV, garbage disposals, air conditioning, lawn mowing, snow plowing, overly large rooms, a garage, being provided by the landlord..

Owners are invited to submit information to the survey at any time. Owners may review the determination made on their unit and may submit additional information or make improvements to the unit that will enable the MHC to establish a higher value.

The owner must certify in writing the rents charged for other units. By accepting the housing assistance payment each month the owner is certifying that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

The owner of a manufactured home space must certify that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by the MHC, the owner must provide the MHC information on rents for other manufactured home spaces.

11.3 MAXIMUM SUBSIDY

The Fair Market Rent (FMR) published by HUD or the exception payment standard rent (requested by the MHC and approved by HUD) determines the maximum subsidy for a family.

For the Voucher Program, the maximum payment standard will be 110% of the FMR without prior approval from HUD, or the exception payment standard approved by HUD.

For a voucher tenancy in an insured or noninsured 236 project, a 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project the payment standard may not exceed the basic rent charged including the cost of tenant-paid utilities.

For manufactured home space rental, the maximum subsidy under any form of assistance is 40% of the published Fair Market Rent for a 2 bedroom unit for the space as outlined in 24 CFR 982.888.

11.3.1 Setting the Payment Standard

HUD requires that the payment standard be set by the MHC at between 90 and 110% of the FMR. The MHC will review its determination of the payment standard annually after publication of the FMRs. The MHC will consider vacancy rates and rents in the market area, size and quality of units leased under the program, rents for units leased under the program, success rates of voucher holders in finding units, and the percentage of annual income families are paying for rent under the Voucher Program. If it is determined that success rates will suffer or that families are having to rent low quality units or pay over 40% of income for rent, the payment standard may be raised to the level judged necessary to alleviate these hardships.

Payment standards will not be raised solely to allow the renting of luxury quality units.

If success levels are projected to be extremely high and rents are projected to be at or below 30% of income, the MHC will reduce the payment standard. Payment standards for each bedroom size are evaluated separately so that the payment standard for one bedroom size may increase or decrease while another remains unchanged. The MHC may consider adjusting payment standards at times other than the annual review when circumstances warrant.

Before increasing any payment standard, the MHC will conduct a financial feasibility test to ensure that in using the higher standard, adequate funds will continue to be available to assist families in the program.

11.3.2 Selecting the Correct Payment Standard for a Family

- A. For the voucher tenancy, the payment standard for a family is the lower of:
 - 1. The payment standard for the family unit size; or
 - 2. The payment standard for the unit size rented by the family.
- B. If the unit rented by a family is located in an exception rent area, the MHC will use the appropriate payment standard for the exception rent area.

- C. During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:
 - 1. The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
 - 2. The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- D. At the next annual reexamination following a change in family size or composition during the HAP contract term and for any reexamination thereafter, paragraph C above does not apply.
- E. If there is a change in family unit size, the new family unit size will be considered when determining the payment standard at the time the change takes place (Ex.: child is born; children temporarily in foster home are returned to family).

11.3.3 Area Exception Rents

In order to help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, the MHC may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. The MHC may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some unit sizes, or for all or some unit types.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until such time as the Housing Authority requests and HUD approves a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

11.4 ASSISTANCE AND RENT FORMULAS

A. Total Tenant Payment

The total tenant payment is equal to the highest of:

- 1. 10% of monthly income
- 2. 30% of adjusted monthly income
- 3. Minimum rent

4. The welfare rent

Plus any rent above the payment standard.

If a family's income is reduced for noncompliance with TANF requirements, rent will not be reduced.

B. Minimum Rent.

The MHC has set the minimum rent as \$50.00. However, if the family requests a hardship exemption, the MHC will suspend the minimum rent for the family beginning the month following the family's hardship request. The suspension will continue until the MHC can determine whether hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the family will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.

1. A hardship exists in the following circumstances:

- a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;
- b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
- c. When the income of the family has decreased because of changed circumstances, including loss of employment;
- d. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
- e. When a death has occurred in the immediate family.

2. No hardship. If the MHC determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to the MHC for the time of suspension.

3. Temporary hardship. If the MHC determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The MHC will offer a reasonable repayment agreement for any minimum rent back payment paid by the MHC on the family's behalf during the period of suspension.

4. Long-term hardship. If the MHC determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
5. Appeals. The family may use the informal hearing procedure to appeal the MHC's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedures.

C. Manufactured Home Space Rental: Section 8 Vouchers

1. The payment standard for a participant renting a manufactured home space is that which is in accordance with the MHC's adopted payment Standard..
- 2.
3. The space rent is the sum of the following as determined by the MHC:
 - a. Rent to the owner for the manufactured home space;
 - b. Owner maintenance and management charges for the space; and
 - c. Utility allowance for tenant paid utilities.
3. The participant pays the rent to owner less the HAP.
4. HAP equals the lesser of:
 - a. The payment standard minus the total tenant payment; or
 - b. The rent paid for rental of the real property on which the manufactured home owned by the family is located.

F. Rent for Families under the Noncitizen Rule

A mixed family will receive full continuation of assistance if all of the following conditions are met:

1. The family was receiving assistance on June 19, 1995;
2. The family was granted continuation of assistance before November 29, 1996;
3. The family's head or spouse has eligible immigration status; and
4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any

parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three years. If granted after that date, the maximum period of time for assistance under the provision is 18 months. The MHC will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, the MHC will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

The family's assistance is prorated in the following manner:

1. Find the prorated housing assistance payment (HAP) by dividing the HAP by the total number of family members, and then multiplying the result by the number of eligible family members.
2. Obtain the prorated family share by subtracting the prorated HAP from the gross rent (contract rent plus utility allowance).
3. The prorated tenant rent equals the prorated family share minus the full utility allowance.

11.5 UTILITY ALLOWANCE

The MHC maintains a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the MHC uses normal patterns of consumption by the participants of the program..

The MHC reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. The MHC maintains information

supporting the annual review of utility allowances and any revisions made in its utility allowance schedule.

The MHC uses the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under the MHC subsidy standards).

At each reexamination, the MHC applies the utility allowance from the most current utility allowance schedule.

The MHC will approve a request for a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

The utility allowance will be subtracted from the family's share to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the owner. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belong to the tenant.

The MHC utility allowance for manufactured home space rentals is not limited to the tenant paid utilities directly related to the space rental, such as water and sewer expenses. The utility allowance covers all tenant-paid utilities including electricity and gas for the manufactured home.

11.7 DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT

The MHC pays the owner the lesser of the housing assistance payment or the rent to owner. If payments are not made when due, the owner may charge the MHC a late payment, agreed to in the Contract and in accordance with generally accepted practices in the MHC jurisdiction.

11.8 CHANGE OF OWNERSHIP

The MHC requires a written request by the owner who executed the HAP contract in order to make changes regarding who is to receive the MHC's rent payment or the address as to where the rent payment should be sent.

In addition, the MHC requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. Deed of Trust showing the transfer of title; or letter from former owner concerning sale of property.

- B. Tax Identification Number or Social Security Number.

The MHC may withhold the rent payment until the taxpayer identification number is received.

11.9 FAIR MARKET RENTS

The U. S. Department of Housing & Urban Development publishes FMRs annually by bedroom size and area.

In the case of manufactured home space rental, the FMR is 40% of the published FMR for a two-bedroom unit (see MHC's adopted Payment Standards which include the payment standard for a manufactured home space).

12.0 INSPECTION POLICIES, HOUSING QUALITY STANDARDS, AND DAMAGE CLAIMS

The MHC will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the Housing Choice Voucher Program unless the HQS is met. Units will be inspected at least annually, and at other times as needed, to determine if the units meet HQS.

The MHC must be allowed to inspect the dwelling unit at reasonable times with reasonable notice (*5 days is considered reasonable notice*). The family and owner will be notified of the inspection appointment by phone or first class mail. If the family can not be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make arrangements to enable the MHC to enter the unit and complete the inspection.

If the family misses the scheduled inspection and fails to reschedule the inspection, the MHC will only schedule one more inspection. If the family misses two inspections, the MHC will consider the family to have violated a Family Obligation and their assistance will be terminated.

12.1 TYPES OF INSPECTIONS

There are seven types of inspections the MHC will perform:

- A. Initial Inspection - An inspection that must take place to insure that the unit passes HQS before assistance can begin.
- B. Annual Inspection - An inspection to determine that the unit continues to meet HQS.
- C. Complaint Inspection - An inspection caused by the Commission receiving a complaint on the unit by anyone.

- D. Special Inspection - An inspection caused by a third party, i.e. HUD, needing to view the unit.
- E. Emergency - An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- F. Move Out Inspection (if applicable) - An inspection required for units in service before October 2, 1995, and optional after that date. These inspections document the condition of the unit at the time of the move-out.
- F. Quality Control Inspection - Supervisory inspections on at least 5% of the total number of units that were under lease during the MHC's previous fiscal year (by Executive Director).

12.2 OWNER AND FAMILY RESPONSIBILITY

A. Owner Responsibility for HQS

1. The owner must maintain the unit in accordance with HQS.
2. If the owner fails to maintain the dwelling unit in accordance with HQS, the MHC will take prompt and vigorous action to enforce the owner obligations. The MHC's remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.
3. The MHC will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the MHC and the MHC verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects the owner must correct the defect within no more than 30 calendar days (or any MHC approved extension).
4. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the MHC may terminate assistance to a family because of the HQS breach caused by the family.

B. Family Responsibility for HQS

1. The family is responsible for a breach of the HQS that is caused by any of the following:
 - a. The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant;

- b. The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
 - c. Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).
2. If an HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any MHC approved extension).
 3. If the family has caused a breach of the HQS, the MHC will take prompt and vigorous action to enforce the family obligations. The MHC may terminate assistance for the family in accordance with 24 CFR 982.552.

12.3 HOUSING QUALITY STANDARDS (HQS) 24 CFR 982.401

This Section states performance and acceptability criteria for these key aspects of the following housing quality standards:

A. Sanitary Facilities

1. Performance Requirements

The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.

2. Acceptability Criteria

- a. The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
- b. The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
- c. The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
- d. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

B. Food Preparation and Refuse Disposal

1. Performance Requirements

- a. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- b. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

2. Acceptability Criteria

- a. The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- b. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.
- c. The dwelling unit must have space for the storage, preparation, and serving of food.
- d. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

C. Space and security

1. Performance Requirement

The dwelling unit must provide adequate space and security for the family.

2. Acceptability Criteria

- a. At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
- b. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex,

other than very young children, may not be required to occupy the same bedroom or living/sleeping room.

