CHA 2010

Agency Plan

October 2009
V4

PHA 5-Year and Annual Plan	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 4/30/2011

1.0 **PHA Information**

Chattanooga Housing Authority PHA Code: TN004

PHA Type: ☐ Small ☐ High Performing ☒ Standard ☒ HCV (Section 8)

PHA Fiscal Year Beginning: (MM/YYYY): 01/2010

2.0 **Inventory** (based on ACC units at time of FY beginning in 1.0 above)

Number of PH units: 2951 Number of HCV units: 2800

3.0 **Submission Type**

☒ 5-Year and Annual Plan ☐ Annual Plan Only ☐ 5-Year Plan Only

4.0 **PHA Consortia** ☐ PHA Consortia: (Check box if submitting a joint Plan and complete table below.)

Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program	
				PH	HCV
PHA 1:					
PHA 2:					
PHA 3:					

5.0 **5-Year Plan.** Complete items 5.1 and 5.2 only at 5-Year Plan update.

5.1 **Mission.**

The mission of the Chattanooga Housing Authority 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.

5.2	**Goals and Objectives.** **Increase the availability of decent, safe and affordable housing** Expand the supply of assisted housing through the application for additional rental vouchers, reduction in public housing vacancies, leveraging of private or other public funds to create additional housing opportunities and acquisition or development of new units and projects. Improve the quality of assisted housing by improvement of public housing management score, improvement of voucher management, increase in customer satisfaction, concentration on efforts to improve specific management functions such as public housing finance, voucher unit inspections, renovation and modernization of public housing units, demolition or disposition of obsolete public housing, provision of replacement public housing and replacement vouchers and use of project based vouchers to support tax credit financial rehabilitation other development activities and housing opportunities. Increase assisted housing choices through voucher mobility counseling, outreach to landlords, provision of homeownership programming for both public housing residents and HCVP participants continue to offer public housing site-based waiting lists, and conversion of public housing to vouchers. **Improve community quality of life and economic vitality.** Provide an improved living environment by implementing measures to promote income mixing in public housing by assuring access for lower income families into higher income developments when identified, by implementing public housing security improvements, and by designating development for elderly residents. **Promote self-sufficiency and asset development of families and individuals** Promote self-sufficiency and asset development of assisted households through increased numbers and percentages of employed persons in assisted families, provide or partner with supportive services to improve assistance recipients' employability and increased independence for the elderly or families with disabilities, and apply for grant funding to support these initiatives. **Ensure equal opportunity in housing for all Americans** Ensure equal opportunity and affirmatively further fair housing by undertaking affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, sexual preference, familial status, and disability. The CHA will undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion, national origin, sex, sexual preference, familial status and disability and to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required. The CHA will also take affirmative action to diversify the public housing resident and HCVP participant populations. **Work to reestablish financial foundation of CHA** The CHA hereby incorporates by reference the terms of its Financial Recovery Plan and HUD Tier One Review as approved by HUD Nashville into this Plan.

6.0	**PHA Plan Update** (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: The following plan elements have been updated since the last Agency Plan submission. Utility Allowances Dwelling Lease Maintenance Plan ACOP (minor changes) HCVP Admin Plan (minor changes) Violence against Women Act (VAWA) (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. CHA 2010 Plan may be examined by the public in Chattanooga TN at: 1. Mayor's Office 2. Community Development Office 3. Bicentennial Library 4. Villages at Alton Park office 5. Oaks at Camden office 6. Harriet Tubman office 7. Cromwell office 8. Greenwood Terrace, LLC office 9. East Lake Courts office 10. College Hill Courts office 11. Boynton Terrace office 12. Gateway Towers office 13. Mary Walker Towers office 14. Glenwood Heights – Judson Lane ,Scattered Sites office 15. Greater Housing Resource Center, CHA main Office 16. www.chahousing.org In addition to the above the **Resident Advisory Board** and the following **Resident Councils** receive copies**.** Boynton Terrace College Hill Cromwell East Lake Emma Wheeler Gateway Greenwood Harriet Tubman Mary Walker

HOPE VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-Based Vouchers

(a) HOPE VI, Mixed Finance Modernization or Development

Description of Potential Project	AMP No.	No. Units	Timeframe Application Submit
College Hill (potential HOPE VI and/or mixed-finance)	TN004000001	497	2010
East Lake Courts (potential HOPE VI and/or mixed-finance)	TN004000002	417	2010
Harriet Tubman (potential HOPE VI and/or mixed-finance)	TN004000003	440	2010
Emma Wheeler Homes (potential HOPE VI and/or mixed-finance)	TN004000008	340	2011
Boynton Terrace (potential HOPE VI and/or mixed-finance)	TN004000010	250	2011
Steiner Apartments (potential mixed-finance)	part of TN004000012	50	2011
Fairmount Ave. Apartments (potential mixed-finance)	part of TN004000012	28	2010
Cromwell Hills (potential mixed-finance)	TN004000021	200	2014

(b) Demolition and/or Disposition

Description of Potential Demo/Dispo, Approval Status	AMP No.	Units Affected, Sizes, Accessibility Features	Potential Timeframe, Demolition Start or Disposition Closing
Fairmount Ave. Apartments Unit Nos. 120525-120552 (approved demolition)	part of TN004000012	28 units total 20 2-BR 8 3-BR 0 for physically disabled	2010
College Hill Unit Nos. 010001-010497 (disposition of James A. Henry School property; potential disposition of other portions of site)	part of TN004000001; TN004000001	497 units total 214 1-BR 249 2-BR 34 3-BR 0 for physically disabled	2009-2010 for James A. Henry School; 2011 for other portions
East Lake Courts Unit Nos. 020001-020437 (potential disposition)	TN004000002	417 units total 150 1-BR 220 2-BR 47 3-BR 0 for physically disabled	2011
Harriet Tubman Unit Nos. 030001-030599 (potential demolition or disposition)	TN004000003	440 units total 0 0-BR 76 1-BR 204 2-BR 120 3-BR 20 4-BR 7 for physically disabled (not to current UFAS)	2011
Emma Wheeler Homes Unit Nos. (potential disposition)	TN004000008	340 units total 130 1-BR 80 2-BR 80 3-BR 43 4-BR 7 5-BR 29 for physically disabled (not to current UFAS)	2012
Boynton Terrace Unit Nos. (potential disposition)	TN004000010	250 units total 150 0-BR 97 1-BR 2 2-BR 0 for physically disabled	2012

Missionary Heights Apartments Unit Nos. 120101-120144 (potential disposition)	part of TN004000012	44 units total 30 2-BR 14 3-BR 0 for physically disabled	2014
Glenwood-Devel Lane Unit Nos. 120230-120243 (potential disposition)	part of TN004000012	14 units total 8 2-BR 4 3-BR 2 4-BR 0 for physically disabled	2010
Steiner Apartments Unit Nos. 120301-120350 (potential disposition)	part of TN004000012	50 units total 37 2-BR 13 3-BR 0 for physically disabled	2011
Cromwell Hills Unit Nos. 120601-120800 (potential demolition or disposition)	TN004000021	200 units total 42 1-BR 108 2-BR 40 3-BR 10 4-BR 5 for physically disabled	2014

(c) Conversion of Public Housing

Description of Conversion, Mandatory or Voluntary	AMP No. Affected	Units Affected, Sizes, Accessibility Features	Potential Timeframe for Demolition Start or Disposition Closing
None identified at this time.			

(d) Homeownership

Description of Homeownership Project	Project No.	No. of Units	Potential Timeframe for Application for Approval
Market rate lots and for-sale homes at former McCallie Homes HOPE VI site. Homes to be developed by HOPE VI Developer Pennrose Properties, Inc.	TN4-32	43 remaining: 1 home, 42 lots	Approval complete (activity approved under previous HOPE VI grant). Development of new homes and sales ongoing, market- and appraisal-dependant. 1 HOPE VI assisted home remaining for sale. No HOPE VI funding will be utilized in the remaining market-rate lots/homes homes.
Housing Choice Voucher Program Homeownership Program	N/A	TBD	CHA's Section 8 Homeownership Coordinator is working with ~32 clients toward attaining homeownership. Clients are working to improve credit, develop savings for down payment, learn about the mortgage and home buying process, and locate suitable homes on the market.

(e) Project-Based Vouchers

The CHA currently has project based vouchers at Dogwood Manor [116 vouchers] and may create one or more competitive proposals for project based vouchers for use at developments servicing families, as well as elderly and disabled individuals in Hamilton County. If made available, the CHA's affiliated entity Greenwood Terrace, LLC and other CHA's LLCs related to mixed finance developments may choose to submit one or more responses to CHA-generated Requests for Proposals for Project Based Vouchers.

8.1 **Capital Fund Program Annual Statement/Performance and Evaluation Report.** As part of the PHA 5-Year and Annual Plan, annually complete and submit the *Capital Fund Program Annual Statement/Performance and Evaluation Report,* form HUD-50075.1, for each current and open CFP grant and CFFP financing.

See Attachment (H)

8.2 **Capital Fund Program Five-Year Action Plan.** As part of the submission of the Annual Plan, PHAs must complete and submit the *Capital Fund Program Five-Year Action Plan,* form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.

See Attachment (I)

8.3 **Capital Fund Financing Program (CFFP).**

☐ Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.

9.0 **Housing Needs**. The CHA has reviewed the City of Chattanooga's Consolidated Plan, information provided by HUD and other generally identifiable data. Tables of the LIPH wait list and current occupancy data for both LIPH and HCVP are shown below with analysis and information regarding the housing needs of low, very low and extremely low income families in the jurisdiction including elderly families, families with disabilities, and households of various races and ethnic groups. The housing needs address issues of affordability, supply, quality, accessibility, size of units and location.

LIPH Wait List Data (1628 Applicants)					
Income	<30% Area Median **1439 (88%)**	30% to 50% Area Median **173 (11%)**	>50% Area Median **15 (1%)**		
Age	<20 yr. **184 (11%)**	20 to 39 yrs. **909 (56%)**	40 to 59 yrs **355 (22%)**	60 yrs.> **61 (4%)**	Not Identified **119 (7%)**
Accessibility	Disabled **337 (21%)**	Non-disabled **1291 (79%)**			
Race	Caucasian **132 (8%)**	African American **1370 (84%)**	Other **4 (1%)**		
Household Size	One **643 (39%)**	Two **596 (37%)**	Three **223 (14%)**	Four **110 (7%)**	Five or more **56 (3%)**

LIPH Occupied Household Data (2429 Households)					
Income	<30% Area Median **2078 (86%)**	30% to 50% Area Median **296 (12%)**	>50% Area Median **51 (2%)**		
Accessibility	Disabled **865 (36%)**	Non-disabled **1559 (64%)**	Not Reported **5 (0%)**		
Household Size	One **1263 (52 %)**	Two **497 (20%)**	Three **349 (14%)**	Four **195 (8%)**	Five or more **125 (5%)**

HCVP Occupied Household Data (2771 Households)					
Income	<30% Area Median **2055 (74%)**	30% to 50% Area Median **609 (22%)**	>50% Area Median **107 (4%)**		
Accessibility	Disabled **1121 (40%)**	Non-disabled **1650 (60%)**			
Household Size	One **941 (34%)**	Two **552 (20%)**	Three **574 (21%)**	Four **410 (15%)**	Five or more **294 (11%)**

HCVP Wait List

The HCVP wait list has been closed for more that a year and contains **4267** applicants. It contains only name, address, contact info, and SS#. Since no demographic info is available it is not shown in the charts above.

Affordability

Currently unit occupancy lists indicate that 96% of the HCVP units and 98% of the LIPH units are occupied by residents with an income level below 50% of the AMI and with the majority of these in the extremely low category. The LIPH wait list indicates almost identical characteristics with 99% of the applicants indicating an income of below 50% AMI.

An increase in the stock of safe, affordable, rental units by 450 units, particularly in low and very income areas appears warranted.

This should be backed up by providing a systematic inspection of rental housing and enforcement of local codes to ensure that rental units are safe and decent.

Supply

HCVP- After remaining closed for more than a year the waiting list for HCVP still exceeds the supply of existing vouchers by **154%.** With a turnover rate of approximately 250 units per year the current closed list would last for more that 10 years. These factors indicate that the supply of affordable choice housing in the private market is exceptionally tight and has resulted in housing shortages and increased cost burdened conditions for extremely low income, very low income, and special needs households.

Without additional voucher availability or reduction of rents in the open private market, this situation will be difficult or impossible to address.

LIPH- The wait list of public housing is equal to 67% of the current occupied number of units. Although this is less than half of the level for HCVP, it is still a critical situation which appears to be growing. Due to insufficient funding in the past few years, several public housing complexes are in severe need of either complete modernization or demolition and replacement.

Additional or replacement units should be created as funding can be arranged, including the leveraging of private and/or public funds.

In addition to the tight supply for affordable housing, Chattanooga is facing an increasing problem of homeless individuals that are living either on the street or in temporary shelters. The Homeless Coalition estimates that the number of homeless individuals in Chattanooga at any given time is approximately 800-1,000. CHA currently is participating with Southeast Tennessee Human Resource Agency (SETHRA) and is providing 6 units for use by homeless individuals.

Quality

Units are available for rental for low income and very low income families and homeownership possibilities exist. However, these may be substandard or, if of good quality, then out of the range of affordable to most low-to-moderate income citizens. This degradation of quality usually occurs more frequently during real estate downturns and recessions. Although the quality issue may improve with a changing economy, this does not address the issue of insufficient quality availability in the short term.

Accessibility

There is a need for both rental housing and homeownership opportunities for people with physical disabilities who require special modifications to housing. The same is true for the mentally ill. The disabled needs indicated by both wait and occupancy lists demonstrate that this issue needs to be addressed and that current supply for this need is probably inadequate.

Elderly

CHA has 535 units designated for Elderly Housing, with a wait list of 98. There are additional non-public housing complexes in the area that provide affordable housing for the elderly. The supply of affordable housing for the elderly for the area appears to be adequate for current demand.

Special Needs

CHA also recognizes that there is a demand in Chattanooga for Special Needs Housing.
This includes but is not limited to housing for to the Chronically Homeless, Homeless with Disabilities Victims of Drug/Alcohol Abuse , Victims of Domestic Violence, and Veterans.

Size of Units

According to the City of Chattanooga's Consolidated Plan, there is an increasing need for an expanded supply of one, two and three bedroom, non-elderly affordable units both in public and private housing. This is supported by data from LIPH wait list which indicates that only **3%** of the applicant pool has a household size of 5 members or more and that only **4%** of the applicants are age 60 and over.

Location

According to the City of Chattanooga's Consolidated Plan, there is a need for deconcentration of replacement housing for planned demolition activities.

Strategy for Addressing Housing Needs

CHA applied for four (4) competitive stimulus grants under the American Recovery & Reinvestment Act ["ARRA"] to enable the creation of 190 new rental units for people of low income in both low and moderate income areas, and to rehabilitate 35 units at Boynton Terrace, 25 of which would have been fully handicapped accessible, and 10 of which would have been be modified to be fully accessible for the audio/visually impaired. However only one (1) grant was awarded. This reduced the short term development plan from **190** units to only **36** new units of affordable housing (including **3** for disabled). However, since we have the unfunded projects already planned and ready to go, CHA will now consider applying for low-income tax credits as a means to access available leverage funding to create additional housing for low-income, very low income and special needs households.

CHA currently has 100 elderly units under renovation which will be completed over the next year. This will increase our mobility disabled unit count by five (5) units and visual/auditory units by two (2).

The CHA plans to identify additional development opportunities in areas around the City where there are not high concentrations of poverty and utilize whatever funding can be made available including Replacement Housing Funds. Two possible locations are currently under consideration with preliminary discussions by staff.

The CHA applied for and received two HUD Resident Opportunity and Self Sufficiency Grants to provide 2 staff members dedicated to family self-sufficiency and homeownership counseling for participants in the Housing Choice Voucher Program.

9.1 The CHA is working closely with the interested participants to ensure that the chosen homes are of good quality and within the range of affordability for the family. The CHA is working with the City of Chattanooga to award HOME funds to eligible families to support the purchase of homes of good quality. Additionally the CHA has increased the number of both public housing residents' and HCVP participants' access to homeownership counseling by way of the staff noted above, as well as through partnerships with local non-profits made possible by a ROSS Public Housing Homeownership Grant that recently ended. We also plan to expand homeowner education programs to reach 1,000 people over the next five years [2010-2015].

CHA will continue to support special needs housing by partnering with social agencies to provide housing while they provide support and case management. This includes but is not limited to:

Providing 6 units for use by homeless under the SETHRA program
Providing up to 15 units for homeless victims of domestic abuse under the Housing First Program
Providing 12 units and office space for recovering victims of drug and/or alcohol abuse under the Council of Alcohol and Drug Abuse Services (CADAS) program.
Provide administration for 44 Collaborative vouchers under the Shelter Plus Care for chronically homeless with disabilities.
Provide administration for 5 Individual vouchers under Shelter Plus Care for homeless with disabilities.
Provide administration for 9 Family vouchers under Shelter Plus Care for homeless with disabilities.
Provide administration for 35 vouchers for Veterans under VASH program.

Long range plans include improving the housing mix and building configuration of public housing developments by reconfiguring selected developments through the demolition of non-viable units and replacement with scattered site developments.

10.0

10. **Additional Information**

(a) **Progress in Meeting Missions and Goals of 5 Year Plan**

Expand the supply of Assisted Housing.

- Applied for and received 35 VASH vouchers.
- Applied for competitive ARRA Grant to demolish and replace obsolete housing.
- Reduced vacant units in past two years by 50%.
- Started a long term vacant unit reduction program utilizing both contract and Force Account labor with ARRA funding.

Improve the quality of assisted housing.

- Disposed thru property sale of 24 units of obsolete housing at Gurley St.
- Completed the renovation of 98 units at Greenwood Terrace.
- Started the renovation of 100 units at Mary Walker Tower 2.
- Completed the construction of 57 Mixed Income Units (Oaks).

Increase Assisted Housing Choices.

- Added Homeownership Counselor to staff.
- Added HCVP Family Self Sufficiency Counselor to staff.
- Established monthly meetings with landlords

Improve Community Quality of Life and Economic Vitality.

- Newly renovated Greenwood Terrace established primarily for working families and families in job training programs.
- Applied for elderly and disabled housing status for several sites.
- The Oaks was developed and opened as a mixed income neighborhood.

Promote Self-sufficiency and Asset Development of Families.

- Newly renovated Greenwood Terrace established primarily for working families and families in job training programs.
- Applied for and received a Neighborhood Networks Grant to establish computer center to serve Greenwood and Scattered Sites.

Ensure Equal Opportunity and affirmatively further Fair Housing.

- Applied for ARRA competitive grant to convert 35 Boynton units for accessibility.
- Created three (3) accessible units and three (3) convertible units at the Oaks.
- Created seven (7) accessible units at Greenwood Terrace.
- Conversion of five (5) accessible units at Mary Walker in progress.

Financial Recovery of CHA

- Current financial recovery plan is slowly making progress.
- Projected to be in a positive cash position by 1/1/2010.