- c. Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
- d. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

D. Thermal Environment

1. Performance Requirement

The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

2. Acceptability Criteria

- a. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate. Unit's heating unit must be able to maintain a temperature of 68 degrees Fahrenheit unless the outside temperature drops below -3 degrees Fahrenheit, in which case the unit must remain at 65 degrees Fahrenheit or above.
- b. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

E. Illumination and Electricity

1. Performance Requirement

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

2. Acceptability Criteria

- a. There must be at least one window in the living room and in each sleeping room.
- b. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
- c. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

F. Structure and Materials

1. Performance Requirement

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

2. Acceptability Criteria

- a. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- b. The roof must be structurally sound and weather tight.
- c. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- d. The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
- e. Elevators must be working and safe.

G. Interior Air Quality

1. Performance Requirement

The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

2. Acceptability Criteria

- a. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- b. There must be adequate air circulation in the dwelling unit.
- c. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
- d. Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

H. Water Supply

1. Performance Requirements

The water supply must be free from contamination.

2. Acceptability Criteria

The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

I. Lead-based Paint

1. Definitions

- a. Chewable surface: Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.
- b. Component: An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.
- c. Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.

- d. Elevated blood level (EBL): Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.
- e. HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- f. Lead-based paint: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm^2), or 0.5 % by weight or 5000 parts per million (PPM).

2. Performance Requirements

- a. The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR 35.24(b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.
- b. The requirements of this paragraph of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
- c. If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph k of this Section.
- d. The MHC may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph 1(f) of this Section. For purposes of this Section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.

- e. Treatment of defective paint surfaces required under this Section must be completed within 30 calendar days of MHC notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30-day period, treatment as required by paragraph k of this Section may be delayed for a reasonable time.
- f. The requirements in this paragraph apply to:
 - i. All painted interior surfaces within the unit (including ceilings but excluding furniture);
 - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
 - iii. Exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds). However, paint chips on the ground must be cleaned up.
- g. In addition to the requirements of paragraph c of this Section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
- h. Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph k of this Section is required, and treatment shall be completed within the time limits in paragraph c of this Section.
- i. The requirements in paragraph g of this Section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:
 - i. Within the unit;

- ii. The entrance and hallway providing access to a unit in a multi-unit building; and
 - iii. Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- j. In lieu of the procedures set forth in paragraph g of this Section, the MHC may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph k of this Section.
- k. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
- i. A defective paint surface shall be treated if the total area of defective paint on a component is:
 - (1) More than 10 square feet on an exterior wall;
 - (2) More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;
 - (3) More than 10% of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, windowsills, baseboards and trim.
 - ii. Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydroblasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust. Clean up chips that have fallen to ground or other areas within 5' of the ground or reachable by a 6 year old.

- iii. Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydroblasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.
 - iv. During exterior treatment soil and playground equipment must be protected from contamination.
 - v. All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.
 - vi. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.
- l. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.
 - m. Prior to execution of the HAP contract, the owner must inform the MHC and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.
 - n. If the unit has lead-based paint, the MHC must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this Section, the family must be issued a certificate or voucher to move.
 - o. The MHC must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the MHC must keep the test results indefinitely and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this Section, such

chewable surfaces do not have to be tested or treated at any subsequent time.

- p. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

J. Access

1. Performance Requirements

The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

K. Site and Neighborhood

1. Performance Requirements

The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

2. Acceptability Criteria

The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

L. Sanitary Condition

1. Performance Requirements

The dwelling unit and its equipment must be in sanitary condition.

2. Acceptability Criteria

The dwelling unit and its equipment must be free of vermin and rodent infestation.

M. Smoke Detectors

1. Performance Requirements

- a. Except as provided in paragraph b below of this Section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).
- b. For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993, in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

P. Mold-like substances

In the event the HQS Inspection discovers mold-like substances during initial or subsequent inspections of the unit, the MHC will decide if the Owner can resolve it by following the below criteria, or if qualified mold remediators are necessary at the Owner's expense, to sample, test and correct the problem. After the problem has been resolved, certification must be obtained to confirm that the mold-like substance has been removed and the unit is safe and habitable, before the MHC will begin, or continue, subsidy payments.

If the MHC does not require licensed mold professionals to address and correct the mold issue, the Owner must:

1. Identify the unit's moisture problem and repair it at its source.
2. If the affected material is significantly contaminated and porous (difficult to remove the mold-like substance completely) it must be discarded wearing proper equipment (respirators, protective clothing, eye protection, mask, rubber gloves) and with proper ventilation. If the affected material is not significantly contaminated and is non-porous, the entire area must be cleaned with soap or a non-ammonia cleaning detergent and rinsed with hot water using the safe work practices described above.
3. After the area has been thoroughly cleaned it must be disinfected with a

10% bleach solution using the safe work practices described above. The solution should be left on the affected areas for 10 minutes before rinsing or drying.

4. Any other areas damaged due to the source of the moisture problem, must also be corrected.

An analysis by the MHC as to the cause of the mold will be done. If the cause is the result of negligence or due to family's life style, the family shall correct the problem. If the cause is because the property owner fails to correct a problem (leaky roof, pipes, lack of caulk/sealants at tub, etc.) after having been notified by the MHC, the property owner shall be liable for the correction. In the event it is the cause of the property owners negligence, the subsidized family may temporarily move to another suitable unit, at Owners expense, during remediation of the mold-like substance. Such temporary unit must meet HQS and all other program requirements to receive subsidy. The Owner may request an extension on the 30 day deadline for remediating the problem, but such extension may not exceed an additional 30 days; however, the MHC must verify that a good-faith effort is being made to resolve the problem before granting the request. During the time the unit does not meet HQS, the unit does not qualify for subsidy..

The MHC reserves the authority to require any mold-like substance to be sampled, tested, and corrected through a construction process and/or qualified mold remediator.

M. Manufactured Home

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage. A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

12.4 EXCEPTIONS TO THE HQS ACCEPTABILITY CRITERIA

The MHC will utilize the acceptability criteria as outlined above with applicable State and local codes. Additionally, the MHC has received HUD approval to require the following additional criteria:

- A. In each room, there will be at least one exterior window that can be opened and that contains a screen.
- B. Owners will be required to scrape peeling paint and repaint all surfaces cited for peeling paint with 2 coats of non-lead paint. An extension may be granted as a severe weather related item as defined below.
- C. Adequate heat shall be considered to be 68 degrees.

- D. In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
- E. A ¾" overflow pipe must be present on the hot water heater safety valves and installed down to within 6 inches of the floor.

12.5 TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS

A. Correcting Initial HQS Fail Items

The MHC will schedule a timely inspection of the unit on the date the owner indicates that the unit will be ready for inspection, or as soon as possible thereafter (within 5 working days) upon receipt of a Request for Tenancy Approval. The owner and participant will be notified in writing of the results of the inspection. If the unit fails HQS again, the owner and the participant will be advised to notify the MHC to reschedule a re-inspection when the repairs have been properly completed.

On an initial inspection, the owner will be given up to 30 days to correct the items noted as failed, depending on the extent of the repairs that are required to be made. No unit will be placed in the program until the unit meets the HQS requirements.

B. HQS Fail Items for Units under Contract

The owner or participant will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item list below), the owner or participant will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 30 days to correct the failed item(s).

If the owner fails to correct the HQS failed items after proper notification has been given, the MHC will abate payment and terminate the contract in accordance with Sections 12.7 and 17.0(B)(3).

If the participant fails to correct the HQS failed items that are family-caused after proper notification has been given, the MHC will terminate assistance for the family in accordance with Sections 12.2(B) and 17.0(B)(3).

C. Time Frames for Corrections

1. Emergency repair items must be abated within 24 hours.

2. Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be abated within 72 hours.
3. Non-emergency items must be completed within 10 days of the initial inspection.
4. For major repairs, the owner will have up to 30 days to complete.

D. Extensions

At the sole discretion of the MHC, extensions of up to 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. If repairs are not completed within 60 days after the initial inspection date, the MHC will abate the rent and cancel the HAP contract for owner noncompliance. Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside concrete work for porches, steps, and sidewalks.

12.6 EMERGENCY FAIL ITEMS

The following items are to be considered examples of emergency items that need to be abated within 24 hours:

- A. No hot or cold water
- B. No electricity
- C. Inability to maintain adequate heat
- D. Major plumbing leak
- E. Natural gas leak
- F. Broken lock(s) on first floor doors or windows
- G. Broken windows that unduly allow weather elements into the unit
- H. Electrical outlet smoking or sparking
- I. Exposed electrical wires which could result in shock or fire
- J. Unusable toilet when only one toilet is present in the unit
- K. Security risks such as broken doors or windows that would allow intrusion
- L. Other conditions which pose an immediate threat to health or safety

12.7 ABATEMENT

When a unit fails to meet HQS and the owner has been given an opportunity to correct the deficiencies, but has failed to do so within in the required timeframe, the rent for the dwelling unit will be abated. There will be no partial month abatement. Rent will be abated for a full month.

For tenant caused HQS deficiencies, the owner will not be held accountable and the rent will not be abated. The tenant is held to the same standard and timeframes for correction of deficiencies as owners. If repairs are not completed by the deadline, the MHC will send a notice of termination to both the tenant and the owner. The tenant will be given the opportunity to request an informal hearing.

13.0 RECERTIFICATION

The following interim reports of increases will not be performed. Instead, they will be calculated and included in the participants next Annual Recertification:

- a. Annual cost of living increases for SS/SSI, welfare and veteran's pension benefits;
- b. Monthly income increases that total \$480 or less (unless the participant's income is 0)
- c. Changes in food stamp amounts or other excluded income such as student financial aid (unless the participant's income is 0)

For temporary interim decreases in family income, the loss of income must exceed 30 days before the MHC will and process the change.

For decreases in child support, the participant must provide proof that they have not received payment in at least 30 days AND proof of current legal action taken to recover such payments before the MHC will process the change.

Interims which result in tenant rent portion decreases will increase the amount of the participant's respective HAP to the landlord, according to the effective date. In cases where the affected HAP has already been processed (printed and mailed), the adjustment will be added to the following month's HAP payment. The Owner may choose to re-pay the tenant or apply the credit to the tenants next-months rent. The MHC will not make such overpayment/adjustment checks payable to the tenant.

13.1 ANNUAL REEXAMINATION

At least annually the MHC will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size.

The MHC will send a notification letter to the family letting them know that it is time for their annual reexamination and scheduling an appointment. The letter includes forms for

the family to complete in preparation for the review. The letter includes instructions for the review. The letter tells families who may need to make alternate arrangements due to a disability that they may contact staff to request an accommodation of their needs.

During the review, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances. If family intentionally misrepresents their income, assets, or family composition and it would have affected the amount of the family's contribution toward rent resulting in an overpayment by the MHC, such family shall retroactively to the date they should have paid the higher sum, reimburse the MHC for overpayments and the family will be subject to termination.

Upon receipt of verification, the MHC will determine the family's annual income and will calculate their family share.

13.1.1 Effective Date of Rent Changes for Annual Reexaminations

The new family share will generally be effective upon the anniversary date with 30 days notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30 day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

13.1.2 Missed Appointments

If the family fails to respond to the letter, a second letter will be mailed. The second letter will advise of a new date for the information to be submitted allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to supply information for the date in the second letter will result in the MHC taking action to terminate the family's assistance.

13.2 INTERIM REEXAMINATIONS

During an interim reexamination only the information affected by the changes being reported will be reviewed and verified.

Families will be required to report any change in income, assets, expenses, family composition, or any circumstances that may affect rent, it must be in writing using the

MHC's Tenant Report of Change Form (unless prior written approval from staff is given (to grant an accommodation for a person with a disability) within ten (10) days of the change. Verbal reports will not be accepted.

Families are required to report the following changes to the MHC between regular reexaminations. These changes will trigger an interim reexamination.

- A. A member has been added to the family through birth, adoption, court-awarded custody, spouse, boyfriend, or girlfriend.
- B. A household member is leaving or has left the family unit.
- C.. Family break-up
- D, Any change in income, assets, or expenses.

In circumstances of a family break-up, the MHC will allow both familial parents to hold a voucher. However, only one can receive deductions for the minor child(ren). Bedroom distribution for each will be determined by who ever has the child(ren) in the household 180 days or more per year (which could be both). The person claiming the child(ren) on their income tax shall be entitled to the per-child deduction.

In order to add an adult family household member other than through birth or adoption (including a live-in aide) the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number if they have one, birth certificate (or other suitable proof) and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants. The MHC will determine the eligibility of the individual before allowing them to be added to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, the MHC will grant approval to add their name to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. The effective date of the new rent will be in accordance with paragraph below 13.2.2.

Families are not required to, but may at any time up to the 15th day of the month request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, the MHC will take timely action to process the interim reexamination and recalculate the family share. The decrease in rent by resident may be made retroactive provided they were not the cause of the delay in obtaining information for verification purposes.

13.2.1 Special Reexaminations

If a family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, the MHC may schedule special reexaminations every 60 days until the income stabilizes and an annual income can be determined. In the case of zero income, family will be re-examined every sixty (60) days.

13.2.2 Effective Date of Rent Changes Due to Interim or Special Reexaminations

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

14.0 TERMINATION OF ASSISTANCE TO THE FAMILY BY THE MHC

The Housing Commission may at any time terminate program assistance for a participant, because of any of the actions or inaction by the household:

- A. If the family violates any family obligations under the program.
- B. If a family member fails to sign and submit consent forms.
- C. If a family fails to establish citizenship or eligible immigrant status and is not eligible for or does not elect continuation of assistance, pro-ration of assistance, or temporary deferral of assistance. If the MHC determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Housing Choice Voucher unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Housing Choice Voucher for a period of 24 months from the date of termination.
- D. If any member of the family has ever been evicted from public housing.

- E. If the Housing Commission has ever terminated assistance under the Certificate or Voucher Program for any member of the family.
- F. If any member of the family commits drug-related criminal activity.
- G. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any assisted housing program.

Staff will investigate any and all suspected fraud cases in a timely manner. Thirty days from knowledge of such fraud shall be considered a reasonable time in which to conduct the necessary investigation. Any resulting retroactive rent shall be charged to the resident within sixty days of the initial knowledge of fraud.

In fraud cases, penalties shall be as follows:

- 1. If the retroactive rent calculation results in a total tenant repayment of \$100 or less, the MHC will send a letter warning the offender of the penalties associated with fraud (repayment, possible referral to OIG and/or local prosecuting attorney, credit bureau, possible program termination, etc.). The resident will be given thirty days to pay the full amount owing; no repayment agreement will be offered. Failure to pay will result in termination of assistance.*
- 2. If the retroactive rent calculation results in a total between \$101 and \$2,000.00, the MHC will send a letter warning the offender of the penalties associated with fraud (repayment, possible referral to OIG and/or prosecuting attorney, credit bureau, possible program termination, etc.). The Resident in this case can enter into a 6 month repayment agreement and be placed on a 12-month probation with the MHC.*
- 3. If the retroactive rent calculation results in a total over and above \$2,000.00, the resident will be terminated from the program, the amount owed will be Due in full within 30 days and the case may be turned over to the OIG and/or local prosecuting attorney. After 30 days, if full payment is not made, the MHC will notify the Credit Bureau of such balance.*

- H. If the family currently owes rent or other amounts to the MHC or to another Housing Authority/Commission in connection with Section 8 or public housing assistance under the 1937 Act.
- I. If the family has not reimbursed any Housing Commission for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease. There is a waiting period of three years between paying off the debt and being permitted to be assisted again.
- J. If family breaches an agreement with the MHC to pay amounts owed to the MHC.

- K. Family whose total tenant payment is sufficient to pay the full gross rent of the unit.
- L. If the family has engaged in or threatened abusive or violent behavior toward MHC personnel or others.
- M. If any household member is subject to a lifetime registration requirement under a State sex offender registration program.
- N. If a household member's illegal use, manufacture or production of methamphetamine or other illegal drug.
- O. A family may be absent from the unit no more than one hundred twenty (120) days in any 12 month period without prior written approval by the Marquette Housing Commission. Such extension will be granted only under unusual circumstances.
- P. Is evicted for serious or repeated violations of the terms and conditions of the lease. A serious or repeated violation includes failure to pay rent or other amounts due under the lease.
- Q. Fleeing by any household member to avoid prosecution, or custody or confinement after conviction for a felony or attempt to commit a felony.
- R. Violation by any household member of a condition of probation or parole under Federal or state law.
- S. Abuse of alcohol that threatens the health, safety or right to peaceful enjoyment.

15.0 COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS

15.1 COMPLAINTS

The MHC will investigate and respond to complaints by participant families, owners, and the general public. The MHC requires that complaints other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

15.2 INFORMAL REVIEW FOR THE APPLICANT

- A. Informal Review for the Applicant

The MHC will give an applicant for participation in the Section 8 Voucher Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for the MHC decision. The

notice will state that the applicant may request an informal review within 10 business days of the denial and will describe how to obtain the informal review.

B. When an Informal Review is not Required

The MHC will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the family unit size under the MHC subsidy standards.
2. A MHC determination not to approve an extension or suspension of a certificate or voucher term.
3. A MHC determination not to grant approval to lease a unit under the program or to approve a proposed lease.
4. A MHC determination that a unit selected by the applicant is not in compliance with HQS.
5. A MHC determination that the unit is not in accordance with HQS because of family size or composition.
6. General policy issues or class grievances.
7. Discretionary administrative determinations by the MHC.

C. Informal Review Process

The MHC will give an applicant an opportunity for an informal review of the MHC decision denying assistance to the applicant. The procedure is as follows:

1. The review will be conducted by the Executive Director or his/her designee or Grievance Officer, not by the person (or their subordinate) who made or approved the decision under review.
2. The applicant will be given an opportunity to present written or oral objections to the MHC decision.
3. The MHC will notify the applicant of the MHC decision after the informal review within ten (10) business days. The notification will include a brief statement of the reasons for the final decision.

D. Considering Circumstances

In deciding whether to terminate assistance because of action or inaction by members of the family, the MHC may consider all of the circumstances in each

case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The MHC may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The MHC may permit the other members of a participant family to continue receiving assistance.

If the MHC seeks to terminate assistance because of illegal drugs, the incident causing such termination must have occurred within the immediate past 12 months.

E. Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The applicant family may request that the MHC provide for an informal review after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the applicant family within 30 days of receipt of the Notice of Denial or Termination of Assistance, or within 30 days of receipt of the INS appeal decision.

For applicant families, the Informal Review Process above will be utilized with the exception that the applicant family will have up to ten (10) business days of receipt of the Notice of Denial or Termination of Assistance, or of the INS appeal decision to request the review.

15.3 INFORMAL HEARINGS FOR PARTICIPANTS

A. When a Hearing is Required

1. The MHC will give a participant family an opportunity for an informal hearing to consider whether the following MHC decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and MHC policies:
 - a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
 - b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the MHC utility allowance schedule.
 - c. A determination of the family unit size under the MHC subsidy standards.

- d. A determination that a Voucher Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the MHC subsidy standards, or the MHC determination to deny the family's request for an exception from the standards.
 - e. A determination to terminate assistance for a participant family because of the family's action or failure to act.
 - f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the MHC policy and HUD rules.
- 2. In cases described in paragraphs 16.3(A)(1)(d), (e), and (f), of this Section, the MHC will give the opportunity for an informal hearing before the MHC terminates housing assistance payments for the family under an outstanding HAP contract.

B. When a Hearing is not Required

The MHC will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

- 1. Discretionary administrative determinations by the MHC.
- 2. General policy issues or class grievances.
- 3. Establishment of the MHC schedule of utility allowances for families in the program.
- 4. A MHC determination not to approve an extension or suspension of a voucher term.
- 5. A MHC determination not to approve a unit or lease.
- 6. A MHC determination that an assisted unit is not in compliance with HQS.
- 7. A MHC determination that the unit is not in accordance with HQS because of the family size.
- 8. A determination by the MHC to exercise or not exercise any right or remedy against the owner under a HAP contract.

T. Hearing Procedures

The Marquette Housing Commission will follow its established Grievance Procedure as it relates to Informal Hearings.

16.0 TERMINATION OF THE LEASE AND CONTRACT

The term of the lease and the term of the HAP contract are the same. They begin on the same date and they end on the same date. The lease may be terminated by the owner, by the tenant, or by the mutual agreement of both. The owner may only terminate the contract by terminating the lease. The HAP contract may be terminated by the MHC. Under some circumstances the contract automatically terminates.

A. Termination of the lease

1. By the family

The family may terminate the lease without cause upon proper notice to the owner and to the MHC after the first year of the lease. The length of the notice that is required is stated in the lease (generally 30 days). Family must give MHC a copy of the notice simultaneously.

2. By the owner.

a. The owner may terminate the lease during its term on the following grounds:

- i. Serious or repeated violations of the terms or conditions of the lease by the tenant, tenant family or guests;
- ii. Violation of Federal, State, or local law that impose obligations on the tenant in connection with the occupancy or use of the unit and its premises;
- iii. Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the premises by other persons residing in the immediate vicinity of the premises;
- iv. Any drug-related criminal activity on or near the premises;
- v. Other good cause. Other good cause may include, but is not limited to:
 - (1) Failure by the family to accept the offer of a new lease (Such lease may not be presented to family

more than 30 days in advance of expiration of the current lease);

- (2) Family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit;
- (3) The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit;
- (4) A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.

vi. Have a family member with a lifetime registration under a State sex offender registration program (Denied for life).