(b) Significant Amendment and Substantial Deviation/Modification

The CHA defines "significant amendment" and "substantial deviation" to include changes to rent or admission policies or organization of the waiting list, changes in the use of replacement reserve funds under the Capital Fund, and any change to demolition, disposition, designation or conversion activities.

The CHA recognizes that the CHA's Plan is subject to the same requirements as the original CHA Plan [including timeframes]; i.e. the CHA must consult with the Resident Advisory Board, the CHA must ensure consistency with the Consolidated Plan of Chattanooga, the CHA must provide for a review of the amendments/modifications by the public during a 45-day public review period [as defined in 24 CFR 903.17] and the CHA may not adopt the amendment or modification until the CHA has duly called a meeting of its Board of Commissioners that is open to the public.

CHA 2010

Agency Plan

Elements

Chattanooga Housing Authority
2010 Plan Elements

1. Eligibility, Selection and Admission policies including Deconcentration and Wait List Procedures.

These policies and procedures are included in the ACOP (Admissions and Continued Occupancy Policy) for LIPH and in the HCVP Administrative Plan for Section 8.

2. Statement of Finances Resources for Year Ending 2010

Statement of Financial Resources for YE 2010

Category	Description	Amount
Public Housing		
	Operating Subsidy	9,780,000
	Tenant Rental	4,200,000
	Capital Fund grants	4,225,000
	RHF grants	753,903
	ARRA grants	3,500,000
	ROSS grants	170,488
		22,629,391
Housing Choice Voucher		
	HCVP - Voucher	13,675,771
	HCVP - Admin	1,651,680
	Shelter Plus Care	75,000
	SRO grant	115,000
		15,517,451
Other		
	Weed & Seed	167,000

Property Mgmt	102,000
HOME - Homeownership	350,000
Other Income	100,000
	719,000
	38,865,843

3. Rent Determination

This procedure is included in the Admissions and Continued Occupancy Policy (ACOP) for Public Housing and in the HCVP Administrative Plan for Section 8 Housing.

4. Operations and Management

The following documents provide the standards, rules, and policies which govern CHA Operations, Management and Maintenance.

- ACOP (Admissions and Continued Occupancy Policy) - 2008
- Administrative Plan for the Housing Choice Voucher Program- 2008
- Dwelling Lease-2009
- Family Self-Sufficiency Action Plan (August 2003)
- Financial Policies & Procedures -2005
- HCVP Procedures Manual- 2005
- Housing Managers Procedures Manual- 2005
- LIPH Operations Manual- 2005
- Maintenance Charge List- 2008
- Maintenance Plan-2009
- Personnel Policy-2007
- Procurement Policy-2007
- Section 8 Homeownership Plan (August 2003)
- Utility Allowance Schedule- 2009

5. Grievance Procedure

This procedure is included in the Admissions and Continued Occupancy Policy (ACOP) for Public Housing and in the HCVP Administrative Plan for Section 8 Housing.

6. Designated Housing for Elderly and Disabled Families

This item is included in the Admissions and Continued Occupancy Policy (ACOP) for Public Housing.

7. Community Service and Self-Sufficiency

This item is included in the Admissions and Continued Occupancy Policy (ACOP) for Public Housing.

8. Safety and Crime Prevention Measures

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

Describe the need for measures to ensure the safety of public housing residents.

- 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

What information or data did the PHA used to determine the need for PHA actions to improve safety of residents?

- Safety and security survey of residents
- 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
- Resident reports
- PHA employee reports
- Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs

Which developments are most affected? (list below)

- Family Sites
- East Lake Courts
- College Hills Courts
- Emma Wheeler Homes
- Harriet Tubman

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

List the crime prevention activities the PHA has undertaken or plans to undertake:

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

Which developments are most affected? (list below)

- Family Sites
- East Lake Courts
- College Hills Courts
- Emma Wheeler Homes
- Harriet Tubman

C. Coordination between PHA and the police

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
- Police provide crime data to housing authority staff for analysis and action
- 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
- Other activities (explained below)

The Chattanooga Housing Authority created its own P.O.S.T. Certified Department in 2002. The Police Department is very active within the Housing Authority Communities. The core policing principles of the Housing Police are based on community policing. The Housing Police Department has a very strong relationship with the managers of the community and the residents. The officers attend all community meetings and testify in all eviction and criminal cases.

Which developments are most affected? (list below)

- Family Sites
- East Lake Courts
- College Hills Courts
- Emma Wheeler Homes
- Harriet Tubman

9. Pet Policy

This item is included in the Admissions and Continued Occupancy Policy (ACOP) for Public Housing.

10. Civil Rights Certification

Housing Discrimination:

Included in the Admissions and Continued Occupancy Policy (ACOP) and the HCVP Administrative Plan.

Employee Discrimination:

CHA does not unlawfully discriminate in hiring or in any of the terms or conditions of employment because of an individual's race, age, religion, gender, national origin, creed, color, veteran status or disability.

CHA will make reasonable accommodations for qualified individuals with known disabilities unless doing so will result in an undue hardship for CHA. Individuals who believe they may qualify for/need such an accommodation in order to be able to perform the essential functions of their jobs should notify the Human Resources Officer of this need as soon as they become aware of it. The Human Resources Officer then will engage in the interactive process with the employee (with the assistance of the employee's treating/evaluating physician and/or other medical and/or vocational professionals as needed).

CHA also will make reasonable accommodations for individuals who make a core religious belief known unless doing so will result in an undue hardship for CHA. Individuals who believe they may qualify/need such an accommodation should notify the Human Resources Officer of this need as soon as they become aware of it. Such individuals may be asked to provide such requests in writing and to provide verified documentation from a leader and/or published treatise from their religious sect supporting the fact that their request is based on a core belief of that sect.

11. Financial Audit

(Appendix 1)

12. Asset Management

The Chattanooga Housing Authority will carry out its asset management function in accordance with the plans outlined in the Template Sections of this Plan. These sections address how the CHA will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs. The CHA will undertake a variety of asset management activities including private management at 2 asset management projects, development based accounting, comprehensive stock assessment and will examine all options available to maintain the long-term viability of its properties, which may include conversion, demolition, revitalization and/or sale.

13. Violence Against Women Act (VAWA)

Implementation of the Violence Against Women Act (VAWA)
Description of Program of Services in
Chattanooga, TN.

A. Any activities, services, or programs provided or offered, by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking.

- The CHA has a contract with the Partnership for Children, Families, and Adults. The Partnership is an organization that provides case management services for victims of domestic violence and sexual assault through their Domestic Violence/Sexual Assault Crisis Center. This Center is staffed with professional case managers, health professionals, and representatives of law enforcement.

B. Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing;

- The CHA offers a special program in partnership with the Partnership for Children, Families, and Adults that provides housing for homeless families that have been victims of domestic violence. The CHA provides up to 15 housing units at a Family Development exclusively to support this specialized program.

C. Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

- The above noted program is viewed as a prevention program and targets victims who has a member who was a victim of domestic violence, is at low risk of further victimization and is able and willing to participate in programming for a 6-12 month period.
- The CHA also offers to its employees an Employee Assistance Program that provides professional counseling for Marital or relationship issues relating to domestic violence.
- The CHA monitors its public housing developments through the use of an internal police force. In addition, many of the housing developments are equipped with video surveillance equipment which monitors activities on the development to help prevent incidences of domestic violence.

14. ACOP

(Appendix 2)

15. HCVP Admin. Plan

(Appendix 3)

Attachment A

Certifications

2010

PHA Certifications of Compliance with PHA Plans and Related Regulations	U.S. Department of Housing and Urban Development Office of Public and Indian Housing Expires 4/30/2011

PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the PHA 5-*Year and Annual* PHA Plan

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ✓ 5-Year and/or 2010 Annual PHA Plan for the PHA fiscal year beginning 01/01/2010, hereinafter referred to as" the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
   - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
   - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
   - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
   - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
   - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
    (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
    (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
    (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Chattanooga Housing Authority
PHA Name

TN004
PHA Number/HA Code

✓ 5-Year PHA Plan for Fiscal Years 2010 - 2014

✓ Annual PHA Plan for Fiscal Years 2010 - 20____

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Eddie F Holmes	Board Chair
Signature: Eddie F. Holmes	Date: 09/28/2009

Civil Rights Certification	**U.S. Department of Housing and Urban Development** Office of Public and Indian Housing **Expires 4/30/2011**

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioner, I approve the submission of the Plan for the PHA of which this document is a part and make the following certification and agreement with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

Chattanooga Housing Authority	TN004
PHA Name	PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)	
Name of Authorized Official Eddie F. Holmes	Title Board Chair
Signature Eddie F. Holmes	Date 09/28/2009

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan	**U.S. Department of Housing and Urban Development** Office of Public and Indian Housing **Expires 4/30/2011**

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan

I, Ron Littlefield the Mayor of Chattanooga certify that the Five Year and Annual PHA Plan of the Chattanooga Housing Authority is consistent with the Consolidated Plan of Chattanooga, Tennessee prepared pursuant to 24 CFR Part 91.

Oct 7 '09

Signed / Dated by Appropriate State or Local Official

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Chattanooga Housing Authority

Program/Activity Receiving Federal Grant Funding

Five Year and 2010 Agency Plan - Capital Fund TN37P00450110

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here ☐ if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Elizabeth F. McCright	Executive Director
Signature X EFMcCright	Date 10/5/09

form **HUD-50070** (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1 & .3

OMB Approval No. 2577-0157 (Exp. 3/31/2010)

Certification of Payments to Influence Federal Transactions

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

Applicant Name

Chattanooga Housing Authorty

Program/Activity Receiving Federal Grant Funding

Five Year and 2010 Agency Plan - Capital Fund TN37P00450110

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Elizabeth F. McCright	Executive Director

Signature	Date (mm/dd/yyyy)
EF McCright	10/05/09

Previous edition is obsolete

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

1. Type of Federal Action:
[b] a. contract
b. grant
c. cooperative agreement
d. loan
e. loan guarantee
f. loan insurance

2. Status of Federal Action:
[a] a. bid/offer/application
b. initial award
c. post-award

3. Report Type:
[a] a. initial filing
b. material change
For Material Change Only:
year _____ quarter _____
date of last report _____

4. Name and Address of Reporting Entity:
[x] Prime [ ] Subawardee
Tier _____, *if known*:
CHATTANOOGA HOUSING AUTHORITY
P.O. BOX 1486
CHATTANOOGA, TN 37401
Congressional District, *if known*: 4c

5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:
Congressional District, *if known*:

6. Federal Department/Agency:
U.S. Department of Housing & Urban Development

7. Federal Program Name/Description:
[Funding for Capital Fund Program 2010]
CFDA Number, *if applicable*: _____

8. Federal Action Number, *if known*:
TN37P0450110

9. Award Amount, *if known*:
$

10. a. Name and Address of Lobbying Registrant
(*if individual, last name, first name, MI*):
N/A

b. Individuals Performing Services (*including address if different from No. 10a*)
(*last name, first name, MI*):
N/A

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: EFMcCright
Print Name: Elizabeth F. McCright
Title: Executive Director
Telephone No.: 423-668-2374 Date: 10/05/09

Federal Use Only:

Authorized for Local Reproduction
Standard Form LLL (Rev. 7-97)

Attachment B

CHA Board Resolution

2010

RESOLUTION 09 - 042

APPROVING A FIVE-YEAR AGENCY PLAN FOR THE PERIOD ENDING DECEMBER 31, 2014 AND CONTAINING THEREIN A REVISED ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP); A REVISED HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN; ANNUAL OBJECTIVES FOR THE PERIOD ENDING DECEMBER 31, 2010; A REVISED HOUSING LEASE; CAPITAL FUND PLANS AND REPORTS; AND INCORPORATING EXPANDED GOALS AND OBJECTIVES BY REFERENCE AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EFFECT THE INTENT OF THIS RESOLUTION

WHEREAS, the Quality Housing and Work Responsibilities Act of 1998 (QHWRA) requires that public housing agencies prepare and submit updated Agency Plans annually, setting forth five-year goals and annual objectives, and

WHEREAS, in accordance with HUD guidelines for Public Housing Agency Plans, 24CRF Part 903.13, a revised Agency Plan was prepared and made available for public review and comment as of August 11, 2009, and posted at all CHA sites, the Office of the Mayor, the City's Community Development Office, the Bicentennial Library, on the CHA website, and delivered to the President of each Resident Council, the Resident Advisory Board (RAB), Board Chairperson Eddie Holmes and to Resident Commissioner Betty Robinson, and

WHEREAS, the CHA has considered all comments from the RAB, the customers, community and the local government, and

WHEREAS, the revised Agency Plan is due to HUD by October 16, 2009, and

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of the Chattanooga Housing Authority hereby approves the revised Agency Plan, including all attachments thereto, and

BE IT FURTHER RESOLVED that the revised Agency Plan, including the revised ACOP and HCVP Administrative Plan and Housing Lease, will be effective upon approval by HUD or January 1, 2010, whichever is later, and

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to effect the intent of this resolution, and

BE IT FURTHER RESOLVED that this resolution shall be effective immediately.

Adopted September 28, 2009

CERTIFICATE

I, Elizabeth F. McCright, Secretary of the Chattanooga Housing Authority, and as such the keeper of the records of said authority, do hereby certify that the foregoing is a true, correct and compared copy of a resolution adopted by the Board of Commissioners of the Chattanooga Housing Authority at its meeting on the 28th, day of September, 2009, the original of which is of record and on file in my office.

WITNESS my hand and the official SEAL of the Chattanooga Housing Authority this 28th day of September, 2009.

EFM'Cright

(SEAL)

Elizabeth F. McCright, Secretary
Chattanooga Housing Authority

FIVE-YEAR & 2010 ANNUAL AGENCY PLAN

Minor Revisions to
Agency Plan

- Goals and objectives are the same as the 2009 Plan; namely to improve the quality and expand the supply of affordable housing, promote self-sufficiency, ensure equal opportunity in housing for all, promote homeownership, and work to reestablish a sound financial foundation for CHA
- The Agency Plan must include any proposed disposition, demolition or renovation to be undertaken by the CHA in 2010 through 2014. Since we cannot go forward with any of these activities unless the provision is in the Agency Plan, we have included such possible activity for all CHA sites.
- The Plan elements include the Public Housing Admissions & Continued Occupancy Policy ***(ACOP),*** the Housing Choice Voucher ***(HCV)*** Administrative Plan, the Capital Fund budget, statement of financial resources for FY2010, designated housing, domestic violence program, and asset management.

Summary of Minor Revisions
ACOP

- Removed the Permissive Deduction provision
- Added language to incorporate the surcharge for utilities for the High Rise Buildings and Harriet Tubman units 400-499
- Added a provision to accept a maximum of $5.00 cash at any site office
- Revised language regarding repayment agreements approved in the last ACOP revision.
- Clarified the adoption of the phase-in of Asset Management fees to cover Central Office Cost Center operations
- Updated ACOP relative to rent payment method, administrative transfers, and pet deposit
- Revised housing lease

HCVP Administrative Plan

Incorporated into the document minor changes already approved by the Board during the past year:

- Clarified program requirements relative to tenant's reporting of income
- Expanded definition of "special admissions" to include rehabilitation of a public housing development

Attachment C
RAB Comments

2010

CHATTANOOGA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

EDDIE F. HOLMES, CHAIRPERSON
JAMES F. SATTLER, VICE CHAIRPERSON
MOLLY H. COOPER
CONSUELO O'NEAL
WILBERT R. ROBERTS, JR.
BETTY ROBINSON
JIM STEFFES

ELIZABETH F. MCCRIGHT
EXECUTIVE DIRECTOR

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TEL (423) 668-2374
FAX (423) 752-4462
TDD (423) 752-4830
www.chahousing.org

MAILING ADDRESS
P.O. BOX 1486
CHATTANOOGA, TN 37401-1486

October 5, 2009

SUBJECT: ATTACHMENT C - 2010 AGENCY PLAN

Please note that no comments were received from the Resident Advisory Board during the review process of the 2010 Agency Plan.

EFMcCright

Elizabeth F. McCright
Executive Director

Attachment D
Challenged Elements

2010

CHATTANOOGA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

EDDIE F. HOLMES, CHAIRPERSON
JAMES F. SATTLER, VICE CHAIRPERSON
MOLLY H. COOPER
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CHATTANOOGA, TN 37401-1486

October 5, 2009

SUBJECT: ATTACHMENT D - 2010 AGENCY PLAN

Please note that there were no challenged elements during the review process of the 2010 Agency Plan.

EFM'Cright

Elizabeth F. McCright
Executive Director

Attachment E
AUDIT

(Appendix 1)

CHATTANOOGA HOUSING AUTHORITY
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
with
Report of Independent Auditors
and
Management's Discussion and Analysis

NOVOGRADAC
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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NOVOGRADAC
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Board of Commissioners of
Chattanooga Housing Authority:

We have audited the accompanying consolidated statement of net assets of Chattanooga Housing Authority as of December 31, 2008, and the related consolidated statements of revenues, expenses, and change in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chattanooga Housing Authority as of December 31, 2008, and its consolidated changes in net assets and its consolidated 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 June 26, 2009, on our consideration of Chattanooga Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 important for assessing the results of our audit.

The Management's Discussion and Analysis shown on pages 3 to 13 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

2325 LAKEVIEW PARKWAY, SUITE 450 ALPHARETTA, GEORGIA 30004 TELEPHONE (678) 867-2333 FACSIMILE (678) 867-2366 http://www.novoco.com

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements of Chattanooga Housing Authority taken as a whole. The accompanying supplementary information, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the Financial Data Schedule required by the U.S. Department of Housing and Urban Development, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Novogradac & Company LLP

June 26, 2009

CHATTANOOGA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

EDDIE F. HOLMES, CHAIRPERSON
JAMES F. SATTLER, VICE CHAIRPERSON
MOLLY H. COOPER
CONSUELO O'NEAL
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ELIZABETH F. MCCRIGHT
EXECUTIVE DIRECTOR

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) FOR THE YEAR ENDED DECEMBER 31, 2008

Our Mission:
The Chattanooga Housing Authority will provide safe, decent, affordable housing; while promoting those community service programs that encourage the education, personal development and wealth building capabilities of the residents and participants we serve, in the most customer friendly, cost-effective manner.

This section of the Housing Authority's annual financial report presents Management's analysis of the Housing Authority's financial performance during the Fiscal Year Ended December 31, 2008.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

The Chattanooga Housing Authority has made the transition to the Governmental Accounting Standards Board Statement No. 34 (GASB 34) in prior periods which require this executive narrative. The financial statements for 2008 have been reviewed by key management staff to assess the financial health of the Housing Authority. The reader of this report should also understand that the interfund accounts, which balance between all funds, have been eliminated from the consolidated report and from this analysis. It is apparent in the future that the Housing Authority must rely less on uncertain grant funding and develop alternative resources to maintain current service levels. The Housing Authority has made the necessary financial and organizational changes to comply with the requirements of project based accounting in this next year. Financial highlights of this past year are as follows:

- During FY 2008, the Housing Authority's grant funding decreased by $4.9 million from FY 2007.

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by $63.1 million (net assets) as opposed to $70.4 million for the prior fiscal year. The Housing Authority experienced a decrease in assets of $7.30 million for FY 2008, which was a direct result of the capital fund expenditures used for the planned additions to the federal and state modernization programs.

- CHA continues to address the financial indicators scores that have dropped markedly during the last two years as established by the Real Estate Assessment Center (REAC). While the Agency has been designated a non-standard performer by HUD, the Housing Authority continues to make the necessary operational changes and budgetary responses to return the agency to a Standard Performer.

REQUIRED FINANCIAL STATEMENTS

The basic financial statements of the Housing Authority are designed to be corporate-like in that all business-type activities are consolidated for the entire Housing Authority. The Housing Authority consists exclusively of enterprise funds. Enterprise funds utilize the full accrual basis of accounting, making them more similar to the accounting methods utilized by the private sector. Many of the funds maintained by the Housing Authority are required by the U.S. Department of Housing and Urban Development (HUD). Other funds are segregated to enhance accountability and control.

The basic financial statements include a Statement of Net Assets, which is similar to a balance sheet. The Statement of Net Assets reports all financial and capital resources for the Housing Authority. The statement is presented in the format where assets minus liabilities equal "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "current" (convertible into cash within one year), and "non-current". Net Assets are reported in three broad categories:

> Net Assets Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted Net Assets: This component of Net Assets consists of restricted assets, whereby constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, and regulations.
>
> Unrestricted Net Assets: This component of Net Assets consists of Net Assets that do not meet the definition of the other two categories. Unrestricted Net Assets represent the net available liquid (non-capital) assets, net of liabilities for the entire Housing Authority.

The basic financial statements also include a Statement of Revenue, Expenses and Changes in Net Assets, similar to an income statement. This statement includes operating revenues such as rental income, operating expenses such as administrative, utilities, maintenance and depreciation, and non-operating revenues and expenses such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenue, Expenses and Changes in Net Assets is the "Change in Net Assets", which is similar to net income or loss.

Finally, a Statement of Cash Flows is included, which disclosed net cash provided by, or used in, operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

Major Programs

The focus of the Housing Authority's financial statements should be on the major programs of the Housing Authority. The following are considered major programs of the Housing Authority:

> Conventional Public Housing – Under the Conventional Public Housing Program, the Housing Authority rents units that it owns to eligible low-income families, the elderly, and persons with disabilities. The Housing Authority uses income limits developed by HUD which set the limits at 50

to 80 percent of median income for the area. This program is operated under an Annual Contributions Contract (ACC) with HUD, whereby HUD provides the Housing Authority operating subsidy funding to assist in funding the operating and maintenance expenses and offer rent based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for modernization of, and physical and management improvements to, the Housing Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Housing Authority administers contracts with independent landlords to allow low-income families to reside in privately-owned rental housing. The Housing Authority subsidizes the family's rent through a Housing Assistance Payment paid to the landlord. This program is administered under an ACC with HUD, whereby HUD provides funding to enable the Housing Authority to structure a lease that sets the participant's rent at 30 percent of household income.

Non-Major Programs

In addition to the major programs above, the Housing Authority also administers a number of non-major programs. These funds include:

YouthBuild Program – This program is funded through HUD's Community Planning and Development Division to provide opportunities for unemployed and undereducated youths to become employable and achieve a level of self sufficiency through education, construction training, and job training.

Resident Opportunity and Supportive Services Program – This program provides public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient. In addition the Housing Authority is provided funding to establish, expand and/or update community technology centers.

Weed & Seed Program – This program is a comprehensive, multi-disciplinary approach to combating violent crime, drug use, and gang activity in high crime neighborhoods.

Shelter Plus Care – Through this program the Housing Authority provides rental assistance to hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.

Business Activities – These represent programs supported by non-HUD resources developed from a variety of Housing Authority-initiated activities.

FINANCIAL ANALYSIS OF THE HOUSING AUTHORITY

One question frequently asked about a Housing Authority's finances is "Did the Housing Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Assets and the Statement of Revenues, Expenses and Net Assets report information about the Housing Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Housing Authority's Statement of Net Assets is presented in Table I.

Chattanooga Housing Authority
Consolidated Statement of Net Assets
TABLE I

Account Descriptions	2008	2007	Total Change	% Change
Current Assets	$ 4,959,728	$ 12,274,271	$ (7,314,543)	-60%
Capital Assets	61,858,966	63,074,812	(1,215,846)	-2%
Other Noncurrent Assets	22,914,138	21,471,496	1,442,642	7%
Total Assets	**$ 89,732,832**	**$ 96,820,579**	**$ (7,087,747)**	**-7%**
Current Liabilities	$ 8,293,762	$ 4,166,038	$ 4,127,724	99%
Noncurrent Liabilities	14,831,828	20,397,743	(5,565,915)	-27%
Total Liabilities	**23,125,590**	**24,563,781**	**(1,438,191)**	**-6%**
Minority Interest	**3,555,173**	**1,903,606**	**1,651,567**	**87%**
Invested in Capital Assets Net of Related Debt	44,882,649	44,865,398	17,251	0%
Restricted Net Assets	7,720,624	9,813,941	(2,093,317)	-21%
Unrestricted Net Assets	10,448,796	15,673,853	(5,225,057)	-33%
Total Net Assets	**63,052,069**	**70,353,192**	**(7,301,123)**	**-10%**
Total Liabilities and Net Assets	**$ 89,732,832**	**$ 96,820,579**	**$ (7,087,747)**	**-7%**

As illustrated in the Consolidated Statement of Net Assets, Total Assets decreased by 7%. Liabilities decreased by 6%, and the overall Net Assets decreased by 10%. The decrease in current assets is mainly due to a decrease in Restricted Cash of $8,650,343 which was offset by an increase in unrestricted cash of $1,761,138 and Restricted Investments of $962,611. Accounts receivable decreased by $63,442 mainly due to a decrease in PHA projects of $788,638. Capital Assets decreased by $1,215,846 as illustrated further in this document. Current liabilities increased by $4,127,724, which was due to an increase in current portion of long-term debt related to the Fannie Mae loan. Total noncurrent liabilities decreased by $5,565,915, which was mainly due to the default of the Fannie Mae loan accelerated to payment on demand.

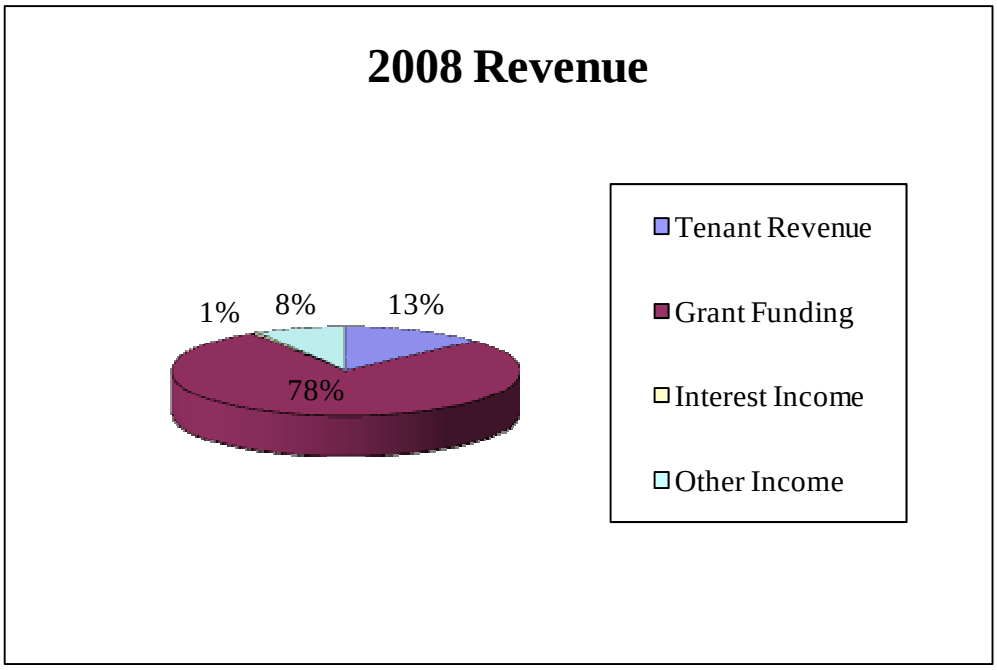
While the Statement of Net Assets shows the change in financial position, the Statement of Revenues, Expenses, and Net Assets breaks down our revenues and expenses further. Table II, which follows, provides a combined statement of these changes.

Chattanooga Housing Authority
Consolidated Statement of Revenues, Expenses and Change in Net Assets
TABLE II

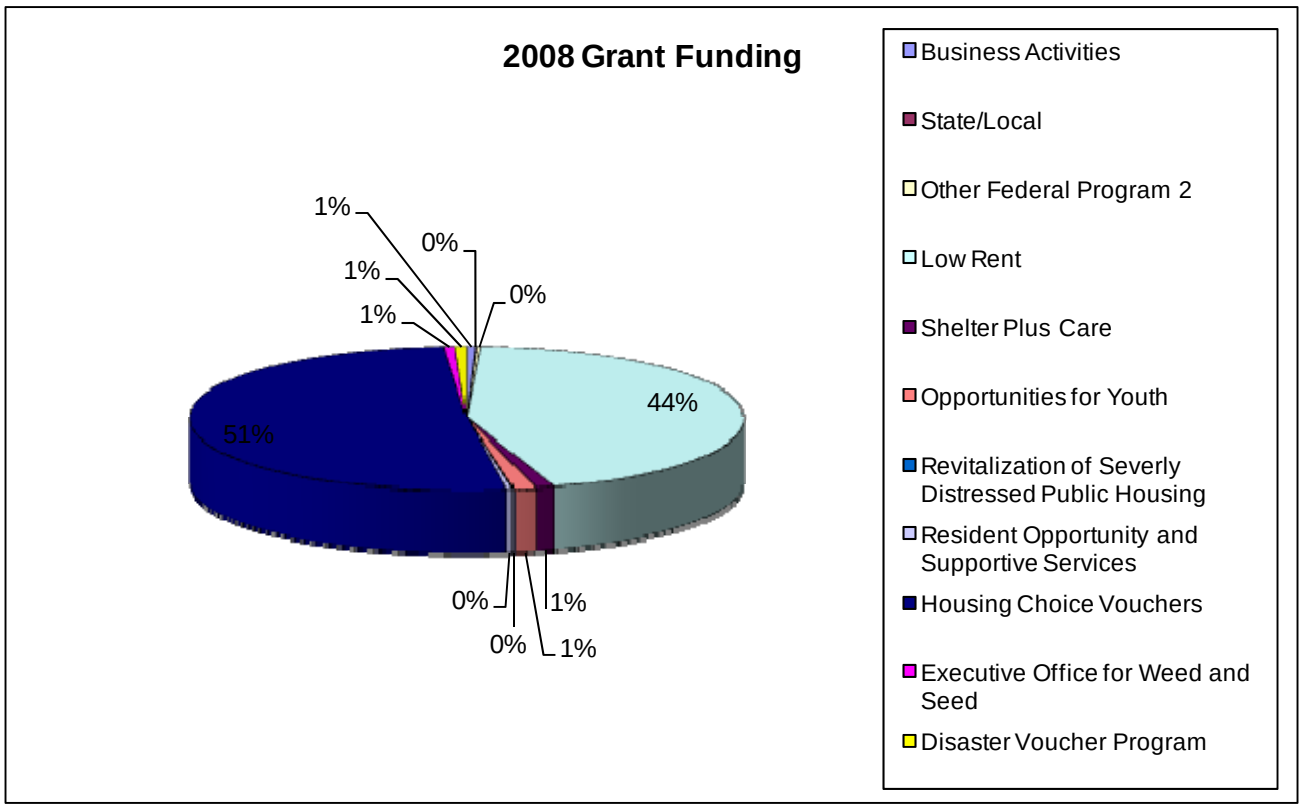
Account Descriptions	2008	2007	Total Change	%Change
Tenant Revenue	$ 4,930,100	$ 4,932,589	$ (2,489)	0%
Grant Funding	28,716,214	33,657,227	(4,941,013)	-15%
Interest Income	218,891	433,446	(214,555)	-49%
Other Income	3,109,763	1,194,227	1,915,536	160%
Total Revenue	**36,974,968**	**40,217,489**	(3,242,521)	-8%
Housing Assistance Payments	16,851,139	14,909,895	1,941,244	13%
Administrative	10,670,339	11,520,226	(849,887)	-7%
Tenant Services	342,019	513,020	(171,001)	-33%
Utilities	4,055,378	3,476,369	579,009	17%
Maintenance and operations	3,550,279	4,952,913	(1,402,634)	-28%
Protective Services	571,623	776,445	(204,822)	-26%
Insurance	610,022	616,135	(6,113)	-1%
General	523,471	855,235	(331,764)	-39%
Provision for allowance on investments - restricted	1,136,500	-	1,136,500	100%
Interest	1,173,622	818,407	355,215	43%
Unrealized (Gain) Loss on Interest Rate Swap	(6,233)	302,285	(308,518)	-102%
Depreciation	4,876,157	4,369,720	506,437	12%
Total Expenses	**44,354,316**	**43,110,650**	1,243,666	3%
Prior Period Adjustments	-	(8,806,252)	8,806,252	-100%
Loss Allocable to Minority Interest	78,225	4,240	73,985	100%
Change in Net Assets	(7,301,123)	(11,695,173)	4,394,050	-38%
Beginning Net Assets	70,353,192	82,048,365	(11,695,173)	-14%
Ending Net Assets	**$ 63,052,069**	**$ 70,353,192**	$ (7,301,123)	-10%

REVENUES

In reviewing the Statement of Revenues, Expenses, and Net Assets, you will find that 78% of the Housing Authority's revenues are derived from grants from the Department of Housing and Urban Development. The Housing Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges of 13% of total revenue. Interest Revenue and Other Revenue comprises the remaining 9%. Compared to the Fiscal Year Ended December 31, 2007, revenues had an overall decrease of $3,342,521 or 8%.



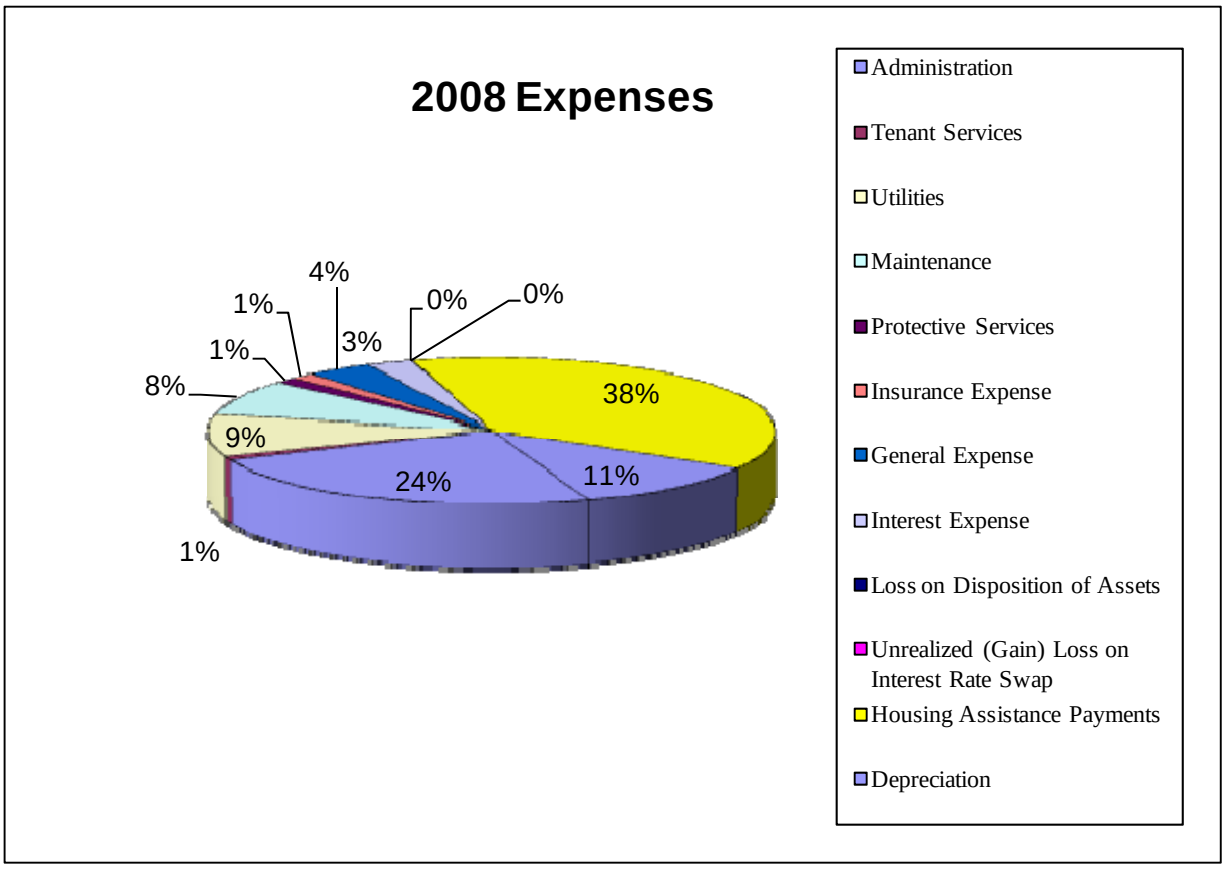
Tenant Revenue – Although Tenant Revenue decreased from $4,932,589 to $4,930,100 or around .05%. CHA was able to increase unit months leased for Public Housing Program by 225 unit months from FY 2007 to FY 2008. The decrease in rental income can be directly attributable due to lower income-based rents paid by residents due to the increased unemployment rate in the Chattanooga area.



Program Grants/Subsidies – The Housing Authority had a $4,941,013 decrease (15%) in Federal Financial Assistance from 2007 levels. This decrease was directly attributed to lower utilization of Capital Fund Program ($3,760,322) grants, and lower Housing Choice Voucher Program advances from HUD ($1,005,813) to encourage CHA to utilize prior period unexpended HAP equity amounts.

Interest and Other Income – There was a decrease in interest income during the year of $355,215 due primarily to the lower amounts earned on Housing Assistance Payment Equity balances. Other income increased by $1,915,536.

EXPENSES



The Chattanooga Housing Authority experienced an increase in total expenses for the current year from $43,110,650 to $44,354,316 or 3%. The highlights of the expenses for the current year are as follows:

Housing Assistance Payments Program – HAP payments consists of rental payments to owners of private property for which the Housing Authority has a HAP agreement with the tenant and the owner for the difference between the tenants rent and the applicable payment standard. The Housing Authority has increased the funding and expenditures of this program. During the year, HAP expense increased by $1,941,244.

Administrative – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2007, administrative costs decreased by $849,887 (7%).