- b. During the first year the owner may not terminate tenancy for other good cause unless the reason is because of something the household did or failed to do.
- c. The owner may only evict the tenant by instituting court action. The owner must give the MHC a copy of any owner eviction notice to the tenant at the same time that the owner gives the notice to the tenant.
- d. The owner may terminate the contract at the end of the initial lease term or any extension of the lease term without cause by providing notice to the family that the lease term will not be renewed.

3. Termination of the Lease by mutual agreement

The family and the owner may at any time mutually agree to terminate the lease.

B. Termination of the Contract

1. Automatic termination of the Contract

- a. If the MHC terminates assistance to the family, the contract terminates automatically.
- b. If the family moves out of the unit, the contract terminates automatically.

c. The contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

2. Termination of the contract by the owner

The owner may only terminate tenancy in accordance with lease and State and local law.

3. Termination of the HAP contract by the MHC

The Housing Commission may terminate the HAP contract because:

a. The Housing Commission has terminated assistance to the family.

b. The unit does not meet HQS space standards because of an increase in family size or change in family composition.

c. The MHC determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program.

d. The owner has breached the contract in any of the following ways:

i. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.

ii. If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Housing Act.

iii. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal, State or local housing program.

iv. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;

v. If the owner fails to bring eviction action for nonpayment of rent. However, MHC can continue with the rent subsidy and reduce HAP payment by the amount of tenant rent to owner.

4. Final HAP payment to owner

The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out. If the owner has begun eviction proceedings and the family continues to occupy the unit, the MHC will continue to make payments until the owner obtains a judgment or the family moves out.

17.0 CHARGES AGAINST THE SECTION 8 ADMINISTRATIVE FEE RESERVE

Occasionally, it is necessary for the MHC to spend money of its Section 8 Administrative Fee Reserve to meet unseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

The MHC Board of Commissioners authorizes the Executive Director to expend without prior Board approval up to \$2,500 or 5% of the reserve for authorized expenditures.

Any item(s) exceeding \$2,500 or 5% of reserve will require prior Board of Commissioner approval before any charge is made against the Section 8 Administrative Fee Reserve.

18.0 INTELLECTUAL PROPERTY RIGHTS

No program receipts may be used to indemnify contractors or subcontractors of the MHC against costs associated with any judgment of infringement of intellectual property rights.

GLOSSARY

1937 Housing Act: The United States Housing Act of 1937 [42 U.S.C. 1437 et seq.)

Affinity: Being involved in a marriage-type relationship for a significant period of time.

Absorption: In portability, the point at which a receiving housing authority stops billing the initial housing authority for assistance on behalf of a portable family. [24 CFR 982.4]

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant rent is based.

Administrative fee: Fee paid by HUD to the housing authority for the administration of the program.

Administrative Plan: The plan that describes housing authority policies for the administration of the tenant-based programs.

Admission: The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

Allowances: Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowance can be given at the discretion of the housing authority.

Amortization Payment: In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

Annual Contributions Contract (ACC): The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program.

Annual Income: All amounts, monetary or not, that:

- a. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
- b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

- c. Are not specifically excluded from Annual Income.
- d. Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access.

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program.

Assets: see net family assets.

Asset Income: Income received from assets held by household members. If assets total more than \$5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income.

Assisted lease (lease): A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the housing authority.

Certificate: A document issued by a housing authority to a family selected for admission to the Certificate Program. The certificate describes the program and the procedures for housing authority approval of a unit selected by the family. The certificate also states the obligations of the family under the program.

Certification: The examination of a household's income, expenses, and family composition to determine the household's eligibility for program participation and to calculate the household's rent for the following 12 months.

Child: For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses: Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen: A citizen or national of the United States.

Common space: In shared housing: Space available for use by the assisted family and other occupants of the unit.

Congregate housing: Housing for elderly or persons with disabilities that meets the HQS for congregate housing.

Consent form: Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

Contiguous MSA: In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial housing authority is located.

Continuously assisted: An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Voucher Program.

Cooperative: Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.

Domicile: The legal residence of the household head or spouse as determined in accordance with State and local law.

Decent, safe, and sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

Department: The Department of Housing and Urban Development.

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

Disability assistance expenses: Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family: A family whose head, 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.

Disabled person: See "person with disabilities."

Displaced family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), 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.

Displaced person: A person displaced by governmental action (such as urban renewal), 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.

Drug related criminal activity: Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

Drug trafficking: The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

Elderly family: A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person: A person who is at least 62 years of age.

Evidence of citizenship or eligible status: The documents that must be submitted to evidence citizenship or eligible immigration status.

Exception rent: An amount that exceeds the published fair market rent.

Extremely low-income families: Those families whose incomes do not exceed 30% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair market rent (FMR): The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

Family includes but is not limited to:

- a. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- b. An elderly family;
- c. A near-elderly family;

- d. A disabled family;
- e. A displaced family;
- f. The remaining member of a tenant family; and
- g. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family members: include all household members except live-in aides, foster children and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the HUD-50058.

Family self-sufficiency program (FSS program): The program established by a housing authority to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share: The portion of rent and utilities paid by the family.

Family unit size: The appropriate number of bedrooms for a family as determined by the housing authority under the housing authority's subsidy standards.

50058 Form: The HUD form that Housing Authority's are required to complete for each assisted household in public housing to record information used in the certification and re-certification process, and, at the option of the housing authority, for interim reexaminations.

FMR/exception rent limit: The Section 8 existing housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the Voucher Program, the housing authority may adopt a payment standard up to the FMR/exception rent limit.

Full-time student: A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or Certificate Program, as well as an institution offering a college degree.

Gross rent: The sum of the rent to the owner plus any utilities.

Group Home: A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

Head of household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Household members: include all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

Housing Assistance Payment (HAP): The monthly assistance by a housing authority, which includes (1) a payment to the owner for rent to the owner under the family's lease, and (2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing quality standards (HQS): The HUD minimum quality standards for housing assisted under the Section 8 program.

Housing choice voucher: A document issued by a housing authority to a family selected for admission to the Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

Housing voucher holder: A family that has an unexpired housing voucher.

Imputed income: For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.

Income category: Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

Incremental income: The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

Initial Housing Authority: In portability, both: (1) a housing authority that originally selected a family that later decides to move out of the jurisdiction of the selecting housing authority; and (2) a housing authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing authority.

Initial payment standard: The payment standard at the beginning of the HAP contract term.

Initial rent to owner: The rent to owner at the beginning of the initial lease term.

Interim (examination): A reexamination of a household's income, expenses, and household status conducted between the annual recertifications when a change in a household's circumstances warrant such a reexamination.

Jurisdiction: The area in which the housing authority has authority under State and local law to administer the program.

Lease: A written agreement between an owner and tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the housing authority.

Live-in aide: A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- a. Is determined to be essential to the care and well-being of the persons;
- b. Is not obligated for the support of the persons; and
- c. Would not be living in the unit except to provide the necessary supportive services.

Low-income families: Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937Act)

Manufactured home: A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.

Manufacture home space: In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.

Medical expenses: Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

Mixed family: A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Moderate rehabilitation: Rehabilitation involving a minimum expenditure of \$1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- a. upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance; or
- b. repair or replace major building systems or components in danger of failure.

Monthly adjusted income: One twelfth of adjusted income.

Monthly income: One twelfth of annual income.

Mutual housing is included in the definition of "cooperative".

National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family: A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets:

- a. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- b. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
- c. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen: A person who is neither a citizen nor national of the United States.

Notice Of Funding Availability (NOFA): For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance, and the criteria for awarding the funding.

Occupancy standards: The standards that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Owner: Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

Participant (participant family): A family that has been admitted to the housing authority's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the housing authority for the family (first day of initial lease).

Payment standard: In a voucher tenancy, the maximum monthly assistance payment for a family (before deducting the total tenant payment by family contribution). For a voucher tenancy, the housing authority sets a payment standard in the range from 90% to 110% of the current FMR.

Person with disabilities: A person who:

- a. Has a disability as defined in Section 223 of the Social Security Act,

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

In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

- b. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
 - (1) is expected to be of long-continued and indefinite duration,
 - (2) substantially impedes his or her ability to live independently, and
 - (3) is of such a nature that such ability could be improved by more suitable housing conditions, or
- c. Has a developmental disability as defined in Section 102(7) of the of the Developmental Disabilities Assistance and Bill of Rights Act.

"Severe chronic disability that:

- (1) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (2) is manifested before the person attains age 22;
- (3) is likely to continue indefinitely;
- (4) results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (e) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
- (5) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated."

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

Portability: Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial housing authority.

Premises: The building or complex in which the dwelling unit is located, including common areas and grounds.

Private space: In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

Preservation: This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based Section 8 assistance whose HAP contracts are about to expire.

Proration of assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

Public Housing Agency: A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

Reasonable rent: A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

Receiving Housing Authority: In portability, a housing authority that receives a family selected for participation in the tenant-based program of another housing authority. The receiving housing authority issues a certificate or voucher, and provides program assistance to the family.

Re-certification: A reexamination of a household's income, expenses, and family composition to determine the household's rent for the following 12 months.

Remaining member of a tenant family: A member of the family listed on the lease who continues to live in an assisted household after all other family members have left.

Rent to owner: The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Roommate: *One or more unrelated adults living together in a single unit. The MHC may choose to provide a rent subsidy to one or more unrelated adults living in a single unit. To determine rent for this configuration, one would take the gross rent and divide it by the number of persons living in the household and multiply that number by the number of persons*

in the 'family unit' (Ex. Boyfriend/girlfriend with one child and two unrelated roommates. \$500/month rent divided by 5 = \$200/person x 3 for this 'family unit'). This amount would then be compared to the established Payment Standard to determine if it meets the MHC's requirements.

Set-up charges: In a manufactured home space rental, charges payable by the family for assembly, skirting and anchoring the manufactured home.

Shared housing: A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.

Shelter Allowance: That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

Single person: Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

Single room occupancy housing (SRO): A unit for occupancy by a single eligible individual capable of independent living that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.

Special admission: Admission of an applicant that is not on the housing authority waiting list, or without considering the applicant's waiting list position.

Special housing types: Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

State Wage Information Collection Agency (SWICA): The State agency receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Statement of family responsibility: An agreement in the form prescribed by HUD, between the housing authority and a Family to be assisted under the Moderate Rehabilitation Program, stating the obligations and responsibilities of the family.

Subsidy standards: Standards established by a housing authority to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension: Stopping the clock on the term of a family's certificate or voucher, for such period as determined by the housing authority, from the time when the family submits a request for housing authority approval to lease a unit, until the time when the housing authority approves or denies the request. Also referred to as tolling.