Tenant Services – Tenant Services costs include all costs incurred by the Housing Authority to provide social services to the residents. The Resident Advisory Board (RAB) receives funding for board meetings, training costs, and other items to assist the RAB in staying informed on its role in the Housing Authority's operations. The individual tenant councils receive assistance on costs of meetings and other social activities provided. Tenant Services costs decreased from $513,020 to $342,019 or (33%).

Utilities - The total utilities expense for the Housing Authority increased by $579,009 or 17%.

Maintenance and Operations – Maintenance costs are all costs incurred by the Housing Authority to maintain the Public Housing units available for occupancy, which are owned by the Housing Authority in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management, vehicles, etc. The maintenance expense for the Housing Authority decreased by $1,402,634 or 28% below the fiscal year 2007. This decrease was a result of a decrease in contract costs.

Protective Services - Protective services expense changed from $776,445 to $571,623 or a decrease of $204,822 or 26%. Despite the reduction of funds allocated to protective services, the Housing Authority was able to continue to provide additional police services at all developments throughout the year.

General – General expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.), collection losses, and payment in lieu of taxes to the City of Chattanooga. General expenses changed from $1,471,370 to $1,133,493 or a decrease of $337,877.

Depreciation – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation expense for 2008 increased by $506,437 (12%) over the previous year levels.

CAPITAL ASSETS

At the end of fiscal year 2008, the Housing Authority had invested in Capital Assets of $61,858,966, net of depreciation. As of December 31, 2008, the Housing Authority had decreased its net capital assets by $1,215,846 (1.93%).

Chattanooga Housing Authority
Consolidated Statement of Capital Assets
TABLE III

Account Descriptions	2008	2007	Total Change	%Change
Land	$ 9,844,187	$ 9,899,139	$ (54,952)	-0.56%
Buildings and Improvements	132,117,083	129,020,330	3,096,753	2.40%
Personal Property	3,293,629	3,116,075	177,554	5.70%
Construction in Process	7,486,256	7,279,054	207,202	2.85%
Accumulated Depreciation	(90,882,189)	(86,239,786)	(4,642,403)	5.38%
Total Capital Assets	**$ 61,858,966**	**$ 63,074,812**	**$ (1,215,846)**	**-1.93%**

A summary of the changes in capital assets were as follows:

Balance at January 1, 2008	$	63,074,812
Current period additions		3,991,964
Sale of Grove Street development		(331,653)
Depreciation expense		(4,876,157)
Balance at December 31, 2008	$	61,858,966

DEBT ADMINISTRATION

As of December 31, 2008, the Chattanooga Housing Authority has $14,831,828 of debt outstanding related to the operation of various state and local programs. The following is a summary in the changes of total debt obligations for the year ended December 31, 2008:

Balance at January 1, 2008	$	20,397,743
Debt issued		204,715
Debt payments		(991,784)
Current portion		(4,778,846)
Balance at December 31, 2008	$	14,931,828

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS:

Several factors may affect the financial position of the Housing Authority in the subsequent fiscal year. These factors include:

(1) The level of low rent Public Housing funding provided by Congress to HUD has been decreasing over the past few years;
(2) Local labor supply and demand, which can affect salary and wage rates; Volkswagen recently announced that it would be opening an assembly plant bringing additional job opportunities to the Chattanooga SMSA
(3) Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental revenue paid; Unemployment continues to remain close to 10%
(4) Inflationary pressure is expected to increase supplies and other costs.

Conclusion

During 2008, the Housing Authority slashed expenses in an effort to respond to its financial condition. In addition to cutting over 30% of its staff, the Housing Authority terminated many contracts and modified others in an effort to realize immediate cost savings. The Housing Authority's overarching goal during the year was to deliver uninterrupted "core services" to public housing residents and participants in the Housing Choice Voucher Program. The Housing Authority assigned additional and/or different duties to remaining staff in order to address the residents' needs.

Despite these financial challenges, the Housing Authority made strides in its efforts to improve the quality of its portfolio and to enhance available services for residents and participants as noted below,

- The redevelopment of Greenwood Terrace, a 98 unit public housing development, was completed. The units are fully updated with new roofs, heating and air systems, cabinetry, washer/dryer hookups, new appliances and attractive open floor plans.

- HUD awarded CHA three new ROSS grants: Neighborhood Networks servicing public housing residents, and funding for a Homeownership Coordinator and Family Self-Sufficiency Coordinator to assist participants in the HCVP to attain economic self-sufficiency.

- The Housing Authority partnered with the Chattanooga Girls Leadership Academy by leasing the James A. Henry School to this new charter school. The school, located at College Hill Courts, will provide academic opportunities to students, but also plans to provide programming for adults in the community.

- The Housing Authority, in collaboration with the Partnership for Families, Children and Adults, instituted a Housing First Program at Emma Wheeler Homes to address the needs of formerly homeless victims of domestic violence.

This financial report is designed to provide our residents and participants, the citizens of Chattanooga, Tennessee, all federal and state regulatory bodies and any creditors with a general overview of the Housing Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Elizabeth McCright, Executive Director at 423.668.2374 or via mail at P.O. Box 1486, Chattanooga, TN 37401.

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
CONSOLIDATED STATEMENT OF NET ASSETS
December 31, 2008

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 2,057,603
Investments	66,880
Accounts receivable - HUD	234,852
Accounts receivable - tenants, net of doubtful collections of $10,548	235,100
Accounts receivable - other, net of doubtful collections of $9,709	645,675
Notes receivable - current, net of doubtful collections of $358,663	-
Prepaid expenses	124,441
Total current assets	3,364,551
RESTRICTED ASSETS	
Restricted cash	543,956
Investments - restricted	1,051,221
	1,595,177
CAPITAL ASSETS	
Land	9,844,187
Buildings and improvements	132,117,083
Personal property	3,293,629
Construction in progress	7,486,256
Less: accumulated depreciation	(90,882,189)
	61,858,966
OTHER ASSETS	
Tax credit fees	64,941
Title and recording insurance costs	19,503
Less: accumulated amortization	(1,801)
	82,643
NONCURRENT ASSETS	
Notes receivable, net of doubtful collections of $3,176,456	22,831,495
Total assets	$ 89,732,832

See accompanying notes

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
CONSOLIDATED STATEMENT OF NET ASSETS (CONTINUED)
December 31, 2008

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$	1,461,126
Accounts payable - HUD		81,910
Accrued interest payable		7,762
Current portion of long-term debt		4,778,846
Accrued wages and payroll taxes		228,105
Tenant security deposits		226,104
Accrued compensated absences		594,356
Accrued liabilities - other		654,047
Deferred revenues		211,676
Other current liabilities		49,830
Total current liabilities		8,293,762
NONCURRENT LIABILITIES		
Accrued compensated absences		97,435
Fair value of interest rate swap obligation		296,052
Long-term debt, net of current capital projects		14,233,626
Other noncurrent liabilities		204,715
Total noncurrent liabilities		14,831,828
Total liabilities		23,125,590
MINORITY INTEREST		3,555,173
NET ASSETS		
Invested in capital assets, net of related debt		44,882,649
Restricted net assets		7,720,624
Unrestricted net assets		10,448,796
		63,052,069
Total liabilities and net assets	$	89,732,832

See accompanying notes

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the year ended December 31, 2008

REVENUE	
HUD operating grants	$ 26,847,201
Other governmental grants	191,250
Rental revenue	4,930,100
Other revenue	3,027,688
Total revenue	34,996,239
OPERATING EXPENSES	
Housing assistance payments	16,851,139
Administrative	10,670,339
Tenant services	342,019
Utilities	4,055,378
Maintenance and operations	3,550,279
Protective services	571,623
General	1,133,493
Provision for valuation allowance on investments - restricted	1,136,500
Total operating expenses	38,310,770
Net operating loss	(3,314,531)
OTHER INCOME AND (EXPENSES)	
Investment income	218,891
Management fees	61,849
Gain on sale of capital assets	20,226
Interest expense	(1,173,622)
Unrealized gain on interest rate swap	6,233
Depreciation	(4,876,157)
Total other income and (expenses)	(5,742,580)
Net loss before capital grants	(9,057,111)
HUD capital grants	1,677,763
Change in net assets before loss allocable to minority interest	(7,379,348)
Loss allocable to minority interest	78,225
Change in net assets	(7,301,123)
Net assets, beginning	70,353,192
Net assets - ending	$ 63,052,069

See accompanying notes

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental revenue	$ 4,864,857
HUD operating grants	26,847,201
Other governmental grants	191,250
Other revenue	3,239,364
Total receipts	35,142,672
Payments to vendors	12,985,922
Payments to employees	6,768,236
Housing assistance payments	16,851,139
Total disbursements	36,605,297
Net cash used in operating activities	(1,462,625)
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in investments - restricted	(2,099,111)
Decrease in restricted cash	8,630,117
Decrease in investments	170,096
Increase in capital assets	(3,991,964)
Proceeds from sale of capital assets	351,879
Increase in other assets	(84,444)
Investment proceeds from minority interest	1,729,792
Net cash used in investing activities	4,706,365
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in notes payable	(1,482,602)
Net cash used in financing activities	(1,482,602)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,761,138
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	296,465
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,057,603
Reconciliation of operating loss to net cash used in operating activities:	
Change in net assets	$ (7,301,123)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	4,876,157
Provision for valuation allowance on investments - restricted	1,136,500
Gain on sale of capital assets	(20,226)
Unrealized gain on interest rate swap	(6,233)
Loss allocable to to minority interest	(78,225)
Changes in operating assets and liabilities:	
(Increase) decrease in operating assets	
Accounts receivables	(63,442)
Prepaid expenses	(56,677)
Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	(175,905)
Tenant security deposits	14,873
Deferred revenues	211,676
Total adjustments	5,838,499
Net cash used in operating activities	$ (1,462,625)

See accompanying notes

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

The accounting policies of the Chattanooga Housing Authority (Housing Authority) conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In June 1999, GASB approved Statement 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This and consecutive statements are reflected in the accompanying consolidated financial statements (including notes to consolidated financial statements).

The Housing Authority has an interest in an entity that is a variable interest entity under FIN 46(R), *Consolidation of Variable Interest Entities*. The Housing Authority holds a .01% ownership interest in Greenwood Terrace, LLC, and the Housing Authority has provided certain guarantees, which include, but may not be limited to, a construction completion guaranty, an operating deficit guaranty and a tax credit guaranty. The maximum exposure to loss is the Housing Authority's current investment and the sum of any guaranty payments required. The Housing Authority consolidates the entity since it has control and bears the majority of the expected losses or expected residual returns. The equity interest of the limited partner in the entity is reflected in minority interest on the consolidated statement of net assets.

The following is a summary of the most significant policies:

1. Reporting Entity:

The Housing Authority is a public body corporate and politic with a seven member Board of Commissioners. The Mayor of Chattanooga appoints the Board of Commissioners (Board). However, the Housing Authority has complete administrative authority and it recruits and employs personnel. The Housing Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from U.S. Department of Housing and Urban Development (HUD). The Housing Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Housing Authority are a separate reporting entity as reflected in this report. The Housing Authority has three component units that are reported as blended component units: Holtzclaw Development, LLC, Grove Street Center, LLC and Greenwood Terrace LLC. In addition, the Housing Authority has .01% ownership interests in three tax credit developments which are not considered component units because the Housing Authority does not have either control or financial responsibility for them: McCallie Homes Housing Partnership – Phase I, LLC, Alton Park Housing Partnership, LLC, and The Villages Housing Partnership, LLC. These investments are accounted for using the cost method. The Housing Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Housing Authority.

2. Basis of Presentation and Accounting:

The accounting records of the Housing Authority are maintained and reported in accordance with methods prescribed by HUD. The Housing Authority must report using GAAP; however, it has the option to use either the single enterprise proprietary fund or special purpose governmental fund model. The Housing Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund. In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement of focus is on the flow of economic resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Continued)

The Housing Authority has elected to report as a single-enterprise proprietary fund and uses the accrual basis of accounting. The measurement focus is on the flow of economic resources. The proprietary fund is composed of a number of programs. These programs (Housing Choice Voucher, Disaster Voucher, Shelter Plus Care, Low Rent Public Housing, Capital Fund, Revitalization of Severely Distressed Public Housing, Resident Opportunity and Supportive Services, Youthbuild, Community Development Block Grant, and Weed & Seed Programs) are designed to provide quality affordable housing opportunities and increase the self-sufficiency of those housed. The major programs are described as follows:

The Housing Authority has multiple programs which are accounted for in one enterprise fund, which is presented in the consolidated financial statements as follows:

Low Income Public Housing – The Housing Authority owns, operates and maintains 12 projects consisting of 2,740 units of public housing. The program offers income based rental assistance (subsidy) for elderly, disabled and single families who qualify under the low-income guidelines. Revenues for the projects consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically residents pay 30% of their adjusted gross income in rents. The Housing Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the *Capital Fund* Program. Substantially all additions and improvements to land, structures and equipment of public housing are accomplished through these capital grant funds.

Housing Choice Vouchers – The Housing Authority provides rental assistance payments to approximately 2,700 households who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing with the use of a housing voucher. Generally the participant pays between 30% and 40% of their monthly income towards rent and the Housing Authority pays the remainder. The Housing Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness.

Proprietary funds are used to account for activities that are operated in a manner similar to private enterprise business. Under this method revenues are recognized when earned and expenses are recognized when incurred.

Capital asset purchases are capitalized and long term liabilities are accounted for in the fund.

The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board on or before November 30, 1989, and those issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

3. Cash Equivalents:

Cash and cash equivalents consist principally of demand deposits and U. S. Treasury Instruments with original maturities of 90 days or less. These are stated at cost which approximates fair value.

4. Accounts Receivable:

Tenant accounts receivable are carried at the amount considered by management to be collectible. Tenant accounts receivable are immaterial for further disclosures. Other accounts receivable consist of amounts due from U.S. Department of Housing and Urban Development and State and Local governments for Grant Income.

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Continued)

5. Prepaid Expenses:

Payments made to vendors for goods or services that will benefit periods beyond December 31, 2008 are recorded as prepaid items.

6. Inter-program Receivables and Payables:

Inter-program receivables and payables are all current and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Housing Authority. Cash settlements are made periodically and all inter-program balances net to zero. These inter-program receivables and payables have been eliminated in the preparation of the consolidated financial statements. The detail by program can be found in the Financial Data Schedule of this report.

The Housing Authority has implemented policies and practices for assessing other-than-temporary declines in value of its investments. The carrying values of its investments are reviewed annually. If an other-than-temporary decline in carrying value exists, a provision to reduce the asset to fair value will be recorded on the Housing Authority's consolidated financial statements. During 2008, a provision for valuation allowance on investments was recognized in the amount of $1,136,500.

7. Investments:

Investments are recorded at cost which approximates fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Housing Authority's agent in the Housing Authority's name. It is the Housing Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Tennessee.

8. Inventories:

The Housing Authority maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are minimal. The Housing Authority's administration believes that the benefits of maintaining an inventory would be less in value than the cost of maintaining such a system.

9. Capital Assets:

All purchased capital assets are valued at cost when historical records are available. When no historical records are available, capital assets are valued at estimated historical cost. Donated capital assets are recorded at their fair value at the time they are received. Donor imposed restrictions are deemed to expire as the asset depreciates. Land values were derived from development closeout documentation.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

The cost of buildings, improvements and personal property is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation commences on modernization and development additions in the year following completion. Small dollar value and minor equipment items are expensed. Depreciation on assets has been expensed in the consolidated statement of revenues, expenses and changes in net assets. The useful lives of buildings, improvements and personal property for purposes of computing depreciation are as follows:

Buildings and improvements	15-20 years
Personal property	3-7 years

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Continued)

The Housing Authority has been, and is currently, involved in various demolition activities in conjunction with its modernization and development programs. In accordance with GASB No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, the Housing Authority has at December 31, 2008, recognized in the accompanying consolidated financial statements the impact of the demolition activities. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. No such impairment loss was incurred during the year.

10. Other Assets:

Other assets consist of title and recording insurance costs and tax credit fees. Title and recording insurance costs are amortized using the straight-line method over 40 years. Tax credit fees are amortized using the straight-line method over 15 years. Amortization expense for the year ended December 31, 2008 was $1,210.

11. Derivatives and Hedging Activities:

The Housing Authority recognizes all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the earnings of the hedged item or recognized in other comprehensive income (loss) in partners' capital until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

The Housing Authority holds derivative financial instruments for the purpose of limiting its exposure to interest rate fluctuations through the use of interest rate caps. Net amounts paid or received under interest rate swap arrangements are reflected as adjustments to interest expense.

Derivatives are held only for the purpose of hedging or limiting such risks, not for speculation. As of December 31, 2008, none of the Housing Authority's derivative financial instruments qualify as hedges.

12. Compensated Absences:

The Housing Authority's employees accrue personal leave or compensated absences. The Housing Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on a prescribed formula based on length of service. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Housing Authority. Vacation pay is recorded as an expense and related liability in the period earned by employees. Leave accrued but not yet paid as of December 31, 2008, is shown as a liability allocated between current and noncurrent.

13. Litigation Losses:

The Housing Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurs but not before the loss is probable and reasonably estimable.

14. Restricted Assets:

Certain assets may be classified as restricted assets on the balance sheet, because their use is restricted by contracts or agreements with outside third parties and lending institutions.

Net assets are reported as restricted when constraints placed on net asset use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Continued)

15. Operating Revenues and Expenses:

Operating revenues and expenses consist of revenues earned and expenses incurred as a result of the principal operations of the Housing Authority. Operating revenue results from exchange transactions associated with providing housing and related services, and federal operating subsidies and housing assistance payments that are directly related to the Housing Authority's mission. Nonoperating revenue includes capital and noncapital federal grants, interest revenue, and other revenues not meeting the definition of operating. Operating expenses consist of all expenses incurred to provide housing services.

16. Use of Estimates:

The preparation of consolidated 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 consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

17. Fair Value of Financial Instruments:

The carrying amount of the Housing Authority's financial instruments at December 31, 2008, including cash, investments, accounts receivable, and accounts payable, closely approximate fair value.

18. Annual Contribution Contracts:

Annual Contribution Contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Housing Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Housing Authority.

19. Application of Restricted Resources:

The Housing Authority will first apply restricted resources when an expense incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE B - DEPOSITS AND INVESTMENTS:

HUD requires public housing authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

The Housing Authority's cash and cash equivalents consist of cash held in both interest and non-interest bearing checking accounts totaling $2,056,714. The restricted cash of $543,956 is held in five interest bearing checking accounts. Investments consist of a U.S. Treasury Bill totaling $66,880, an FSS bank account totaling $52,110, and $1,000,000 in equity funding relating to Mayfair on Market.

NOTE B - DEPOSITS AND INVESTMENTS: (Continued)

Deposits with financial institutions are secured as follows:

Insured by FDIC	$ 250,000
Investments held in US Treasury Obligations	66,880
Collateralized with specific securities in the Housing Authority name which are held by the financial institution	174,241
Uncollateralized	2,226,339
Petty cash held at project sites	2,200
Investment in operating partnership	1,000,000
	$ 3,719,660

All investments are carried at cost plus accrued interest, which approximates market. The Housing Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

Interest rate risk – the Housing Authority's policy does not address interest rate risk.

Credit risk – the Housing Authority's investments consist of certificates of deposits and a federal home loan discount note, which do not have credit ratings, and U.S. Treasury obligations, which are not considered to have any credit rate risk; however, the Housing Authority's policy does not address credit rate risk.

Custodial credit risk –the Housing Authority's deposits and investments may not be returned in the event of a bank failure. As of December 31, 2008, $2,719,660 of the Housing Authority's deposits and investments were exposed to this risk because the amounts were in excess of FDIC insurance limits; however, $241,121 was collateralized with investments and securities held by the pledging financial institution in the Housing Authority's name.

NOTE C - ACCOUNTS RECEIVABLE:

Accounts receivable at December 31, 2008 consisted of the following:

Accounts receivable – Tenants (net of allowance of $10,548)	$ 235,100
Accounts receivable – HUD	234,852
Accounts receivable – Other (net of allowance of $9,709)	645,675
	$ 1,115,627

Note: The above receivable balance excludes $3,697,431 of interfund balances that have been eliminated as a result of financial statement consolidation.

NOTE D – NOTES RECEIVABLE:

The notes and mortgages receivable consist of:

McCallie Homes Housing Partnership, LLC (net of allowance of $146,641)	$ 4,933,447
Alton Park Housing Partnership, LLC (net of allowance of $189,022)	8,185,370
The Villages at Alton Park, Inc. (net of allowance $3,176,456)	-
The Villages Housing Partnership, LLC (net of allowance of $23,000)	6,336,100
Johnson Terrace LLC (The Oaks at Camden)	3,376,578
Subtotal – Notes receivable	$ 22,831,495

On August 26, 2003, the Housing Authority entered into various loan agreements with McCallie Homes Housing Partnership, LLC totaling $5,540,088, as evidenced by notes receivable, for the construction of low income dwellings in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between forty (40) and forty five (45) years from the date of the note. The notes bear 0% interest; however, one loan for $2,973,447 bears interest at the long-term Applicable Federal Rate in effect at the date of the note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2008 was $4,933,447.

On December 16, 2003, the Housing Authority entered into various loan agreements with Alton Park Housing Partnership, LLC totaling $8,418,385, as evidenced by notes receivable, for the construction of low income dwellings in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between forty-nine (49) and fifty (50) years from the date of the note. The notes bear 0% interest; however, one loan for $3,954,363 bears interest at the long-term Applicable Federal Rate in effect at the date of the note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2008 was $8,185,370.

On October 26, 2004, the Housing Authority entered into a loan agreement with The Villages at Alton Park, Inc., totaling $3,176,456, as evidenced by notes receivable, for the construction of low income homeownership dwellings in association with the HOPE VI Program and secured by deeds of trust. The term of the notes is the termination/expiration date of the ground lease (December 31, 2010). The notes bear 0% interest. No payment of principal is due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2008 was $0.

On May 12, 2005, the Housing Authority entered into various loan agreements with The Villages Housing Partnership, LLC totaling $6,884,100, as evidenced by notes receivable, for the construction of low income dwellings in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between forty-five (45) and fifty (50) years from the date of the note. The notes bear 0% interest; however, one loan for $3,111,100 bears interest at the long-term Applicable Federal Rate, compounded annually, in effect at the date of the note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2008 was $6,336,100.

NOTE D – NOTES RECEIVABLE: (Continued)

On June 6, 2007, the Housing Authority entered into two loan agreements with Johnson Terrace LLC (The Oaks at Camden) totaling $3,376,578, as evidenced by notes receivable, for the construction of low income dwellings and secured by deeds of trust. The terms of the notes are between forty (40) and forty-three (43) years from the date of the note. One note bears 0% interest; however, the other loan for $943,144 bears interest at the long-term Applicable Federal Rate in effect at the date of the note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes as of December 31, 2008 was $3,376,578.

Management believes the notes are generally collectible with the exception of The Villages at Alton Park, Inc. A provision for an allowance of $3,176,456 has been made for the principal balance of The Villages at Alton Park, Inc., as well as other accounts of $358,663 management deems uncollectible. Management has not reserved such balances where the insured values of the properties exceed the face value of the Notes Receivable. An evaluation is made annually by management to verify collectibility.

The Housing Authority entered into land lease agreements with the Promisors of the Notes Receivable. The term of the leases shall be for forty (40) to fifty (50) years and rent is $1 per year. The cost of the leased land is $9,813,303, which is included in Land on the Statement of Net Assets.

NOTE E - CAPITAL ASSETS:

A summary of the changes in capital assets was as follows:

	Balance 12/31/07	Additions	Dispositions/ Adjustments	Balance 12/31/08
Capital Assets:				
Non-depreciable:				
Land	$ 9,899,139	$ -	$ (54,952)	$ 9,844,187
Construction in progress	7,279,054	207,202	-	7,486,256
Total non-depreciable assets	17,178,193	207,202	(54,952)	17,330,443
Depreciable:				
Buildings and improvements	129,020,330	3,398,324	(301,571)	132,117,083
Personal property	3,116,075	386,438	(208,884)	3,293,629
Total depreciable assets	132,136,405	3,784,762	(510,455)	135,410,712
	149,314,598	3,991,964	(565,407)	152,741,155
Accumulated depreciation	(86,239,786)	(4,876,157)	233,754	(90,882,189)
	$ 63,074,812		$ (331,653)	$ 61,858,966

NOTE E - CAPITAL ASSETS: (Continued)

A summary of the changes in capital assets were as follows:

Balance at January 1, 2008	$ 63,074,812
Current period additions – Capital grants	591,159
Current period – Operations	2,480
Current period additions – Honeywell	411,729
Current period additions – Greenwood Terrace LLC	2,980,485
Current period additions – Holtzclaw LLC	6,111
Current period retirements – Grove Street LLC	(331,653)
Current period depreciation expense	(4,876,157)
Balance at December 31, 2008	$ 61,858,966

Depreciation By Asset Class	Balance 12/31/07	Net Change	Balance 12/31/08
Building and improvements	$ (83,818,134)	$ (4,583,886)	$ (88,402,020)
Personal property	(2,421,652)	(58,517)	(2,480,169)
	$ (86,239,786)	$ (4,642,403)	$ (90,882,189)

NOTE F - ACCOUNTS PAYABLE:

Accounts payable consisted of the following at December 31, 2008:

Vendors and contractors payable	$ 1,355,784
Accounts payable – HUD	81,910
Payment in lieu of taxes	105,342
	$ 1,543,036

NOTE G – ACCRUED LIABILITIES AND UNEARNED REVENUE:

Accrued liabilities and unearned revenue consisted of the following at December 31, 2008:

Accrued wages and payroll taxes	$ 228,105
Tenant security deposits	226,104
Accrued compensated absences – current portion	594,356
Accrued interest payable	7,762
Accrued liabilities - other	654,047
Deferred revenues	211,676
Other current liabilities	49,830
Current portion of long-term debt	4,778,846
	$ 6,750,726

NOTE H – NONCURRENT LIABILITIES:

Noncurrent liabilities consisted of the following at December 31, 2008:

	Balance 12/31/07	Increases	Decreases	Balance 12/31/07
Accrued compensated absences – noncurrent	$ 754,846	$ -	$ (657,411)	$ 97,435
Fair value of interest rate swap obligation	302,285	-	(6,233)	296,052
Other non-current liabilities	-	204,715	-	204,715
Long-term debt, net	19,340,612	-	(5,106,986)	14,233,626
	$ 20,397,743	$ 204,715	$(5,770,630)	$ 14,831,828

NOTE I - NOTES PAYABLE:

As of December 31, 2008, the Chattanooga Housing Authority has $14,233,626 of debt outstanding related to various projects and programs. These debts are the obligations associated with the following programs:

Citicapital Bank	$ 8,565,440
First Tennessee Bank	2,969,800
Honeywell Global	3,796,962
Mayfair on Market - Fannie Mae	3,650,000
Operations - Leases Payable	30,270
Subtotal – Notes payable	19,012,472
Less: Current portion	(4,778,846)
	$ 14,233,626

On April 27, 2005, the Housing Authority entered into a capitalized lease purchase agreement with Citicapital Bank. The two original notes were for $5,101,719 and $5,276,526. Both notes have an interest rate of 4.88% with monthly payments and are secured by deeds of trust. Interest expense during the year was $474,780. The combined outstanding balance at December 31, 2008 was $8,565,440.

Future payments consist of:

	Principal	Interest	Total Payments
2009	$ 742,841	$ 401,525	$ 1,144,366
2010	779,914	364,452	1,144,366
2011	818,837	325,529	1,144,366
2012	859,701	284,665	1,144,366
2013	902,606	241,760	1,144,366
2014-2018	4,461,541	497,379	4,958,920
	$ 8,565,440	$ 2,115,310	$ 10,680,750

NOTE I - NOTES PAYABLE: (Continued)

On April 28, 2007, Holtzclaw Development, LLC entered into a promissory note agreement with First Tennessee Bank National Association. The original note was for an amount not to exceed $3,100,000. The note bears interest at LIBOR plus 1.25% with monthly payments, which began January 1, 2007 and is secured by a deed of trust. Interest expense during the year was $136,296. The outstanding balance as of December 31, 2008 was $2,969,800.

Holtzclaw Development, LLC has entered into an interest rate swap agreement with an original notional amount of $3,027,400 that limits the variable interest cash flow exposure on the loan for a period of eleven years from the date issued. Under the interest rate swap agreement, Holtzclaw Development, LLC pays or receives on a monthly basis an amount based on the notional amount multiplied by the positive or negative difference. As of December 31, 2008, the fair value of the interest rate swap obligation was $296,052. For the year ended December 31, 2008, the Housing Authority's net cash payments under the swap agreement were $74,596.

Future payments consist of:

	Principal	Interest	Total Payments
2009	$ 90,600	$ 131,042	$ 221,642
2010	96,700	122,056	218,756
2011	103,800	114,069	217,869
2012	111,200	105,674	216,874
2013	120,000	95,884	215,884
2014-2018	531,700	260,834	792,534
2019-2023	911,600	297,521	1,209,121
2024-2026	1,004,200	145,621	1,149,821
	$ 2,969,800	$ 1,272,701	$ 4,242,501

On July 17, 2007, the Housing Authority entered into a capitalized lease purchase agreement with Honeywell Global Finance LLC. The original note was for $4,266,570. The note bears interest at an effective rate of 4.238% with monthly payments, which began on June 30, 2007, and is secured by a deed of trust. Interest expense during the year was $184,681. The outstanding balance at December 31, 2008 was $3,796,962.

Future payments consist of:

	Principal	Interest	Total Payments
2009	$ 272,968	$ 182,788	$ 455,756
2010	310,292	145,464	455,756
2011	323,901	131,855	455,756
2012	339,852	115,904	455,756
2013	352,935	102,821	455,756
2014-2018	2,009,276	269,501	2,278,777
2019	187,738	2,023	189,761
	$ 3,796,962	$ 950,356	$ 4,747,318

NOTE I - NOTES PAYABLE: (Continued)

In May 2007, the Housing Authority and Trafalgar Development Corporation (Trafalgar) entered into negotiations to form 700 Block Development Partners, LLC (BDP), a mixed-use development to be called Mayfair on Market (Development). Effective August 23, 2007, the Housing Authority and Trafalgar executed an operating agreement for the purpose of pursuing the development. Pursuant to the operating agreement, the Housing Authority agreed to make a loan to the Development for $3,385,000 contemporaneously following the date of the operating agreement. On December 21, 2007, the Housing Authority entered into a loan and security agreement with Fannie Mae. The original note was for $3,650,000. The note bears a variable interest rate based on three month LIBOR plus 205 basis points and is secured by the Housing Authority's general fund. Payments of interest only are due monthly until maturity when the entire principal and interest outstanding is due. In January 2008, the Housing Authority funded $2,450,000 of the required loan amount to the Development. Subsequently, the remaining proceeds from Fannie Mae of $1,200,000 were diverted to fund general operations at the Housing Authority. Interest expense during the year was $375,312. The outstanding balance as of December 31, 2008 was $3,650,000. Since the Housing Authority breached the terms of the loan and security agreement, Fannie Mae issued a notice of default. The maturity date of the note has been accelerated as a result of this default, so the entire portion of the balance is current.

The Housing Authority has various leases for vehicles, which have been capitalized for accounting purposes. The term of the note is for 35 months. The leases bear interest at 6.7% and are collateralized by the vehicles. The Housing Authority makes monthly payments of principal and interest of $1,975. Interest expense during the year was $2,552. The outstanding balance on these leases as of December 31, 2008 was $30,270.

Future payments consist of:

	Principal	Interest	Total Payments
2009	$ 22,437	$ 1,258	$ 23,695
2010	7,833	355	8,188
	$ 30,270	$ 1,613	$ 31,883

NOTE J – INTER-PROGRAM BALANCES:

The following amounts have been eliminated in preparing the consolidated financial statements:

Due from and due to accounts	$ 6,180,588
Accounts receivable and payable – HUD PHA programs	1,228,530
Accounts receivable and payable – HCV program	788,639
Accounts receivable and payable – Greenwood Terrace LLC operating subsidy	148,398
Accounts receivable and non-current liabilities – other	236,619
Accounts receivable and long-term debt	1,199,580
Accounts receivable and payable – Greenwood Terrace LLC advances	95,665
Buildings – Greenwood Terrace LLC	97,293
Notes receivable non-current and long-term debt	2,254,892
Notes receivable non-current and accrued interest payable	111,037
Total	$ 12,341,241

NOTE J – INTER-PROGRAM BALANCES: (Continued)

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries. During 2007, the Housing Authority improperly utilized $788,639 of funds from the Housing Choice Voucher Program to pay operational expenditures. Such amounts are expected to be repaid to the program. The Housing Authority is working closely with the local HUD field office to define the repayment terms. The Housing Authority has internally recorded a payable from its operations to the Housing Choice Voucher Program.

NOTE K - PENSION PLAN OBLIGATIONS:

The Chattanooga Housing Authority sponsors a defined contribution plan for all employees having at least six months of service. Participants do not contribute to the plan and become fully vested in employer contributions and investments earnings after five years of participation in the plan. Total employer contributions to the plan during the year were $358,521. Total payroll during the year was $6,283,267. Forfeited amounts can be used for administrative fees or disbursed by percentage to remaining employees.

The Chattanooga Housing Authority sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits all employees to defer a portion ($15,500 in 2008) of their salary until future years. Such amounts are not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets in the plan are recorded at market value but are administered by a private corporation under contract with the Housing Authority. The Housing Authority has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Additional details on the plan can be obtained from USI Consulting Group, Carissa Dunaway, 900 South Gay Street, Suite 1796, Knoxville, TN 37902, 865-523-8353.

NOTE L - CONTINGENCIES:

The Housing Authority has been named as a third-part defendant in a complaint, The RiverCity Company, Plaintiff, v. Rose & Crown LLC and 700 Block Development Partners LLC, Defendant and 700 Block Development Partners, LLC, Third Party Plaintiff v. Chattanooga Housing Authority, Third Party Defendant. A third party action was filed against the Housing Authority by one of the initial defendants, BDP. In general BDP asserts that the Housing Authority failed to complete certain alledged funding obligations pursuant to the Operating Agreement of BDP relating to the Development. BDP seeks, among other things, to hold the Housing Authority liable for any damages that BDP may sustain as a result of the initial lawsuit filed by the RiverCity Company. The Housing Authority is evaluating the merits of the claims and is currently unable to determine the likely outcome of these claims. However, the Housing Authority does not believe that the outcome of these claims will have a material adverse effect to its financial position. No amounts have been accrued or recorded in the Housing Authority's 2008 consolidated financial statements related to this event.

There are currently lawsuits ongoing that have arisen in the normal course of the Housing Authority's operations; however, there are no amounts which are deemed as contingent liabilities which should be disclosed or accrued in the consolidated financial statements. The Housing Authority believes that an unfavorable outcome of these matters would not have a material adverse effect to the consolidated financial statements.

NOTE M – LEASING ACTIVITIES (AS LESSOR):

The Housing Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Housing Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the consolidated financial statements and schedules as "Rental Revenue." Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local availability.

NOTE N - CONTRACTUAL COMMITMENTS:

The Housing Authority had Outstanding Contractual Commitments as of December 31, 2008 as follows:

Commitment Type	Amount
Renovations	$ 2,288,275
Administration	2,013,414
Program costs	1,955,208
	$ 6,256,897

NOTE O – ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES:

Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended December 31, 2008 were $9,717,134.

Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, the amount of rent contribution by a participating family and related administrative expense. The Housing Authority is also eligible to receive reimbursement of preliminary expenses prior to lease up.

NOTE P – ECONOMIC DEPENDENCY:

Both the PHA-Owned Housing Program and the Section 8 Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

The Housing Authority receives approximately 78% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Housing Authority's operating reserves could be adversely affected.

NOTE Q - RISK MANAGEMENT:

The Housing Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils.

The Housing Authority is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

NOTE R - SUPPLEMENTAL INFORMATION:

The supplemental information has been included in order to show the consolidated financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

NOVOGRADAC
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors 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*

To the Board of Commissioners of
Chattanooga Housing Authority:

We have audited the consolidated financial statements of Chattanooga Housing Authority (the "Housing Authority") as of and for the year ended December 31, 2008, and have issued our report thereon dated June 26, 2009. 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 the Housing Authority'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 the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 Housing Authority'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 Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control. We consider the deficiencies 2008-1 and 2008-2 described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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 Housing Authority's internal control. We considered items 2008-1 and 2008-2 to be material weaknesses.

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Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.

We noted certain matters that we reported to management of Chattanooga Housing Authority in a separate letter dated June 26, 2009.

Chattanooga Housing Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Chattanooga Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Commissioners, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Novogradac & Company LLP

June 26, 2009

NOVOGRADAC
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the Board of Commissioners of
Chattanooga Housing Authority:

Compliance

We have audited the compliance of Chattanooga Housing Authority 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 December 31, 2008. The Housing Authority'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 the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority'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 occurred 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 the Housing Authority'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 of the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority 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 December 31, 2008.

Internal Control over Compliance

The management of Chattanooga Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the 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 the Housing Authority's internal control over compliance.