Tenant: The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent: The amount payable monthly by the family as rent to the owner minus any utility allowance.

Third-party (verification): Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

Tolling: see suspension.

Total tenant payment (TTP):

(1) Total tenant payment is the amount calculated under Section 3(a)(1) of the 1937 Act. which is the higher of :

30% of the family's monthly adjusted income;

10% of the family's monthly income;

Minimum rent; or

if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under Section 3(a)(1) shall be the amount resulting from one application of the percentage.

Utility allowance: If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a housing authority or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility hook-up charge: In a manufactured home space rental, costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Utility reimbursement: 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.

Verification:

- a. The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).
- b. The three types of verification are:
 - (1) Third-party verification, either written or oral, obtained from employers, public assistance agencies, schools, etc.)
 - (2) Documentation, such as a copy of a birth certificate or bank statement
 - (3) Family certification or declaration (only used when third-party or documentation verification is not available)

Very low-income families: Low-income families whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families. *[1937 Act]*

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.

Voucher (rental voucher): A document issued by a housing authority to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family and states the obligations of the family under the program.

Voucher holder: A family holding a voucher with unexpired search time.

Waiting list admission: An admission from the housing authority waiting list. *[24 CFR 982.4]*

Welfare assistance. Welfare or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. *[24 CFR 5.603(d)]*

Welfare rent: In "as-paid" welfare programs, the amount of the welfare benefit designated for shelter and utilities.

ACRONYMS

ACC	Annual Contributions Contract
CACC	Consolidated Annual Contributions Contract
CFR	Code of Federal Regulations
FMR	Fair Market Rent
FSS	Family Self Sufficiency (program)
HA	Housing Authority
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
MHC	Marquette Housing Commission
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NOFA	Notice of Funding Availability
OMB	(U.S.) Office of Management and Budget
PBC	Project-Based Certificate (program)
QHWRA	Quality Housing and Work Responsibility Act of 1998
PHA	Public Housing Agency
TTP	Total Tenant Payment

ORGANIZATIONAL STRUCTURE AND PROGRAM OPERATIONS

The Section 8 Program as administered by MHC has one Occupancy Specialist to administer the program part time. The person assigned to oversee all contracts and operations will be the Executive Director. The Occupancy Specialist has the authority to sign required contracts.

The existing Public housing staff will be utilized for the Section 8 Program. The following is a summary of the staff responsibilities. All positions are currently filled.

- a. Occupancy Specialist- This individual is generally responsible for the day to day administration of the Section 8 Housing Assistance Program. This individual reports directly to the Executive Director.
- b. Additional staffing support is provided by the administrative staff of the Housing Commission. Allocation of administrative staff time by positions are listed in the operating budget. Actual proration's may vary from year to year as submitted in the Marquette Housing Commission's Section 8 Operating Budget.

MHC has a total Annual Contributions Contract (ACC) for fifty (50) units in its existing program. This is overseen by the Department of Housing and Urban Development's Detroit Field Office which holds scheduled audits on fiscal matters, program performance and compliance.

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name: Marquette Housing Commission	Grant Type and Number Capital Fund Program Grant No: MI33PO70501-07 Replacement Housing Factor Grant No:	Federal FY of Grant: 2006
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Original Annual Statement Reserve for Disasters/ Emergencies Revised Annual Statement (revision no:)
 Performance and Evaluation Report for Period Ending: 3/08 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	25,000.00		25,000.00	25,000.00
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration	10,000.00		10,000.00	10,000.00
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	46,495.00		46,495.00	34,488.10
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	255,524.04		198,109.11	198,109.11
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	1499 Development Activities				
19	1502 Contingency				
	9002 Debt Service	88,380.96		88,380.96	22,095.24
	Amount of Annual Grant: (sum of lines 2 – 20)	425,400.00		367,985.07	306,322.61
	Amount of line XX Related to LBP Activities				
	Amount of line XX Related to Section 504 compliance	8,000.00			
	Amount of line XX Related to Security – Soft Costs				

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name: Marquette Housing Commission	Grant Type and Number Capital Fund Program Grant No: MI33PO70501-07 Replacement Housing Factor Grant No:	Federal FY of Grant: 2006
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Original Annual Statement
 Reserve for Disasters/ Emergencies
 Revised Annual Statement (revision no:)
 Performance and Evaluation Report for Period Ending: 3/08
 Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
	Amount of Line XX Related to Security – Hard Costs				
	Amount of line XX Related to Energy Conservation Measures	3,000.00			
	Collateralization Expenses or Debt Service	425,400.00			

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

PHA Name: Marquette Housing Commission		Grant Type and Number Capital Fund Program Grant No: MI 33PO70501-06 Replacement Housing Factor Grant No:			Federal FY of Grant: 2006			
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
70-2	Youth & Family Center *	1406		25,000.00			25,000.00	Completed
70-1, 70-2	Administration	1410		10,00.00			10,000.00	Completed
70-2	A & E	1430		46,495.00			34,488.10	In-Progress
70-2	Exterior Improvements:	1460		142,340.04			84,915.11	
70-1	Carpeting	1460		113,184.00			113,184.00	Completed
70-1	Debt Service	9002		88,380.96			22,095.24	In-Progress

* In an attempt to reduce crime, keep kids away from illegal drugs & alcohol as well as tobacco, plus work toward self-sufficiency, the Lake Superior Village Youth & Family Center was created in 1994. The crime rate fell by 59% the first year it opened. We serve up to 65 kids per week. The programs we offer include homework help, computer lab, Jr/Sr Council and healthy snacks. The money is used for the above listed purposes. This \$25,000 serves as a cash match – the Center must raise another \$25,000 from outside sources in order to draw down on our \$25,000. Leveraging has increased donations and grants. Using Capitol Fund, we match dollar for dollar any donations/grants received, not to exceed \$25,000 per year.

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

PHA Name: Marquette Housing Commission		Grant Type and Number Capital Fund Program Grant No: MI 33PO70501-06 Replacement Housing Factor Grant No:			Federal FY of Grant: 2006			
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Other needs, unfunded, include replacement of cabinets in family housing, replacement of flooring at both sites, replace closet doors at both sites, replace prime/install storm doors at family site, replace corridor windows at Pine Ridge, enhance security system at Pine Ridge, convert 5 th floor lounge to laundry at Pine Ridge, replace tub drains at Pine Ridge, seal Pine Ridge exterior.								

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name: Marquette Housing Commission	Grant Type and Number Capital Fund Program Grant No: MI33PO70501-07 Replacement Housing Factor Grant No:	Federal FY of Grant: 2007
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Original Annual Statement Reserve for Disasters/ Emergencies Revised Annual Statement (revision no:)
 Performance and Evaluation Report for Period Ending: 3/08 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	25,000.00		25,000.00	4,406.39
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration	42,500.00		42,500.00	14,166.68
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	26,700.00		26,700.00	
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	221,669.04			
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	1499 Development Activities				
19	1502 Contingency				
	9002 Debt Service	88,380.96		88,380.96	
	Amount of Annual Grant: (sum of lines 2 – 20)	404,250.00			
	Amount of line XX Related to LBP Activities				
	Amount of line XX Related to Section 504 compliance	5,000.00			
	Amount of line XX Related to Security – Soft Costs	1,200.00			

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name: Marquette Housing Commission	Grant Type and Number Capital Fund Program Grant No: MI33PO70501-07 Replacement Housing Factor Grant No:	Federal FY of Grant: 2007
--	---	-------------------------------------

Original Annual Statement Reserve for Disasters/ Emergencies Revised Annual Statement (revision no:)
 Performance and Evaluation Report for Period Ending: 3/08 Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
	Amount of Line XX Related to Security – Hard Costs				
	Amount of line XX Related to Energy Conservation Measures	2,500.00			
	Collateralization Expenses or Debt Service	88,380.96			

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

PHA Name: Marquette Housing Commission		Grant Type and Number Capital Fund Program Grant No: MI 33PO70501-06 Replacement Housing Factor Grant No:			Federal FY of Grant: 2007			
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
70-2	Youth & Family Center *	1406		25,000.00			25,000.00	In-Progress
70-1, 70-2	Administration	1410		42,500.00		42,500.00	14,166.68	In-Progress
70-2	A & E	1430		26,700.00			0	
70-2	Exterior Improvements:	1460		221.669.04				Prelim. Drawing complete
70-1	Debt Service	9002		88,380.96			88,380.96	Completed

* In an attempt to reduce crime, keep kids away from illegal drugs & alcohol as well as tobacco, plus work toward self-sufficiency, the Lake Superior Village Youth & Family Center was created in 1994. The crime rate fell by 59% the first year it opened. We serve up to 65 kids per week. The programs we offer include homework help, computer lab, Jr/Sr Council and healthy snacks. The money is used for the above listed purposes. This \$25,000 serves as a cash match – the Center must raise another \$25,000 from outside sources in order to draw down on our \$25,000. Leveraging has increased donations and grants. Using Capitol Fund, we match dollar for dollar any donations/grants received, not to exceed \$25,000 per year.

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

PHA Name: Marquette Housing Commission		Grant Type and Number Capital Fund Program Grant No: MI 33PO70501-06 Replacement Housing Factor Grant No:			Federal FY of Grant: 2007			
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Other needs, unfunded, include replacement of cabinets in family housing, replacement of flooring at both sites, replace closet doors at both sites, replace prime/install storm doors at family site, replace corridor windows at Pine Ridge, enhance security system at Pine Ridge, convert 5 th floor lounge to laundry at Pine Ridge, replace tub drains at Pine Ridge, seal Pine Ridge exterior.								

MARQUETTE HOUSING COMMISSION

REPORT ON FINANCIAL STATEMENTS

(with supplemental information)

For the Year Ended September 30, 2007

MARQUETTE HOUSING COMMISSION

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ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

A Regional Firm with Offices in Michigan and Wisconsin

Principals - Iron Mountain:

David J. Johnson, CPA
Shane M. Ellison, CPA

Member of:

Private Companies Practice Section
American Institute of Certified
Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Marquette Housing Commission
Marquette, Michigan

We have audited the accompanying financial statements of the business-type activities of the Marquette Housing Commission, a component unit of the City of Marquette, Michigan, as of and for the year ended September 30, 2007, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Marquette Housing Commission as of September 30, 2007, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2008 on our consideration of the Marquette Housing Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 5 through 8 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Marquette Housing Commission's basic financial statements. The Financial Data Schedule is presented for the purpose of additional analysis as required by the U.S. Department of Urban Housing and Development and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*", and is also not a required part of the basic financial statements of Marquette Housing Commission. The Financial Data Schedule and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

March 18, 2008

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Marquette Housing Commission's financial performance provides an overview of the financial activities for the year ended September 30, 2007. Please read it in conjunction with the Commission's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- Net assets for the entire Commission were \$4,097,375 for the year ended September 30, 2007 compared to \$3,997,284 for the year ended September 30, 2006.
- The Commission's operating revenues totaled \$1,385,287 for the year ended September 30, 2007 and \$1,401,883 for the year ended September 30, 2006, while operating expenses totaled \$1,472,588 for the year ended September 30, 2007 and \$1,766,481 for the year ended September 30, 2006.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses and Change in Net Assets, and the Statement of Cash Flows (on pages 9 to 12) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

REPORTING THE COMMISSION AS A WHOLE

Our analysis of the Commission as a whole begins on page 9. One of the most important questions asked about the Commission's finances is "Is the Commission, as a whole, better off or worse off as a result of the year's activities"? The Statement of Net Assets, Statement of Activities, and the Statement of Revenues, Expenses, and Change in Net Assets report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Commission's *net assets* and changes in them. You can think of the Commission's net assets – the difference between assets and liabilities – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the population of low income and elderly individuals.