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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 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 Board of Commissioners, management and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Novogradac & Company LLP

June 26, 2009

CHATTANOOGA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2008

Section I – Summary of Auditor's Results

Financial Statements

Type of audit report issued on financial statements of auditee:	Unqualified	
Internal control over financial reporting:		
• Material weaknesses identified?	X yes	_____ no
• Significant deficiencies identified that are not considered to be material weaknesses?	X yes	_____ none reported
Noncompliance material to financial statements noted?	X yes	_____ no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	_____ yes	X no
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ yes	X none reported

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
CFDA 14.850	Low Rent Public Housing Program
CFDA 14.871	Housing Choice Voucher Program
CFDA 14.872	Capital Fund Program

Dollar threshold used to distinguish between Type A and Type B programs:	$855,749	
Auditee qualified as low-risk auditee?	_____ yes	X no

Section II – Financial Statement Findings

Finding 2008-1

Statement of condition
In several instances, we identified control lapses resulting from management's override of key internal controls. Certain key management/accounting personnel authorized payments or adjustments that lacked adequate support or documentation. These same personnel also had the authority to sell investments and execute wire transfers without approval or notification to the Board of Commissioners. Presentations of budgets and financial statements to the Board of Commissioners were deemed to be misleading and masked the Housing Authority's true financial position and operating results.

Criteria
Under the Committee of Sponsoring Organizations of the Treadway Commission report titled, *Internal Control—Integrated Framework* (COSO Report), the components of internal control are (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Under the COSO Report, control environment states that "The core of any business is its people—their individual attributes, including integrity, ethical values and competence—and the environment in which they operate. They are the engine that drives the entity and the foundation on which everything rests."

Effect
The lapses of ethical conduct by certain management/accounting personnel resulted in an ineffective control environment at the Housing Authority.

Cause
Lack of ethical conduct by certain management personnel resulted in the override of internal control.

Recommendation
The Housing Authority should provide regular training on the Standards of Conduct. At least annually, the employees should review the Standards of Conduct and sign a confirmation that is maintained by Human Resources.

Response
The Housing Authority will review its Standards of Conduct and require an annual confirmation from all employees.

Finding 2008-2

Statement of condition
The Housing Authority transferred $1,200,000 of Fannie Mae funds designated for use on the Mayfair on Market project for its operating expenditures.

Criteria
In December 2007, the Housing Authority entered into a loan and security agreement with Fannie Mae to fund a mixed-use development to be called Mayfair on Market (Development). The loan agreement restricted the use of the funds to the Development only.

Effect
The Housing Authority breached the terms of the loan and security agreement.

Cause
The Housing Authority had deficiencies in internal controls over cash management that lead to improper cash transactions.

Recommendation
Management should implement procedures surrounding review of contracts and agreements. Key provisions should be identified and summarized. Periodically, the Housing Authority should determine its level of compliance with these contracts, agreements and requirements.

Response
The Housing Authority is currently negotiating with Fannie Mae regarding how to cure the default.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended December 31, 2008.

CHATTANOOGA HOUSING AUTHORITY
SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended December 31, 2008

Section I – Summary of Auditor's Results

Financial Statements

Type of audit report issued on financial statements of auditee: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? ___X___yes _____ no
- Significant deficiencies identified that are not considered to be material weaknesses? ___X___ yes _____ none reported

Noncompliance material to financial statements noted? ___X___yes _____ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___X___yes _____ no
- Significant deficiencies identified that are not considered to be material weaknesses? ___X___ yes _____ none reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___X___ yes _____ none reported

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
CFDA 14.850	Low Rent Public Housing Program
CFDA 14.871	Housing Choice Voucher Program
CFDA 14.872	Capital Fund Program

Dollar threshold used to distinguish between Type A and Type B programs: $991,817

Auditee qualified as low-risk auditee? _____ yes ___X___ no

Section II – Financial Statement Findings

Finding 2007-1

Statement of condition
No physical fixed asset inventory or reconciliation has been completed since the Housing Authority's headquarters relocated to its current location. Subsequent to year end, a fixed asset inventory was performed resulting in an adjustment of $3,900,072. A prior period adjustment was recorded to remove remediation costs, HOPE VI demolition costs, soft costs and capital assets owned by the City of Chattanooga that were incorrectly capitalized in prior years.

Criteria
Generally accepted accounting principles requires that fixed asset be recorded at cost or fair market value, if donated, and adjusted for additions, dispositions and impairment. Accounts should be reconciled at least annually.

Effect
The Housing Authority's records are not being maintained properly to ensure the accounting for certain fixed assets are correct.

Cause
Controls are not in place to ensure reconciliations are performed and ensure that the accounting for fixed assets balances is correct.

Recommendation
The Housing Authority should reconcile its fixed assets accounts regularly and perform a complete physical fixed asset inventory at least annually to ensure that the accounting for the fixed assets balances is correct.

Response
The Housing Authority has reconciled the fixed assets balances and adjustments have been recorded to correct balances.

Current status
The Housing Authority has completed a fixed asset reconciliation and has implemented steps to reconciling fixed assets periodically.

Finding 2007-2

Statement of condition
In several instances, we identified control lapses resulting from management's override of key internal controls. Certain key management/accounting personnel authorized payments or adjustments that lacked adequate support or documentation. These same personnel also had the authority to sell investments and execute wire transfers without approval or notification to the Board of Commissioners. Presentations of budgets and financial statements to the Board of Commissioners were deemed to be misleading and masked the Housing Authority's true financial position and operating results.

Criteria
Under the Committee of Sponsoring Organizations of the Treadway Commission report titled, *Internal Control—Integrated Framework* (COSO Report), the components of internal control are (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Under the COSO Report, control environment states that "The core of any business is its people—their individual attributes, including integrity, ethical values and competence—and the environment in which they operate. They are the engine that drives the entity and the foundation on which everything rests."

Effect
The lapses of ethical conduct by certain management/accounting personnel resulted in an ineffective control environment at the Housing Authority.

Cause
Lack of ethical conduct and resulted by certain management personnel resulted in the override of internal control.

Recommendation
The Housing Authority should provide regular training on the Standards of Conduct. At least annually, the employees should review the Standards of Conduct and sign a confirmation that is maintained by Human Resources.

Response
The Housing Authority will review its Standards of Conduct and require an annual confirmation from all employees.

Current status
See Finding 2008-1.

Section III – Federal Award Findings and Questioned Costs

Finding 2007-3

Statement of condition
The Housing Authority transferred $788,639 of HCV program funds for its operating expenditures.

Criteria
The Housing Authority must use program receipts to provide decent, safe, and sanitary housing for eligible families in compliance with the U.S. Housing Act of 1937 and all HUD requirements. Program receipts may only be used to pay program expenditures. Administrative fees may only be used to cover costs incurred to perform administrative responsibilities for the program in accordance with HUD regulations and requirements (24 CFR sections 982.151 and 982.152). According to the Financial Recovery Plan, dated July 3, 2008, from the Real Estate Assessment Center, the Housing Authority has not fully implemented its asset management process and, therefore, was not eligible to charge the HCV program "management" and "bookkeeping" fees of $732,040.

Effect
The Housing Authority has violated the program rules and requirements designated by CFR section 982.152(B)(3) – Administrative fee. However, while these fees may not be eligible for payment as an administrative fee, such fees may be reimbursable as actual HCV program.

Cause
The Housing Authority had deficiencies in internal controls over cash management that lead to improper cash transactions.

Recommendation
Management should implement procedures surrounding review of contracts, agreements and Program requirements. Key provisions should be identified and summarized. Periodically, the Housing Authority should determine its level of compliance with these contracts, agreements and requirements. Specific to the HCV program, additional procedures should be established to determine the propriety of recognizing management and bookkeeping fees. In addition, management should perform an assessment of the costs of the HCV program during the period and reconstruct the Housing Authority's actual operating costs in order to determine if most, if not all of the $732,040 in fees highlighted in the Real Estate Assessment Center's report, are reimbursable.

Response
During 2008, the Housing Authority repaid approximately $72,000 to the HCV program. The Housing Authority's cash flow budget for 2009 reflects a repayment of $180,000 to the HCV program, which is to continue annually until the amount that was transferred is paid in full.

Current status
The Housing Authority is currently working to repay a portion of the amount during 2008.

Finding 2007-4

Statement of condition
Between December 31, 2005 and December 31, 2007, the Housing Authority depleted its operating reserve.

Criteria
Under the Public Housing Assessment System, the Housing Authority is scored on financial management based on its amount of cash reserves available for operations (24 CFR section 901.35). The Housing Authority has determined that a reserve balance of $2,500,000 is recommended for scoring a Grade A.

Effect
The Housing Authority would score a Grade F based on current cash reserves available for operations.

Cause
Operating costs were maintained at excessive levels that resulted in draws of the Housing Authority's cash available for operations.

Recommendation
The Housing Authority should establish a plan to increase cash reserves available for operations to an adequate level maintain reserve accounts at the required amount.

Response
Management is aware the Housing Authority reserve is not adequately funded and is developing a strategy to increase the cash reserves available for operations over time.

Current status
The Housing Authority is aware that reserves are not adequately funded and beginning in 2009 will begin to rebuild the reserve levels.

Finding 2007-5

Statement of condition
The Housing Authority recorded expenditures of $179,952 and sought reimbursement without adequate documentation to support the expenditure under the Capital Fund Program.

Criteria
The Housing Authority must comply with all HUD regulations for its Capital Fund program. Such regulations are found in 24 CFR part 905.

Condition
In a sample of 25 draw requests submitted by the Housing Authority, one draw request lacked sufficient support for the expenditures prior to its submission. The support included a hand-written calculation prepared by the Housing Authority and a note stating that an officer of the Housing Authority was to provide support. HUD reimbursed the amount in full from a Payment Voucher Request (No. 092-383914), dated December 21, 2007. Subsequently, unit surveys were completed from the various project sites identifying expenditures that totaled $171,602; however, expenses at one location included in the total were identified as estimates or qualified by a note that the project did not track all expenses for the respective units.

Effect
The Housing Authority did not have sufficient support for the expenditures paid from the Capital Fund Program at the date the funds request occurred.

Causes
The identified deficiency was the result of an override or disregard of internal control procedures for payment and Program requirements. The policy for reimbursing expenditures should be followed by all employees of the Housing Authority and should be reinforced through a strong "tone at the top" approach of internal control.

Recommendation
The Housing Authority should adhere to policy and require that no reimbursement of expenditures occurs until the submitted documentation is complete and adequate. Management should request the applicable supporting invoices and maintain the support with the reimbursement request.

Response
The Housing Authority will obtain invoices and other required documentation to support the reimbursement request.

Current status
This finding should be closed based on review of documentation by Tyrone Collins of the HUD Nashville Field Office.

SUPPLEMENTARY INFORMATION

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
CONSOLIDATING STATEMENT OF NET ASSET ACCOUNTS
December 31, 2008

Line Item	Description	Project Totals	Program Totals	Central Office Cost	Subtotal	Elimination	Total
	Balance Sheet						
111	Cash-unrestricted	$ -	$ 1,881,645	$ 175,958	$ 2,057,603		$ 2,057,603
112	Cash-restricted-modernization and development	$ -	$ 31,890	$ -	$ 31,890		$ 31,890
113	Cash-other restricted	$ -	$ 288,846	$ -	$ 288,846		$ 288,846
114	Cash-tenant security deposits	$ 214,062	$ 9,158	$ -	$ 223,220		$ 223,220
115	Cash - Restricted for payment of current liability	$ -	$ -	$ -	$ -		$ -
100	**Total Cash**	**$ 214,062**	**$ 2,211,539**	**$ 175,958**	**$ 2,601,559**	**$ -**	**$ 2,601,559**
121	Accounts receivable - PHA projects	$ -	$ 788,639	$ 1,228,530	$ 2,017,169	$ (2,017,169)	$ -
122-010	Accounts receivable - HUD other projects - Operating Subsidy	$ 148,398	$ -	$ -	$ 148,398		$ 148,398
122-030	Accounts receivable - HUD other projects - Other	$ -	$ -	$ 54,710	$ 54,710		$ 54,710
122	**Accounts receivable - HUD other projects**	**$ 148,398**	**$ 31,744**	**$ 54,710**	**$ 234,852**	**$0**	**$ 234,852**
124	Account receivable - other government	$ -	$ 9,709	$ -	$ 9,709		$ 9,709
125-050	Account receivable - miscellaneous - Other	$ 68,062	$ 1,757,619	$ -	$ 1,825,681		$ 1,825,681
125	**Account receivable - miscellaneous**	**$ 68,062**	**$ 1,780,157**	**$ 466,102**	**$ 2,314,321**	**-$1,680,262**	**$ 634,059**
126	Accounts receivable - tenants	$ 245,023	$ 625	$ -	$ 245,648		$ 245,648
126.1	Allowance for doubtful accounts - tenants	$ -	$ -	(10,548)	$ (10,548)		$ (10,548)
126.2	Allowance for doubtful accounts - other	$ -	$ (9,709)	(358,663)	$ (368,372)		$ (368,372)
127	Notes, Loans, & Mortgages Receivable - Current	$ -	$ -	$ 358,663	$ 358,663		$ 358,663
128	Fraud recovery	$ 11,616	$ -	$ -	$ 11,616		$ 11,616
120	**Total receivables, net of allowance for doubtful accounts**	**$ 473,099**	**$ 2,601,165**	**$ 1,738,794**	**$ 4,813,058**	**$ (3,697,431)**	**$ 1,115,627**
131	Investments - unrestricted	$ -	$ 66,880	$ -	$ 66,880		$ 66,880
132	Investments - restricted	$ 51,221	$ 1,000,000	$ -	$ 1,051,221		$ 1,051,221
142	Prepaid expenses and other assets	$ 71,744	$ 24,924	$ 27,773	$ 124,441		$ 124,441
144	Inter program - due from	$ 6,055,839	$ 124,280	$ 469	$ 6,180,588	-$6,180,588	$ 0
150	**Total Current Assets**	**$ 6,865,964**	**$ 6,028,789**	**$ 1,942,994**	**$ 14,837,748**	**$ (9,878,019)**	**$ 4,959,728**
161	Land	$ 1,494,069	$ 7,946,997	$ 403,121	$ 9,844,187		$ 9,844,187
162	Buildings	$ 123,083,807	$ 9,130,063	$ 914	$ 132,214,784	-$97,701	$ 132,117,083
164	Furniture, equipment and machinery - administration	$ 1,682,744	$ 632,970	$ 977,915	$ 3,293,629		$ 3,293,629
166	Accumulated depreciation	$ (89,617,678)	$ (663,149)	(601,770)	$ (90,882,597)	$408	$ (90,882,189)
167	Construction in progress	$ 7,213,484	$ 2,480	$ 270,292	$ 7,486,256		$ 7,486,256
160	**Total capital assets, net of accumulated depreciation**	**$ 43,856,427**	**$ 17,049,361**	**$ 1,050,472**	**$ 61,956,260**	**$ (97,293)**	**$ 61,858,966**
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	$ -	$ -	$ -	$ -		$ -
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	$ -	$ 18,094,917	$ -	$ 18,094,917		$ 18,094,917
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	$ 5,423,868	$ -	$ -	$ 5,423,868		$ 5,423,868
171	**Notes, Loans, & mortgages receivable – Non-current**	**$ 5,423,868**	**$ 18,094,917**	**$ 1,678,639**	**$ 25,197,424**	**-$2,365,929**	**$ 22,831,495**
174-050	Other assets - Other	$ -	$ 82,643	$ -	$ 82,643		$ 82,643
174	**Other assets**	**$ -**	**$ 82,643**	**$ -**	**$ 82,643**		**$ 82,643**
180	**Total Non-current Assets**	**$ 49,280,296**	**$ 35,226,920**	**$ 2,729,110**	**$ 87,236,326**	**$ (2,463,222)**	**$ 84,773,105**
190	**Total Assets**	**$ 56,146,260**	**$ 41,255,710**	**$ 4,672,104**	**$ 102,074,073**	**$ (12,341,241)**	**$ 89,732,832**

See report of independent auditors

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
CONSOLIDATING STATEMENT OF NET ASSET ACCOUNTS
December 31, 2008

Line Item	Description	Project Totals	Program Totals	Central Office Cost	Subtotal	Elimination	Total
312	Accounts payable <= 90 days	$ 739,112	$ 571,248	$ 929,727	$ 2,240,088	-$884,304	$ 1,355,784
321	Accrued wage/payroll taxes payable	$ 221,843	$ -	$ 6,262	$ 228,105		$ 228,105
322	Accrued compensated absences - current portion	$ 212,584	$ 85,996	$ 295,776	$ 594,356		$ 594,356
325	Accrued interest payable	$ -	$ 118,799	$ -	$ 118,799	-$111,037	$ 7,762
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	$ 1,310,406	$ -	$ -	$ 1,310,406		$ 1,310,406
331	**Accounts payable - HUD PHA Programs**	**$ 1,310,406**	**$ 34**	**$ -**	**$ 1,310,440**	**-$1,228,530**	**$ 81,910**
333	Accounts payable - other government	$ 105,342	$ -	$ -	$ 105,342		$ 105,342
341	Tenant security deposits	$ 216,444	$ 9,660	$ -	$ 226,104		$ 226,104
342-030	Deferred revenue - Other	$ 124,445	$ -	$ -	$ 124,445		$ 124,445
342	**Deferred revenue**	**$ 124,445**	**$ 87,232**	**$ -**	**$ 211,676**		**$ 211,676**
343-020	Capital Projects/ Mortgage Revenue	$ 1,015,809	$ -	$ -	$ 1,015,809		$ 1,015,809
343	**Current portion of long-term debt - capital projects/mortgage revenue**	**$ 1,015,809**	**$ 113,037**	**$ -**	**$ 1,128,846**		**$ 1,128,846**
344	Current portion of long-term debt - operating borrowings	$ 695,757	$ 3,650,000	$ 503,824	$ 4,849,580	-$1,199,580	$ 3,650,000
345	Other current liabilities	$ 49,830	$ -	$ -	$ 49,830		$ 49,830
346	Accrued liabilities - other	$ 112,539	$ 290,647	$ 250,862	$ 654,047		$ 654,047
347	Inter program - due to	$ -	$ 616,395	$ 5,564,194	$ 6,180,588	-$6,180,588	$ 0
310	**Total Current Liabilities**	**$ 4,804,112**	**$ 5,543,048**	**$ 7,550,645**	**$ 17,897,804**	**$ (9,604,039)**	**$ 8,293,762**
351-020	Long-term - Capital Projects/ Mortgage Revenue	$ 11,346,593	$ -	$ 30,269	$ 11,376,862		$ 11,376,862
351	**Capital Projects/ Mortgage Revenue Bonds**	**$ 11,346,593**	**$ 5,111,655**	**$ 30,269**	**$ 16,488,517**	**-$2,254,892**	**$ 14,233,626**
352	Long-term debt, net of current - operating borrowings	$ -	$ -	$ -	$ -		$ -
353	Non-current liabilities - other	$ -	$ 414,625	$ 322,763	$ 737,387	-$236,619	$ 500,767
354	Accrued compensated absences- Non-current	$ 57,075	$ 4,619	$ 35,741	$ 97,435		$ 97,435
356	FASB 5 Liabilities	$ -	$ -	$ -	$ -		$ -
350	**Total Non-current liabilities**	**$ 11,403,668**	**$ 5,530,899**	**$ 388,773**	**$ 17,323,340**	**$ (2,491,511)**	**$ 14,831,828**
300	**Total Liabilities**	**$ 16,207,780**	**$ 11,073,946**	**$ 7,939,418**	**$ 35,221,145**	**$ (12,095,550)**	**$ 23,125,590**
508.1	Invested in capital assets, net of related debt	$ 30,798,268	$ 13,568,002	$ 516,379	$ 44,882,649		$ 44,882,649
511.1	Restricted Net Assets	$ 5,423,868	$ 2,296,756	$ -	$ 7,720,624		$ 7,720,624
512.1	Unrestricted Net Assets	$ 3,716,346	$ 14,317,006	$ (3,783,693)	$ 14,249,659	-$245,691	$ 14,003,969
513	**Total Equity/Net Assets**	**$ 39,938,481**	**$ 30,181,764**	**$ (3,267,314)**	**$ 66,852,931**	**$ (245,691)**	**$ 66,607,242**
600	**Total Liabilities and Equity/Net assets**	**$ 56,146,261**	**$ 41,255,710**	**$ 4,672,104**	**$ 102,074,075**	**$ (12,341,241)**	**$ 89,732,832**

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CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSET ACCOUNTS- PROJECT BASED
December 31, 2008

Line Item No.	Description	Total Projects	TN004000001	TN004000002	TN004000003	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033
114	Cash-tenant security deposits	$ 214,062	$44,762	$36,365	$26,981	$14,193	$25,372	$23,176	$14,485	$17,598	$11,131			
100	**Total Cash**	**$ 214,062**	**$ 44,762**	**$ 36,365**	**$ 26,981**	**$ 14,193**	**$ 25,372**	**$ 23,176**	**$ 14,485**	**$ 17,598**	**$ 11,131**	**$ -**	**$ -**	**$ -**
122-010	Accounts receivable - HUD other projects - Operating Subsidy	$ 148,398												$148,398
122	**Accounts receivable - HUD other projects**	**$ 148,398**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 148,398**
125-050	Account receivable - miscellaneous - Other	$ 68,062	$72		$244	$189	$410		$45,307	$140	$25	$18,471	$3,204	
125	**Account receivable - miscellaneous**	**$ 68,062**	**$ 72**	**$ -**	**$ 244**	**$ 189**	**$ 410**	**$ -**	**$ 45,307**	**$ 140**	**$ 25**	**$ 18,471**	**$ 3,204**	**$ -**
126	Accounts receivable - tenants	$ 245,023	$19,721	$55,306	$18,437	$5,059	$40,836	$72,319	$20,188	$11,660	$1,496			
128	Fraud recovery	$ 11,616		$1,535			$4,539		$1,636	$3,906				
120	**Total receivables, net of allowance for doubtful accounts**	**$ 473,099**	**$ 19,793**	**$ 56,841**	**$ 18,681**	**$ 5,248**	**$ 45,785**	**$ 72,319**	**$ 67,131**	**$ 15,706**	**$ 1,521**	**$ 18,471**	**$ 3,204**	**$ 148,398**
132	Investments - restricted	$ 51,221	$3,639	$7,684	$12,222		$1			$11,153		$16,521		
142	Prepaid expenses and other assets	$ 71,744	$13,779	$10,589	$11,494	$3,871	$9,217	$6,237	$6,641	$6,219	$3,697			
144	Inter program - due from	$ 6,055,839	$1,014,011	$850,386	$890,997	$312,201	$692,638	$508,644	$434,288	$408,007	$289,755	$408,106	$75,500	$171,305
150	**Total Current Assets**	**$ 6,865,964**	**$ 1,095,984**	**$ 961,865**	**$ 960,376**	**$ 335,513**	**$ 773,014**	**$ 610,376**	**$ 522,546**	**$ 458,682**	**$ 306,103**	**$ 443,098**	**$ 78,704**	**$ 319,703**
161	Land	$ 1,494,069	$415,382	$23,641	$127,694	$75,735	$114,533	$26,000	$267,695	$409,524	$33,867			
162	Buildings	$ 123,083,807	$19,909,879	$26,006,526	$14,024,888	$7,218,922	$12,880,576	$7,462,063	$13,430,726	$9,029,800	$13,120,426			
164	Furniture, equipment and machinery - administration	$ 1,682,744	$27,063	$224,521	$36,578	$28,500	$31,504	$54,337	$40,175	$71,469	$1,168,598			
166	Accumulated depreciation	$ (89,617,678)	-$19,051,356	-$15,384,385	-$12,146,295	-$4,350,808	-$8,640,791	-$5,363,214	-$9,561,794	-$8,297,590	-$6,821,444			
167	Construction in progress	$ 7,213,484	$704,640	$233,471	$675,504	$70,273	$615,754	$840,876	$3,360,389	$537,563	$168,067			$6,947
160	**Total capital assets, net of accumulated depreciation**	**$ 43,856,427**	**$ 2,005,607**	**$ 11,103,775**	**$ 2,718,369**	**$ 3,042,622**	**$ 5,001,575**	**$ 3,020,062**	**$ 7,537,190**	**$ 1,750,765**	**$ 7,669,514**	**$ -**	**$ -**	**$ 6,947**
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	$ 5,423,868											$3,376,578	$2,047,290
171	**Notes, Loans, & mortgages receivable – Non-current**	**$ 5,423,868**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,376,578**	**$ 2,047,290**
180	**Total Non-current Assets**	**$ 49,280,296**	**$ 2,005,607**	**$ 11,103,775**	**$ 2,718,369**	**$ 3,042,622**	**$ 5,001,575**	**$ 3,020,062**	**$ 7,537,190**	**$ 1,750,765**	**$ 7,669,514**	**$ -**	**$ 3,376,578**	**$ 2,054,237**
190	**Total Assets**	**$ 56,146,260**	**$ 3,101,592**	**$ 12,065,640**	**$ 3,678,745**	**$ 3,378,135**	**$ 5,774,589**	**$ 3,630,438**	**$ 8,059,736**	**$ 2,209,448**	**$ 7,975,617**	**$ 443,098**	**$ 3,455,282**	**$ 2,373,940**
312	Accounts payable <= 90 days	$ 739,112	$14,713	$118,755	$99,752	$54,840	$119,144	$97,035	$63,529	$72,724	$53,869	$44,751		
321	Accrued wage/payroll taxes payable	$ 221,843	$36,009	$33,359	$32,998	$15,169	$25,409	$20,326	$18,917	$26,246	$13,411			
322	Accrued compensated absences - current portion	$212,584	$32,170	$40,267	$27,896	$16,061	$20,217	$27,053	$15,777	$23,000	$10,144			
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	$ 1,310,406	$223,666	$181,978	$181,407	$71,132	$158,112	$116,219	$74,945	$93,000	$61,549			$148,398
331	**Accounts payable - HUD PHA Programs**	**$ 1,310,406**	**$ 223,666**	**$ 181,978**	**$ 181,407**	**$ 71,132**	**$ 158,112**	**$ 116,219**	**$ 74,945**	**$ 93,000**	**$ 61,549**	**$ -**	**$ -**	**$ 148,398**
333	Accounts payable - other government	$ 105,342				$12,018	$14,658	$15,017		$10,258	$11,824	$41,566		
341	Tenant security deposits	$ 216,444	$46,512	$36,609	$27,190	$13,758	$25,702	$23,509	$14,342	$17,619	$11,203			
342-030	Deferred revenue - Other	$ 124,445	$62,274	$6,075	$3,828	$5,962	$8,206	$26,449	$4,784	$1,982	$4,886			
342	**Deferred revenue**	**$ 124,445**	**$ 62,274**	**$ 6,075**	**$ 3,828**	**$ 5,962**	**$ 8,206**	**$ 26,449**	**$ 4,784**	**$ 1,982**	**$ 4,886**	**$ -**	**$ -**	**$ -**
343-020	Capital Projects/ Mortgage Revenue	$ 1,015,809	$48,062	$418,368	$39,371	$48,210	$132,902	$103,106	$202,242	$17,457	$6,091			
343	**Current portion of long-term debt - capital projects/mortgage revenue bonds**	**$ 1,015,809**	**$ 48,062**	**$ 418,368**	**$ 39,371**	**$ 48,210**	**$ 132,902**	**$ 103,106**	**$ 202,242**	**$ 17,457**	**$ 6,091**	**$ -**	**$ -**	**$ -**
344	Current portion of long-term debt - operating borrowings	$ 695,757	$130,872	$109,790	$115,843	$40,284	$89,544	$65,819	$56,078	$52,669	$34,857	$0		
345	Other current liabilities	$ 49,830	$3,639	$6,294	$12,222		$1		$0	$11,153		$16,521		
346	Accrued liabilities - other	$ 112,539	$12,794	$10,120	$14,120	$14,190	$10,195	$20,624	$8,114	$8,632	$11,919			$1,831
310	**Total Current Liabilities**	**$ 4,804,112**	**$ 610,711**	**$ 961,615**	**$ 554,627**	**$ 291,624**	**$ 604,090**	**$ 515,156**	**$ 458,729**	**$ 334,739**	**$ 219,754**	**$ 102,839**	**$ -**	**$ 150,229**
351-020	Long-term - Capital Projects/ Mortgage Revenue	$ 11,346,593	$506,365	$4,405,873	$414,551	$507,481	$1,626,205	$1,085,973	$2,552,613	$183,488	$64,044	$0		
351	**Capital Projects/ Mortgage Revenue Bonds**	**$ 11,346,593**	**$ 506,365**	**$ 4,405,873**	**$ 414,551**	**$ 507,481**	**$ 1,626,205**	**$ 1,085,973**	**$ 2,552,613**	**$ 183,488**	**$ 64,044**	**$ -**	**$ -**	**$ -**
354	Accrued compensated absences- Non-current	$ 57,075	$5,603	$2,941	$11,136	$8,368	$6,267	$2,825	$4,724	$6,239	$8,972			
350	**Total Non-Current Liabilities**	**$ 11,403,668**	**$ 511,968**	**$ 4,408,814**	**$ 425,687**	**$ 515,849**	**$ 1,632,472**	**$ 1,088,798**	**$ 2,557,337**	**$ 189,727**	**$ 73,016**	**$ -**	**$ -**	**$ -**
300	**Total Liabilities**	**$ 16,207,780**	**$ 1,122,679**	**$ 5,370,429**	**$ 980,313**	**$ 807,474**	**$ 2,236,562**	**$ 1,603,955**	**$ 3,016,066**	**$ 524,466**	**$ 292,770**	**$ 102,839**	**$ -**	**$ 150,229**
508.1	Invested in capital assets, net of related debt	$ 30,798,268	$1,320,308	$6,169,743	$2,148,604	$2,446,646	$3,152,925	$1,765,164	$4,726,257	$1,497,152	$7,564,521	$0	$0	$6,947
511.1	Restricted Net Assets	$ 5,423,868											$3,376,578	$2,047,290
512.1	Unrestricted Net Assets	$ 3,716,346	$658,605	$525,468	$549,828	$124,016	$385,102	$261,320	$317,414	$187,830	$118,326	$340,259	$78,704	$169,474
513	**Total Equity/Net Assets**	**$ 39,938,481**	**$ 1,978,913**	**$ 6,695,211**	**$ 2,698,432**	**$ 2,570,661**	**$ 3,538,027**	**$2,026,484**	**$ 5,043,670**	**$ 1,684,982**	**$ 7,682,847**	**$ 340,259**	**$ 3,455,282**	**$ 2,223,711**
600	**Total Liabilities and Equity/Net assets**	**$ 56,146,261**	**$ 3,101,592**	**$ 12,065,640**	**$ 3,678,745**	**$ 3,378,135**	**$ 5,774,589**	**$ 3,630,438**	**$ 8,059,736**	**$ 2,209,448**	**$ 7,975,617**	**$ 443,098**	**$ 3,455,282**	**$ 2,373,940**

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CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSET ACCOUNTS- PROGRAM BASED
December 31, 2008

Line Item No.	Description	Total Programs	1 Business Activities	2 State/Local	8 Other Federal Program 1	9 Other Federal Program 2	14.218 Community Development Block Grants/ Entitlement Grants	14.238 Shelter Plus Care	14.243 Opportunities for Youth_Youthbuild Program	14.866 Revitalization of Severely Distressed Public Housing	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	16.595 Executive Office for Weed and Seed	14.DVP Disaster Voucher Program
111	Cash-unrestricted	$ 1,881,645	$289,000	$0								$1,587,229	$5,416	
112	Cash-restricted-modernization and development	$ 31,890	$31,890											
113	Cash-other restricted	$ 288,846	$233,203									$55,644		
114	Cash-tenant security deposits	$ 9,158	$9,158											
100	**Total Cash**	**$ 2,211,539**	**$ 563,251**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,642,872**	**$ 5,416**	**$ -**
121	Accounts receivable - PHA projects	$ 788,639										$788,639		
122	**Accounts receivable - HUD other projects**	**$ 31,744**		**$0**		**$180**			**$11,227**	**$1,317**	**$18,318**		**$702**	
124	Account receivable - other government	$ 9,709					$9,709							
125-050	Account receivable - miscellaneous - Other	$ 1,757,619	$1,757,619											
125	**Account receivable - miscellaneous**	**$ 1,780,157**	**$ 1,757,619**	**$8,614**				**$13,923**		**$ -**		**$2**		
126	Accounts receivable - tenants	$ 625	$625											
126.2	Allowance for doubtful accounts - other	$ (9,709)					-$9,709			$0				
120	**Total receivables, net of allowance for doubtful accounts**	**$ 2,601,165**	**$ 1,758,244**	**$ 8,614**	**$ -**	**$ 180**	**$ -**	**$ 13,923**	**$ 11,227**	**$ 1,317**	**$ 18,318**	**$ 788,641**	**$ 702**	**$ -**
131	Investments - unrestricted	$ 66,880	$3,951				$62,929							
132	Investments - restricted	$ 1,000,000	$1,000,000											
142	Prepaid expenses and other assets	$ 24,924	$24,924											
144	Inter program - due from	$ 124,280	$0					$64,584				$0		$59,696
150	**Total Current Assets**	**$ 6,028,789**	**$ 3,350,370**	**$ 8,614**	**$ -**	**$ 180**	**$ 62,929**	**$ 78,507**	**$ 11,227**	**$ 1,317**	**$ 18,318**	**$ 2,431,513**	**$ 6,119**	**$ 59,696**
161	Land	$ 7,946,997	$0							$7,946,997				
162	Buildings	$ 9,130,063	$9,130,063											
164	Furniture, equipment and machinery - administration	$ 632,970	$423,906	$0		$4,508				$59,840	$7,736	$136,980		
166	Accumulated depreciation	$ (663,149)	-$458,906			-$644				-$59,840	-$6,780	-$136,980		
167	Construction in progress	$ 2,480	$2,480							$0	$0			
160	**Total capital assets, net of accumulated depreciation**	**$ 17,049,361**	**$ 9,097,543**	**$ -**	**$ -**	**$ 3,864**	**$ -**	**$ -**	**$ -**	**$ 7,946,997**	**$ 957**	**$ -**	**$ -**	**$ -**
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	$ -	$0											
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	$ 18,094,917								$18,094,917				
171	**Notes, Loans, & mortgages receivable – Non-current**	**$ 18,094,917**	**$ -**							**$ 18,094,917**				
174-050	Other assets - Other	$ 82,643	$82,643											
174	**Other assets**	**$ 82,643**	**$ 82,643**							**$ -**				
180	**Total Non-current Assets**	**$ 35,226,920**	**$ 9,180,186**	**$ -**	**$ -**	**$ 3,864**	**$ -**	**$ -**	**$ -**	**$ 26,041,914**	**$ 957**	**$ -**	**$ -**	**$ -**
190	**Total Assets**	**$ 41,255,710**	**$ 12,530,556**	**$ 8,614**	**$ -**	**$ 4,044**	**$ 62,929**	**$ 78,507**	**$ 11,227**	**$ 26,043,231**	**$ 19,274**	**$ 2,431,513**	**$ 6,119**	**$ 59,696**
312	Accounts payable <= 90 days	$ 571,248	$547,020	$0		$60			$3,825	$258	$6,796	$7,872	$5,416	
322	Accrued compensated absences - current portion	$ 85,996										$85,996		
325	Accrued interest payable	$ 118,799	$118,799											
331	**Accounts payable - HUD PHA Programs**	**$ 34**								**$34**				
341	Tenant security deposits	$ 9,660	$9,660											
342	**Deferred revenue**	**$ 87,232**		$7,938								$21,491		$57,803
343	**Current portion of long-term debt - capital projects/mortgage revenue**	**$ 113,037**	**$113,037**											
344	Current portion of long-term debt - operating borrowings	$ 3,650,000	$3,650,000											
345	Other current liabilities	$ -												
346	Accrued liabilities - other	$ 290,647	$251,207									$39,440		
347	Inter program - due to	$ 616,395	$40,699	$676		$120			$7,402	$1,059	$10,064	$555,673	$702	
310	**Total Current Liabilities**	**$ 5,543,048**	**$ 4,730,422**	**$ 8,614**	**$ -**	**$ 180**	**$ -**	**$ -**	**$ 11,227**	**$ 1,351**	**$ 16,860**	**$ 710,472**	**$ 6,119**	**$ 57,803**
351	**Capital Projects/ Mortgage Revenue Bonds**	**$ 5,111,655**	**$5,111,655**											
352	Long-term debt, net of current - operating borrowings	$ -	$0											
353	Non-current liabilities - other	$ 414,625	$296,052				$62,929					$55,644		
354	Accrued compensated absences- Non-current	$ 4,619										$4,619		
350	**Total Non-current liabilities**	**$ 5,530,899**	**$ 5,407,707**	**$ -**	**$ -**	**$ -**	**$ 62,929**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 60,263**	**$ -**	**$ -**
300	**Total Liabilities**	**$ 11,073,946**	**$ 10,138,129**	**$ 8,614**	**$ -**	**$ 180**	**$ 62,929**	**$ -**	**$ 11,227**	**$ 1,351**	**$ 16,860**	**$ 770,735**	**$ 6,119**	**$ 57,803**
508.1	Invested in capital assets, net of related debt	$ 13,568,002	**$5,616,184**			**$3,864**		**$0**		**$7,946,997**	**$957**			
511.1	Restricted Net Assets	$ 2,296,756	**$0**					**$78,507**			**$1,458**	**$2,214,898**		**$1,893**
512.1	Unrestricted Net Assets	$ 14,317,006	**-$3,223,757**	**$0**		**$0**	**$0**	**$0**	**$0**	**$18,094,883**	**$0**	**-$554,120**		**$0**
513	**Total Equity/Net Assets**	**$ 30,181,764**	**$ 2,392,427**	**$ -**	**$ -**	**$ 3,864**	**$ -**	**$ 78,507**	**$ -**	**$ 26,041,880**	**$ 2,415**	**$ 1,660,778**	**$ -**	**$ 1,893**
600	**Total Liabilities and Equity/Net assets**	**$ 41,255,710**	**$ 12,530,556**	**$ 8,614**	**$ -**	**$ 4,044**	**$ 62,929**	**$ 78,507**	**$ 11,227**	**$ 26,043,231**	**$ 19,274**	**$ 2,431,513**	**$ 6,119**	**$ 59,696**