In the Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses, and Change in Net Assets, and the Statement of Cash Flows, the Commission's activities are reported as business-type activities:

- Business-type activities – The Commission charges rent to tenants to help cover all or most of the costs of services it provides.

REPORTING THE COMMISSION'S MOST SIGNIFICANT FUNDS

Our analysis of the Commission's major activities begins on page 9. The financial statements provide detailed information on all of the Commission's activities. The Commission uses proprietary funds to account for its activities. The method of accounting for proprietary funds is explained below.

- *Proprietary funds* – The Commission charges tenants rent for the housing services it provides and these services are reported in a proprietary fund. Proprietary funds are reported in the same way for its activities and are reported in the Statement of Net Assets and the Statement of Revenues, Expenses, and Change in Net Assets.

THE COMMISSION AS A WHOLE

The Commission's combined net assets for the year ended September 30, 2007 decreased (\$357,301) from September 30, 2006.

Table 1

NET ASSETS

	September 30,	
	2007	2006
Assets		
Current assets	\$ 1,106,429	\$ 1,639,096
Capital assets (net)	<u>4,166,848</u>	<u>3,592,506</u>
Total assets	<u>5,273,277</u>	<u>5,231,602</u>
Liabilities		
Current liabilities	213,276	218,463
Noncurrent liabilities	<u>962,626</u>	<u>1,015,855</u>
Total liabilities	<u>1,175,902</u>	<u>1,234,318</u>
Net Assets		
Invested in capital assets, net of related debt	3,176,357	2,549,521
Restricted	92,654	88,381
Unrestricted	<u>828,364</u>	<u>1,359,382</u>
Net Assets	<u>\$ 4,097,375</u>	<u>\$ 3,997,284</u>

Net assets of the Commission stood at \$4,097,375 for the year ended September 30, 2007 compared to \$3,997,284 for the year ended September 30, 2006. Unrestricted net business assets were \$828,364 compared to \$1,359,382 for the year ended September 30, 2006. In general, the Commission's unrestricted net assets are used to fund operations of the Commission. The decrease in current assets and increase in capital assets was due to the Commission expending the CFFP monies received during September 30, 2006 during the current year on capital assets improvements as outlined in the CFFP agreement. The decrease in noncurrent liabilities is due to payments on debt as scheduled, see Note H.

Table 2**CHANGE IN NET ASSETS**

	Year Ended September 30,	
	<u>2007</u>	<u>2006</u>
Revenues:		
Program revenues:		
Charges for services	\$ 469,267	\$ 483,587
Program grants and subsidies	1,279,047	1,425,588
General revenues:		
Other revenues	56,316	43,688
Investment earnings	<u>38,049</u>	<u>32,433</u>
 Total revenues	 1,842,679	 1,985,296
 Program Expenses:		
Operating expenses	<u>1,742,588</u>	<u>1,766,481</u>
 Change in net assets	 100,091	 218,815
 Net assets - beginning of period	 <u>3,997,284</u>	 <u>3,778,469</u>
 Net assets - end of period	 <u>\$ 4,097,375</u>	 <u>\$ 3,997,284</u>

BUSINESS – TYPE ACTIVITIES

Revenues for the Commission totaled \$1,842,679 compared to \$1,985,296 during September 30, 2006. The Commission's average unit months leased on a monthly basis had increased during the current year. In addition, HUD operating funds and capital funding grants had decreased during the current year. The Commission depends on HUD operating and capital grants to assist in covering its operating expenses. The decrease in operating expenses was due to the following, a \$94,954 decrease in administrative expenses, a \$23,744 decrease in utilities, a \$71,251 decrease in maintenance expenses, a \$68,425 increase in general expenses, a \$16,708 increase in HAP payments and a \$59,395 increase in depreciation expense.

CAPTIAL ASSETS

Capital Assets

The Commission had \$12,298,752 invested in a variety of capital assets including land, equipment and buildings for the year ended September 30, 2007 compared to \$11,275,591 for the year ended September 30, 2006.

Table 3

CAPITAL ASSETS Business - Type Activity

	September 30,	
	2007	2006
Land and improvements	\$ 1,127,191	\$ 1,127,191
Building and improvements	9,596,598	9,328,020
Equipment	726,872	643,053
Construction in progress	<u>848,091</u>	<u>177,327</u>
Total	12,298,752	11,275,591
Less accumulated depreciation	<u>(8,131,904)</u>	<u>(7,683,085)</u>
NET CAPITAL ASSETS	<u>\$ 4,166,848</u>	<u>\$ 3,592,506</u>

The Commission invested \$1,046,379 in capital assets during the year ended September 30, 2007.

LONG-TERM DEBT

During the year the Commission repaid long-term debt principal in the amount of \$52,494, representing all long-term liability payments due from the Commission during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Commission's appointed officials considered many factors when setting the budget for the fiscal year 2007/2008. The current availability of low income and elderly tenants has been a major contributing factor in establishing the budgeted amounts. In the upcoming year, we do not anticipate any significant change in the occupancy rate and availability of new tenants that will provide any substantial increase in revenues. There continues to be a variety of inflationary cost and expense issues out of the control of the Commission. All of these were taken into consideration during the 2007/2008 budget process.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the readers with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Commission's Executive Director, Bonnie Pelto, at 316 Pine Street, Marquette, Michigan 49855, or call 906-226-7559.

MARQUETTE HOUSING COMMISSION

**STATEMENT OF NET ASSETS
Proprietary Fund**

September 30, 2007

CURRENT ASSETS:

Cash and equivalents	\$ 507,961
Accounts receivable	88,810
Investments - unrestricted	404,925
Investments - restricted	92,654
Prepaid expenses	817
Inventory	11,262

TOTAL CURRENT ASSETS 1,106,429

NONCURRENT ASSETS:

Capital assets	12,298,752
Less accumulated depreciation	(8,131,904)

NET CAPITAL ASSETS 4,166,848

TOTAL ASSETS 5,273,277

LIABILITIES:

Accounts payable	30,302
Accrued liabilities	89,365
Compensated absences	30,242
Current portion of long-term debt	63,367

TOTAL CURRENT LIABILITIES 213,276

NONCURRENT LIABILITIES:

Long-term debt	927,124
Compensated absences	35,502

TOTAL NONCURRENT LIABILITIES 962,626

TOTAL LIABILITIES 1,175,902

NET ASSETS:

Investment in capital assets, net of related debt	3,176,357
Restricted net assets	92,654
Unrestricted net assets	828,364

NET ASSETS \$ 4,097,375

The accompanying notes to financial statements are an integral part of this statement.



MARQUETTE HOUSING COMMISSION

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS
Proprietary Fund**

For the Year Ended September 30, 2007

OPERATING REVENUES:

Tenant revenue	\$ 469,267
Program grants-subsidies	859,704
Other income	<u>56,316</u>

TOTAL OPERATING REVENUES 1,385,287

OPERATING EXPENSES:

Administration	298,462
Tenant services	1,543
Utilities	297,720
Maintenance	378,691
General	105,527
Housing assistance payments	149,498
Other expenses	13,790
Depreciation	<u>448,819</u>

TOTAL OPERATING EXPENSES 1,694,050

OPERATING (LOSS) (308,763)

NONOPERATING REVENUES AND (EXPENSES):

Capital grants	419,343
Interest income - unrestricted	33,776
Interest income - restricted	4,273
Interest expense	<u>(48,538)</u>

TOTAL NONOPERATING REVENUES AND (EXPENSES) 408,854

CHANGE IN NET ASSETS 100,091

NET ASSETS, BEGINNING OF YEAR 3,997,284

NET ASSETS, END OF YEAR \$ 4,097,375

The accompanying notes to financial statements are an integral part of this statement.



MARQUETTE HOUSING COMMISSION

STATEMENT OF CASH FLOWS Proprietary Fund

For the Year Ended September 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 472,740
Cash received from grants and subsidies	818,475
Cash payments to suppliers for goods and services	(730,341)
Cash payments for wages and related benefits	(478,512)
Payment in lieu of taxes	(9,727)
Other receipts	<u>53,435</u>

NET CASH PROVIDED FROM OPERATING ACTIVITIES 126,070

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital grants	422,846
Acquisition of capital assets	(1,046,379)
Payment on debt principal	(52,494)
Payment on debt interest	<u>(48,538)</u>

NET CASH (USED) BY CAPITAL AND
RELATED FINANCING ACTIVITIES (724,565)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(17,588)
Investment income	<u>38,049</u>

NET CASH PROVIDED FROM INVESTING ACTIVITIES 20,461

NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS (578,034)

CASH AND EQUIVALENTS, BEGINNING OF YEAR 1,085,995

CASH AND EQUIVALENTS, END OF YEAR \$ 507,961

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income (loss)	\$ (308,763)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	448,819
Changes in assets and liabilities:	
Decrease (Increase) in receivables	(40,637)
Decrease (Increase) in prepaids	32,573
Increase (Decrease) in accounts payable	(3,875)
Increase (Decrease) in accrued liabilities	<u>(2,047)</u>

NET CASH PROVIDED FROM OPERATING ACTIVITIES \$ 126,070

The accompanying notes to financial statements are an integral part of this statement.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE REPORTING ENTITY

The Marquette Housing Commission (Commission) was formed by the City of Marquette Commission under Public Act 18 of 1933 of the State of Michigan. The Commission operates under a Board of Commissioners appointed by the City Manager.

The Commission manages 254 units of low rent public housing and 44 section 8 vouchers of which, for financial reporting purposes, includes all of the activities relevant to its operations.

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, *The Financial Reporting Entity*.

The criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements include budget adoption, taxing authority, funding, appointment of the respective governing board, and scope of public service.

Based on the foregoing criteria, it was determined the Marquette Commission is a component unit of the City of Marquette, Michigan.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

BASIS OF PRESENTATION

The Commission presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34.

Government-Wide Financial Statements:

The Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses and Change in Net Assets, and the Statement of Cash Flows display information about the Commission as a whole. They include all business-type activities of the Commission. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

Proprietary Fund

Proprietary Funds are used to account for operations, (a) which are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

The government-wide Statement of Net Assets, Statement of Activities, and the Statement of Revenues, Expenses and Change in Net Assets are presented using the economic resource measurement focus as defined below.

- a. The Commission utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position and cash flows. All assets and liabilities, whether current or noncurrent, associated with their activities are reported.

Basis of Accounting:

The Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses and Change in Net Assets, and the Statement of Cash Flows are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

As allowed by GASB Statement No. 20, the Commission’s business-type activity follows all GASB pronouncements and FASB Statements and Interpretations that were issued on or after November 30, 1989, except those that conflict with a GASB pronouncement.

ASSETS, LIABILITIES AND NET ASSETS

- a. Cash and Equivalents – The Commission’s cash and cash equivalents, as reported in the Statement of Cash Flows and the Statement of Net Assets, are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND NET ASSETS

- b. Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.
- c. Inventory – Inventory is recorded at the lower of cost or market and primarily consisted of maintenance supplies and materials
- d. Due to and Due From Other Programs – Interprogram receivables and payables arise from interprogram transactions and are recorded by all funds affected in the period in which transactions are executed.
- e. Capital Assets – Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings and improvements	10-40 years
Furniture and other equipment	5-10 years

The Commission has adopted a capitalization policy for capital assets of \$1,000 per item.

- e. Compensated Absences - It is the Commission's policy to permit employees to accumulate a limited amount of earned but unused sick leave and vacation days, which will be paid to employees upon separation from the Commission. The cost of vested sick leave and vacation days are recognized as an expense as earned by the employees.
- f. Equity Classification

Equity is classified as net assets and displayed in two components:

1. Invested in capital assets – Consists of capital assets, net of accumulated depreciation.
2. Restricted net assets – Representing debt reserve funds required to be set aside as a requirement of the 2007 bond issue. These funds are required to be set aside until bonds are paid in full.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND NET ASSETS (Continued)

3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

REVENUES AND EXPENSES

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Expenses are classified by operating and nonoperating and are subclassified by function, such as salaries, supplies, and contracted services.

OTHER SIGNIFICANT ACCOUNTING POLICIES

Interprogram Activity:

As a general rule, the effect of activity between programs has been eliminated from the government-wide statements.

The transfers of cash between the various Authority programs are reported separately from revenues and expenses as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case, they are carried as assets and liabilities of the advancing or borrowing program.

Interprogram receivables and payables are eliminated from the Statement of Net Assets.

Budgets and Budgetary Accounting:

Budgets are adopted on a basis prescribed or permitted by the Department of Housing and Urban Development. All annual appropriations lapse at fiscal year end. The Commission follows these procedures in establishing the budgetary date reflected in the financial statements:

1. The Director submits to the Board a proposed operating budget for the fiscal year commencing on October 1st. The operating budget includes proposed expenses and the means of financing them. Prior to September 30th, the budget is legally adopted by Board resolution.
2. Formal budgetary integration is employed as a management control device during the year.
3. The budget has been amended. Supplemental appropriations were made during the year with the last one approved prior to September 30th.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(Continued)

NOTE B - CASH AND INVESTMENTS

Cash and Equivalents

The Commission's cash and equivalents, as reported in the Statement of Net Assets, consisted of the following:

Petty cash	\$ 100
Checking accounts	454,054
Savings and money market accounts	<u>53,807</u>
 TOTAL	 <u>\$ 507,961</u>

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. As of September 30, 2007, the Commission held cash and equivalents in excess of FDIC insurance in the amount of \$310,429 which was fully collateralized by governmental securities having a fair market value of \$371,664 at September 30, 2007.

The Commission's investments, as reported in the Statement of Net Assets, consisted of the following:

<u>Investment Type</u>	Fair Value	<u>(Investment Maturities in Years)</u>	
		Less Than <u>1 Year</u>	<u>1-5 Years</u>
Certificates of Deposit	<u>\$497,579</u>	<u>\$372,547</u>	<u>\$125,032</u>

Investments are recorded at fair market value, which is based on quoted market prices.

Michigan statutes authorize the Commission to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposit, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures within 270 days of date of purchase, bankers' acceptances of United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. As of September 30, 2007, the Commission held investments in excess of FDIC insurance in the amount of \$209,107 which were collateralized by governmental securities having a fair market value of \$300,000 at September 30, 2007.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(Continued)

NOTE B - CASH AND INVESTMENTS (Continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Commission's investments. State law limits the allowable investments as described above. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other party to an investment will not fulfill its obligations. The Commission has no investment policy limiting its investments in excess of state law on investment credit. Ratings are not required for the Commission's investments outlined above. The Commission's investments are in accordance with statutory authority.

Concentration of Credit Risk. The Commission places no limit on the amount the Commission may invest in one issuer. However, the Commission is required to have all funds in excess of insured amounts to be collateralized. The Commission's investments and balances are with the following financial institutions:

Northern Michigan Bank, Marquette, MI	\$ 92,654
mBank, Marquette, MI	309,107
River Valley State Bank, Marquette, MI	<u>95,818</u>
Total	<u>\$497,579</u>

NOTE C - CAPITAL ASSETS

A summary of capital assets as of September 30, 2007 is as follows:

	<u>Balance</u> <u>10-1-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9-30-07</u>
Land and improvements	\$1,127,191	\$ -	\$ -	\$1,127,191
Building and improvements	9,328,020	268,578	-	9,596,598
Equipment	643,053	83,819	-	726,872
Construction-in-progress	<u>177,327</u>	<u>693,982</u>	<u>(23,218)</u>	<u>848,091</u>
	11,275,591	<u>\$1,046,379</u>	<u>\$ (23,218)</u>	12,298,752
Accumulated depreciation	<u>(7,683,085)</u>	<u>\$ (448,819)</u>	<u>\$ -</u>	<u>(8,131,904)</u>
Net capital assets	<u>\$3,592,506</u>			<u>\$4,166,848</u>

Depreciation expense for the year was \$448,819.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

NOTE D - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains commercial insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE E - USE OF ESTIMATES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE F - VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Commission is dependent upon the Department of Housing and Urban Development (HUD) to fund its operations through operating subsidies and capital funding grants. Total revenues for the year ended September 30, 2007 totaled \$1,842,679 of which \$1,279,047 or 69.4% was from HUD subsidies and grants.

The operations of the project are subject to rules and regulations of HUD. These rules and regulations are subject to change. Such changes may occur with short notice and could create a lack of funding to pay for operational related costs, including the additional administrative burden to comply with the changes.

NOTE G - PENSION PLAN

Plan Description

The Commission participates in the City of Marquette's pension plan. The City's defined benefit pension plan provides retirement, death and disability benefits to plan members and beneficiaries. The City participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(Continued)

NOTE G – PENSION PLAN (Continued)

Funding Policy

City employees are required to contribute five percent of their annual compensation to the System. The City pays the contribution for senior management. The City is required to contribute the remaining amounts necessary to fund the System, using the actuarial basis specified by statute.

Annual Pension Cost

The annual required contribution was determined as part of an actuarial valuation at December 31, 2004, using the entry age normal cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8%, (b) projected salary increases of 4.5% a year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.16% per year, depending on age, attributable to seniority/merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percent of projected payroll on an open basis over a period of 30 years.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	\$ 545,201	100%	\$ -
6/30/2006	625,812	100%	-
6/30/2007	700,844	100%	-

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Under-funded (AAL) (UAAL) (b-a)	Funded Ratio (ab)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)c)
12/31/2004	24,187,555	28,468,133	4,280,578	85%	5,426,755	79%
12/31/2005	25,645,477	33,158,414	7,512,937	77%	5,435,528	159%
12/31/2006	26,951,096	36,475,540	9,524,444	74%	5,264,612	183%



MARQUETTE HOUSING COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2007

(Continued)

NOTE H – CHANGES IN LONG-TERM OBLIGATIONS

During the year ended September 30, 2007, the following changes occurred in long-term obligations.

	<u>Balance</u> <u>10/1/2006</u>	<u>Additons</u>	<u>Repayments</u>	<u>Balance</u> <u>9/30/2007</u>	<u>Due Within</u> <u>One Year</u>
Bonds & Notes					
Payable	\$ 1,042,985	\$ -	\$ (52,494)	\$ 990,491	\$ 63,367
Compensated					
Absences	<u>71,239</u>	<u>-</u>	<u>(5,495)</u>	<u>65,744</u>	<u>30,242</u>
Total	<u>\$ 1,114,224</u>	<u>\$ -</u>	<u>\$ (57,989)</u>	<u>\$ 1,056,235</u>	<u>\$ 93,609</u>

NOTE I - LONG-TERM OBLIGATIONS

Long-term obligations at September 30, 2007 comprised of the following amounts:

1. 2006 notes payable due in monthly installments of \$1,559 including interest of 3%. Matures in 2012.	\$ 92,807
2. 2007 bond payable due in monthly installments of \$7,365 including interest of 4.7% maturing in 2021.	897,684
3. Vested sick and vacation pay.	<u>65,744</u>
Total long-term obligations.	<u>\$1,056,235</u>

The annual requirements of long-term obligations outstanding as of September 30, 2007 are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Bonds & Notes Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2008	63,489	43,604	107,093
2009	66,251	40,842	107,093
2010	69,137	37,956	107,093
2011	72,153	34,940	107,093
2012	74,974	32,119	107,093
2013-2017	327,156	114,749	441,905
2018-2021	<u>317,331</u>	<u>30,554</u>	<u>347,885</u>
TOTAL	<u>\$ 990,491</u>	<u>\$ 334,764</u>	<u>\$ 1,325,255</u>

Interest charged to expenses totaled \$48,538.



**SUPPLEMENTAL
INFORMATION**



MARQUETTE HOUSING COMMISSION

Enterprise Fund
Financial Data Schedule

September 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
ASSETS					
CURRENT ASSETS:					
Cash:					
111	Cash - unrestricted	\$ 415,847	\$ 92,114	\$ -	\$ 507,961
113	Cash - restricted	-	-	-	-
100	Total cash	415,847	92,114	-	507,961
Accounts and notes receivables:					
122	Accounts receivable- HUD other projects	67,635	-	502	68,137
125	Accounts receivable - miscellaneous	18,660	-	-	18,660
126	Accounts receivable- Tenant - Dwelling Rents	2,013	-	-	2,013
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	88,308	-	502	88,810
Current investments					
131	Investments - unrestricted	404,925	-	-	404,925
132	Investments - restricted	-	-	92,654	92,654
142	Prepaid expenses	817	-	-	817
143	Inventories	11,262	-	-	11,262
144	Interprogram due from	9,709	-	-	9,709
150	TOTAL CURRENT ASSETS	930,868	92,114	93,156	1,116,138

See accompanying notes to financial statements



MARQUETTE HOUSING COMMISSION

Enterprise Fund

Financial Data Schedule

September 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	187,180	-	-	187,180
162	Buildings	9,223,898	-	372,700	9,596,598
163	Furniture, equipment & machinery - dwellings	146,804	-	-	146,804
164	Furniture, equipment & machinery - administration	464,661	13,478	101,929	580,068
165	Leasehold improvements	939,096	-	914	940,010
166	Accumulated depreciation	(8,092,840)	(13,478)	(25,586)	(8,131,904)
167	Construction in progress	-	-	848,092	848,092
160	Total fixed assets, net of accumulated depreciation	2,868,799	-	1,298,049	4,166,848
180	TOTAL NONCURRENT ASSETS	2,868,799	-	1,298,049	4,166,848
190	TOTAL ASSETS	\$ 3,799,667	\$ 92,114	\$ 1,391,205	\$ 5,282,986

See accompanying notes to financial statements



MARQUETTE HOUSING COMMISSION

Enterprise Fund

Financial Data Schedule

September 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
<u>LIABILITIES AND NET ASSETS</u>					
LIABILITIES:					
CURRENT LIABILITIES					
312	Accounts payable ≤ 90 days	\$ 30,063	\$ 239	\$ -	\$ 30,302
321	Accrued wages / payroll taxes	34,919	646	-	35,565
322	Accrued compensated absences - current portion	28,337	1,905	-	30,242
325	Accrued interest payable	5,982	-	-	5,982
333	Accounts payable - other government	11,683	-	-	11,683
341	Tenant security deposits	30,493	-	-	30,493
342	Deferred revenues	5,642	-	-	5,642
343	Current portion of long-term debt	16,169	-	47,198	63,367
347	Interprogram due to	-	9,207	502	9,709
310	TOTAL CURRENT LIABILITIES	163,288	11,997	47,700	222,985
351	Long-term debt	76,638	-	850,486	927,124
354	Accrued compensated absences - non current	33,266	2,236	-	35,502
350	TOTAL NONCURRENT LIABILITIES	109,904	2,236	850,486	962,626
300	TOTAL LIABILITIES	273,192	14,233	898,186	1,185,611

See accompanying notes to financial statements



MARQUETTE HOUSING COMMISSION

Enterprise Fund

Financial Data Schedule

September 30, 2007

<u>Line Item #</u>	<u>Account Description</u>	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund Program</u>	<u>TOTAL</u>
	<u>NET ASSETS</u>				
	Contributed Capital:				
508.1	Investment in capital assets, net of related debt	2,775,992	-	400,365	3,176,357
511.1	Restricted net assets	-	-	92,654	92,654
512.1	Unrestricted net assets	750,483	77,881	-	828,364
513	TOTAL NET ASSETS	3,526,475	77,881	493,019	4,097,375
600	TOTAL LIABILITIES AND NET ASSETS	\$ 3,799,667	\$ 92,114	\$ 1,391,205	\$ 5,282,986

See accompanying notes to financial statements



MARQUETTE HOUSING COMMISSION

Enterprise Fund

Financial Data Schedule

For the Year Ended September 30, 2007

<u>Line Item #</u>	<u>Account Description</u>	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund Program</u>	<u>TOTAL</u>
REVENUE:					
703	Net tenant rental revenue	\$ 458,771	\$ -	\$ -	\$ 458,771
704	Tenant revenue - other	10,496	-	-	10,496
705	Total tenant revenue	469,267	-	-	469,267
706	HUD PHA grants	647,453	167,251	45,000	859,704
706.1	Capital grants	-	-	419,343	419,343
711	Investment income - unrestricted	33,776	-	-	33,776
714	Fraud recovery	-	1,300	-	1,300
715	Other revenue	55,016	-	-	55,016
720	Investment income - restricted	-	-	4,273	4,273
700	TOTAL REVENUE	1,205,512	168,551	468,616	1,842,679
EXPENSES:					
Administrative					
911	Administrative salaries	133,639	6,622	14,500	154,761
912	Auditing fees	3,240	360	1,900	5,500
914	Compensated absences	(7,309)	1,814	-	(5,495)
915	Employee benefit contributions- administrative	65,265	1,926	5,500	72,691
916	Other operating- administrative	60,616	9,715	674	71,005
	Total Administrative	255,451	20,437	22,574	298,462

See accompanying notes to financial statements



MARQUETTE HOUSING COMMISSION

Enterprise Fund
Financial Data Schedule

For the Year Ended September 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
Tenant services					
924	Tenant services - other	1,543	-	-	1,543
Utilities					
931	Water	51,397	-	-	51,397
932	Electricity	89,323	-	-	89,323
933	Gas	156,612	-	-	156,612
938	Other utilities expense	388	-	-	388
	Total Utilities	297,720	-	-	297,720
Maintenance					
941	Ordinary maintenance and operations - labor	181,756	-	-	181,756
942	Ordinary maintenance and operations - materials & other	37,355	-	-	37,355
943	Ordinary maintenance and operations - contract costs	88,583	-	-	88,583
945	Employee benefit contributions- ordinary maintenance	70,997	-	-	70,997
	Total Maintenance	378,691	-	-	378,691

See accompanying notes to financial statements



MARQUETTE HOUSING COMMISSION

Enterprise Fund

Financial Data Schedule

For the Year Ended September 30, 2007

<u>Line Item #</u>	<u>Account Description</u>	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund Program</u>	<u>TOTAL</u>
	General expenses				
961	Insurance premiums	60,407	500	-	60,907
962	Other general expenses	-	-	25,000	25,000
963	Payments in lieu of taxes	11,683	-	-	11,683
964	Bad debt - tenant rents	7,937	-	-	7,937
967	Interest expense	8,884	-	39,654	48,538
	Total General Expenses	<u>88,911</u>	<u>500</u>	<u>64,654</u>	<u>154,065</u>
969	TOTAL OPERATING EXPENSES	<u>1,022,316</u>	<u>20,937</u>	<u>87,228</u>	<u>1,130,481</u>
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	<u>183,196</u>	<u>147,614</u>	<u>381,388</u>	<u>712,198</u>
971	Extraordinary maintenance	13,790	-	-	13,790
973	Housing assistance payments	-	149,498	-	149,498
974	Depreciation expense	425,978	-	22,841	448,819
900	TOTAL EXPENSES	<u>1,462,084</u>	<u>170,435</u>	<u>110,069</u>	<u>1,742,588</u>

See accompanying notes to financial statements



MARQUETTE HOUSING COMMISSION

Enterprise Fund

Financial Data Schedule

For the Year Ended September 30, 2007

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
	Other financing sources (uses)				
1001	Operating transfers in	-	-	-	-
1002	Operating transfers out	-	-	-	-
1010	Total other financing sources (uses)	-	-	-	-
	1000 EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ (256,572)	\$ (1,884)	\$ 358,547	\$ 100,091
	MEMO account information				
1103	Beginning equity	2,965,944	79,765	983,756	4,029,465
1104	Prior Period Adjustments, Equity Transfers	817,103	-	(849,284)	(32,181)
1120	Unit months available	3,036	543	-	3,579
1121	Number of unit months leased	2,950	543	-	3,493
1117	Administrative fee equity	-	55,156	-	55,156
1118	Housing assistance payments equity	-	22,725	-	22,725

See accompanying notes to financial statements

MARQUETTE HOUSING COMMISSION

FEDERAL AUDIT REPORTS

For the Year Ended September 30, 2007

MARQUETTE HOUSING COMMISSION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

Board of Commissioners
Marquette Housing Commission
Marquette, Michigan

We have audited the financial statements of Marquette Housing Commission as of and for the year ended September 30, 2007, and have issued our report thereon dated March 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Marquette Housing Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marquette Housing Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Marquette Housing Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marquette Housing Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standard*.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

This report is intended solely for the information of the Board of Commissioners, management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than those specified parties.

Anderson, Tackman & Co. PLLC

ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

March 18, 2008

ANDERSON, TACKMAN
& COMPANY, P.L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Board of Commissioners
Marquette Housing Commission
Marquette, Michigan

Compliance

We have audited the compliance of Marquette Housing Commission with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*" that are applicable to each of its major federal programs for the year ended September 30, 2007. Marquette Housing Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Marquette Housing Commission's management. Our responsibility is to express an opinion on Marquette Housing Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marquette Housing Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Marquette Housing Commission's compliance with those requirements.

In our opinion Marquette Housing Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.

Internal Control Over Compliance

The management of Marquette Housing Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Marquette Housing Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marquette Housing Commission's internal control over compliance.



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133
(Continued)**

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

March 18, 2008



MARQUETTE HOUSING COMMISSION

For the Year Ended September 30, 2007

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/Pass Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expensed as of 9-30-06</u>	<u>9-30-07 Federal Expenditures</u>
Operating Subsidy	14.850	<u>\$ 647,453</u>	<u>\$ -</u>	<u>\$ 647,453</u>
Section 8 Rental Voucher	14.871	<u>\$ 167,251</u>	<u>\$ -</u>	<u>\$ 167,251</u>
Capital Funding	14.872			
501-05		428,206	193,023	227,818
501-06		<u>392,216</u>	<u>-</u>	<u>236,525</u>
		<u>\$ 820,422</u>	<u>\$ 193,023</u>	<u>\$ 464,343</u>
Total Department of Housing and Urban Development				<u>\$ 1,279,047</u>
TOTAL FEDERAL EXPENDITURES				<u>\$ 1,279,047</u>

ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



See accompanying notes to the schedule of expenditures of federal awards.

MARQUETTE HOUSING COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2007

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Marquette Housing Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B - COST REPORTS

Management has reported the expenditures in the Schedule of Expenditures of Federal Awards equal to those amounts reported in the modernization cost reports.



MARQUETTE HOUSING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2007

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion of the general purpose financial statements of the Marquette Housing Commission.
2. There were no significant deficiencies relating to the audit of the general purpose financial statements.
3. There were no instances of noncompliance material to the general purpose financial statements of the Marquette Housing Commission.
4. There were no significant deficiencies relating to the audit of the major federal award programs as reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the Marquette Housing Commission expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the Marquette Housing Commission.
7. The programs tested as major programs included:
 - A. Capital Funding – CFDA 14.872
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Marquette Housing Commission was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

1. None.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None.

PRIOR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None.