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CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSET ACCOUNTS- COCC BASED
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Line Item No.	Description	Central Office Cost Center
	Balance Sheet	
111	Cash-unrestricted	$175,958
100	**Total Cash**	**$ 175,958**
121	Accounts receivable - PHA projects	$1,228,530
122-030	Accounts receivable - HUD other projects - Other	$54,710
122	**Accounts receivable - HUD other projects**	**$ 54,710**
125	**Account receivable - miscellaneous**	$466,102
126.1	Allowance for doubtful accounts - tenants	-$10,548
126.2	Allowance for doubtful accounts - other	-$358,663
127	Notes, Loans, & Mortgages Receivable - Current	$358,663
120	**Total receivables, net of allowance for doubtful accounts**	**$ 1,738,794**
142	Prepaid expenses and other assets	$27,773
144	Inter program - due from	$469
150	**Total Current Assets**	**$ 1,942,994**
161	Land	$403,121
162	Buildings	$914
164	Furniture, equipment and machinery - administration	$977,915
166	Accumulated depreciation	-$601,770
167	Construction in progress	$270,292
160	**Total capital assets, net of accumulated depreciation**	**$ 1,050,472**
171	**Notes, Loans, & mortgages receivable – Non-current**	$1,678,639
180	**Total Non-current Assets**	**$ 2,729,110**
190	**Total Assets**	**$ 4,672,104**
312	Accounts payable <= 90 days	$929,727
321	Accrued wage/payroll taxes payable	$6,262
322	Accrued compensated absences - current portion	$295,776
344	Current portion of long-term debt - operating borrowings	$503,824
346	Accrued liabilities - other	$250,862
347	Inter program - due to	$5,564,194
310	**Total Current Liabilities**	**$ 7,550,645**
351-020	Long-term - Capital Projects/ Mortgage Revenue	$30,269
351	**Capital Projects/ Mortgage Revenue Bonds**	**$ 30,269**
353	Non-current liabilities - other	$322,763
354	Accrued compensated absences- Non-current	$35,741
350	**Total Non-current liabilities**	**$ 388,773**
300	**Total Liabilities**	**$ 7,939,418**
508.1	Invested in capital assets, net of related debt	**$516,379**
511.1	Restricted Net Assets	
512.1	Unrestricted Net Assets	**-$3,783,693**
513	**Total Equity/Net Assets**	**$ (3,267,314)**
600	**Total Liabilities and Equity/Net assets**	**$ 4,672,104**

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Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS (CONTINUED)
For the year ended December 31, 2008

Line Item	Description	Project Totals	Program Totals	Central Office Cost	Subtotal	Elimination	Total
70300	Net tenant rental revenue	$ 4,522,489	$ 183,733	$ -	$ 4,706,222		$ 4,706,222
70400	Tenant revenue - other	$ 183,550	$ 373,212	$ 15,500	$ 572,262	-$348,384	$ 223,878
70500	Total Tenant Revenue	$ 4,706,039	$ 556,945	$ 15,500	**$ 5,278,484**	**$ (348,384)**	**$ 4,930,100**
70600-010	Housing assistance payments	$ -	$ 13,064,934	$ -	$ 13,064,934		$ 13,064,934
70600	**HUD PHA operating grants**	**$ 11,194,865**	**$ 15,783,055**	**$ 17,678**	**$ 26,995,599**	**-$148,398**	**$ 26,847,201**
70610	Capital grants	$ 1,472,822	$ 129,949	$ 74,991	$ 1,677,763		$ 1,677,763
70710	Management Fee	$ -	$ -	$ 2,572,341	$ 2,572,341	-$2,510,493	$ 61,849
70720	Asset Management Fee	$ -	$ -	$ 318,240	$ 318,240	-$318,240	$ -
70730	Book-Keeping Fee	$ -	$ -	$ 463,322	$ 463,322	-$463,322	$ -
70740	Front Line Service Fee	$ -	$ -	$ 1,626,975	$ 1,626,975	-$1,626,975	$ -
70750	Other Fees	$ -	$ -	$ 1,228,530	$ 1,228,530		$ 1,228,530
70700	**Total Fee Revenue**	**$ -**	**$ -**	**$ 6,209,408**	**$ 6,209,408**	**$ (4,919,030)**	**$ 1,290,379**
70800	Other government grants	$ -	$ 191,250	$ -	$ 191,250		$ 191,250
71100-010	Housing Assistance Payment	$ -	$ 64,920	$ -	$ 64,920		$ 64,920
71100	**Investment income - unrestricted**	**$ 143,793**	**$ 68,442**	**$ 6,656**	**$ 218,891**		**$ 218,891**
71400-010	Housing Assistance Payment	$ -	$ 38,748	$ -	$ 38,748		$ 38,748
71400	**Fraud recovery**	**$ 43,472**	**$ 38,748**	**$ -**	**$ 82,220**		**$ 82,220**
71500	Other revenue	$ 1,050,125	$ 470,991	$ 195,891	$ 1,717,008		$ 1,717,008
71600	Gain or loss on sale of capital assets	$ -	$ 20,028	$ 198	$ 20,226		$ 20,226
70000	**Total Revenue**	**$ 18,611,116**	**$ 17,259,341**	**$ 6,520,323**	**$ 42,390,781**	**$ (5,415,812)**	**$ 36,974,969**
91100	Administrative salaries	$ 1,437,915	$ 858,700	$ 2,361,987	$ 4,658,602	-$410,082	$ 4,248,520
91200	Auditing fees	$ 22,614	$ 45,727	$ 50,453	$ 118,795		$ 118,795
91300	Management Fee	$ 2,146,009	$ 426,891	$ -	$ 2,572,900	-$2,100,411	$ 472,489
91310	Book-Keeping Fee	$ 209,192	$ 254,130	$ -	$ 463,322	-$463,322	$ -
91500	Employee benefit contributions - administrative	$ 1,107,670	$ 233,510	$ 890,577	$ 2,231,757		$ 2,231,757
91600	Office Expenses	$ 1,103,585	$ 709,933	$ 659,918	$ 2,473,436	-$448,385	$ 2,025,051
91700	Legal Expense	$ 59,622	$ 42,462	$ 207,763	$ 309,847		$ 309,847
91800	Travel	$ 12,026	$ 4,257	$ 12,470	$ 28,753		$ 28,753
91900	Other	$ 2,533,880	$ 228,034	$ 188	$ 2,762,102	-$1,526,975	$ 1,235,127
91000	**Total Operating-Administrative**	**$ 8,632,513**	**$ 2,803,644**	**$ 4,183,357**	**$ 15,619,514**	**$ (4,949,175)**	**$ 10,670,339**
92000	Asset Management Fee	$ 318,240	$ -	$ -	$ 318,240	-$318,240	$ -
92200	Relocation Costs	$ 1,409	$ 1,500	$ -	$ 2,909		$ 2,909
92400	Tenant services - other	$ 337,610	$ 1,500	$ -	$ 339,110		$ 339,110
92500	**Total Tenant Services**	**$ 339,019**	**$ 3,000**	**$ -**	**$ 342,019**	**$ -**	**$ 342,019**
93100	Water	$ 285,780	$ 16,706	$ 3,348	$ 305,834		$ 305,834
93200	Electricity	$ 2,801,275	$ 64,566	$ 40,560	$ 2,906,401		$ 2,906,401
93300	Gas	$ 293,127	$ -	$ 3,493	$ 296,619		$ 296,619

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS (CONTINUED)
For the year ended December 31, 2008

Line Item	Description	Project Totals	Program Totals	Central Office Cost	Subtotal	Elimination	Total
93600	Sewer	$ 466,571	$ 22,035	$ 1,987	$ 490,593		$ 490,593
93800	Other utilities expense	$ 50,665	$ -	$ 5,266	$ 55,931		$ 55,931
93000	**Total Utilities**	**$ 3,897,418**	**$ 103,308**	**$ 54,653**	**$ 4,055,378**	**$ -**	**$ 4,055,378**
94100	Ordinary maintenance and operations - labor	$ 1,778,718	$ -	$ 30,143	$ 1,808,862		$ 1,808,862
94200	Ordinary maintenance and operations - materials and other	$ 702,826	$ 10,322	$ 50,734	$ 763,882		$ 763,882
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	$ 125,327	$ 4,443	$ 1,528	$ 131,298		$ 131,298
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	$ 42,385	$ 3,284	$ 2,850	$ 48,519		$ 48,519
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	$ 61,405	$ -	$ -	$ 61,405		$ 61,405
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	$ 251,952	$ 11,719	$ 13,410	$ 277,081		$ 277,081
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	$ 54,638	$ 1,115	$ 62	$ 55,815		$ 55,815
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	$ 4,763	$ 13	$ -	$ 4,776		$ 4,776
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	$ -	$ -	$ -	$ -		$ -
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	$ 86,695	$ 1,589	$ 356	$ 88,640		$ 88,640
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	$ 16,714	$ 5,237	$ 26,368	$ 48,319		$ 48,319
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	$ 230,336	$ 2,897	$ 12,219	$ 245,452		$ 245,452
94300	**Ordinary Maintenance and Operations Contracts**	**$ 874,216**	**$ 30,296**	**$ 56,793**	**$ 961,305**		**$ 961,305**
94000	**Total Maintenance**	**$ 3,355,760**	**$ 40,618**	**$ 137,669**	**$ 3,534,048**	**$ -**	**$ 3,534,048**
95100	Protective services - labor	$ -	$ -	$ 376,509	$ 376,509		$ 376,509
95200	Protective services - other contract costs	$ 194,430	$ -	$ -	$ 194,430		$ 194,430
95300	Protective services - other	$ -	$ -	$ 684	$ 684		$ 684
95000	**Total Protective Services**	**$ 194,430**	**$ -**	**$ 377,193**	**$ 571,624**	**$ -**	**$ 571,623**
96130	Workmen's Compensation	$ 134,823	$ 12,680	$ 69,283	$ 216,785		$ 216,785
96140	All other Insurance	$ 296,751	$ 23,710	$ 72,776	$ 393,237		$ 393,237
96100	**Total Insurance Premiums**	**$ 431,574**	**$ 36,390**	**$ 142,058**	**$ 610,022**	**$ -**	**$ 610,022**
96200	Other general expenses	$ -	$ 3,314	$ -	$ 3,314		$ 3,314
96210	Compensated absences	$ 42,744	$ (1,435)	$ 4,315	$ 45,624		$ 45,624
96300	Payments in lieu of taxes	$ 38,840	$ 21,011	$ -	$ 59,851		$ 59,851
96400	Bad debt - tenant rents	$ 98,611	$ -	$ (582)	$ 98,028		$ 98,028
96500	Bad debt - mortgages	$ -	$ 1,136,500	$ -	$ 1,136,500		$ 1,136,500
96800	Severance expense	$ 80,682	$ 36,812	$ 199,159	$ 316,653		$ 316,653
96000	**Total Other General Expenses**	**$ 260,877**	**$ 1,196,202**	**$ 202,892**	**$ 1,659,971**	**$ -**	**$ 1,659,971**
96720	Interest on Notes Payable (Short and Long Term)	$ 741,346	$ 427,751	$ 4,526	$ 1,173,622		$ 1,173,622
96700	**Total Interest Expense and Amortization Cost**	**$ 741,346**	**$ 427,751**	**$ 4,526**	**$ 1,173,622**	**$ -**	**$ 1,173,622**
96900	**Total Operating Expenses**	**$ 18,171,177**	**$ 4,610,912**	**$ 5,102,349**	**$ 27,884,438**	**$ (5,267,415)**	**$ 22,617,024**
97000	**Excess Revenue Over Operating Expenses**	**$ 439,939**	**$ 12,648,429**	**$ 1,417,974**	**$ 14,506,342**	**$ (148,397)**	**$ 14,357,945**

See report of independent auditors

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS (CONCLUDED)
For the year ended December 31, 2008

Line Item	Description	Project Totals	Program Totals	Central Office Cost	Subtotal	Elimination	Total
97100	Extraordinary maintenance	$ -	$ 6,033	$ -	$ 6,033		$ 6,033
97200	Casualty losses- Non-capitalized	$ 12,615	$ -	$ (2,418)	$ 10,197		$ 10,197
97300-050	All Other	$ -	$ 16,381,535	$ -	$ 16,381,535		$ 16,381,535
97300	**Housing assistance payments**	**$ -**	**$ 16,851,139**	**$ -**	**$ 16,851,139**		**$ 16,851,139**
97400	Depreciation expense	$ 4,200,487	$ 439,766	$ 235,904	$ 4,876,157		$ 4,876,157
90000	**Total Expenses**	**$ 22,384,279**	**$ 21,907,850**	**$ 5,335,835**	**$ 49,627,964**	**$ (5,267,415)**	**$ 44,360,550**
10030-040	Tax Credit	$ -	$ 1,729,793	$ -	$ 1,729,793	$ (1,729,793)	$ -
10030	**Operating transfers from / to primary government**	**$ -**	**$ 1,729,793**	**$ -**	**$ 1,729,793**		**$ 1,729,793**
10080	Special items, net gain/loss	$ -	$ 6,233	$ -	$ 6,233		$ 6,233
10100	**Total other financing sources (uses)**	**$ -**	**$ 1,736,026**	**$ -**	**$ 1,736,026**	**$ (1,729,793)**	**$ 6,233**
10000	**Excess (Deficiency) of Revenue Over (Under) Expenses**	**$ (3,773,163)**	**$ (2,912,483)**	**$ 1,184,488**	**$ (5,501,158)**	**$ (1,878,190)**	**$ (7,379,348)**
11020	Required Annual Debt Principal Payments	$ 992,296	$ -	$ -	$ 992,296		$ 992,296
11030	Beginning equity	$ 43,711,644	$ 33,094,246	$ (4,451,802)	$ 72,354,088		$ 72,354,088
11170-001	Administrative Fee Equity- Beginning Balance	$ -	$ (273,321)	$ -	$ (273,321)		$ (273,321)
11170-010	Administrative Fee Revenue	$ -	$ 1,619,380	$ -	$ 1,619,380		$ 1,619,380
11170-060	Total Admin Fee Revenues	$ -	$ 1,619,380	$ -	$ 1,619,380		$ 1,619,380
11170-080	Total Operating Expenses	$ -	$ 1,900,179	$ -	$ 1,900,179		$ 1,900,179
11170-110	Total Expenses	$ -	$ 1,900,179	$ -	$ 1,900,179		$ 1,900,179
11170-002	Net Administrative Fee	$ -	$ (280,799)	$ -	$ (280,799)		$ (280,799)
11170-003	Administrative Fee Equity- Ending Balance	$ -	$ (554,120)	$ -	$ (554,120)		$ (554,120)
11170	**Administrative Fee Equity**	**$ -**	**$ (554,120)**	**$ -**	**$ (554,120)**		**$ (554,120)**
11180-001	Housing Assistance Payments Equity - Begining Balance	$ -	$ 5,427,830	$ -	$ 5,427,830		$ 5,427,830
11180-010	Housing Assistance Payment Revenues	$ -	$ 13,064,934	$ -	$ 13,064,934		$ 13,064,934
11180-015	Fraud Recovery Revenue	$ -	$ 38,748	$ -	$ 38,748		$ 38,748
11180-025	Investment Income	$ -	$ 64,920	$ -	$ 64,920		$ 64,920
11180-030	Total HAP Revenues	$ -	$ 13,168,602	$ -	$ 13,168,602		$ 13,168,602
11180-080	Housing Assistance Payments	$ -	$ 16,381,535	$ -	$ 16,381,535		$ 16,381,535
11180-100	Total Housing Assistance Payments Expenses	$ -	$ 16,381,535	$ -	$ 16,381,535		$ 16,381,535
11180-002	Net Housing Assistance Payments	$ -	$ (3,212,933)	$ -	$ (3,212,933)		$ (3,212,933)
11180-003	Housing Assistance Payments Equity-Ending Balance	$ -	$ 2,214,897	$ -	$ 2,214,897		$ 2,214,897
11180	**Housing Assistance Payments Equity**	**$ -**	**$ 2,214,897**	**$ -**	**$ 2,214,897**		**$ 2,214,897**
11190	**Unit Months Available**	**35844**	**0**	**0**	**35844**		**35844**
11210	**Unit Months Leased**	**31589**	**0**	**0**	**31589**		**31589**
11610	Land Purchases	$ -	$ -	$ 62,378	$ 62,378		$ 62,378
11620	Building Purchases	$ 531,237	$ -	$ -	$ 531,237		$ 531,237

See report of independent auditors

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS- PROJECT BASED
For the year ended December 31, 2008

Line Item No.	Description	Total Projects	TN004000001	Operating Fund Program	Capital Fund Program	TN004000002	Operating Fund Program	Capital Fund Program	TN004000003	Operating Fund Program	Capital Fund Program	TN004000007	Operating Fund Program	Capital Fund Program	TN004000008	Operating Fund Program	Capital Fund Program
70300	Net tenant rental revenue	$ 4,522,489	$ 716,926	$716,926		$ 617,729	$617,729		$ 546,068	$546,068		$ 347,210	$347,210		$ 648,378	$648,378	
70400	Tenant revenue - other	$ 183,550	$ 42,658	$42,658		$ 54,709	$54,709		$ 14,811	$14,811		$ 265	$265		$ 52,963	$52,963	
70500	**Total Tenant Revenue**	**$ 4,706,039**	**$ 759,584**	**$ 759,584**	**$ -**	**$ 672,437**	**$ 672,437**	**$ -**	**$ 560,880**	**$ 560,880**	**$ -**	**$ 347,475**	**$ 347,475**	**$ -**	**$ 701,341**	**$ 701,341**	**$ -**
70600	**HUD PHA operating grants**	**$ 11,194,865**	**$ 1,834,695**	**$1,556,870**	**$277,825**	**$ 2,129,468**	**$1,896,392**	**$233,076**	**$ 1,554,674**	**$1,308,747**	**$245,927**	**$ 472,508**	**$386,988**	**$85,520**	**$ 1,461,214**	**$1,271,127**	**$190,087**
70610	Capital grants	$ 1,472,822	$ 4,353		$4,353	$ 6,244		$6,244	$ 49,476		$49,476	$ 58,494		$58,494	$ 31,706		$31,706
71100	**Investment income - unrestricted**	**$ 143,793**	**$ 6,221**	**$6,221**		**$ 5,212**	**$5,212**		**$ 5,379**	**$5,379**		**$ 1,901**	**$1,901**		**$ 5,980**	**$5,980**	
71400	**Fraud recovery**	**$ 43,472**	**$ 2,765**	**$2,765**		**$ 9,629**	**$9,629**		**$ 1,537**	**$1,537**		**$ 407**	**$407**		**$ 4,545**	**$4,545**	
71500	Other revenue	$ 1,050,125	$ 156,732	$156,732		$ 133,270	$133,270		$ 140,189	$140,189		$ 49,047	$49,047		$ 107,457	$107,457	
70000	**Total Revenue**	**$ 18,611,116**	**$ 2,764,349**	**$ 2,482,171**	**$ 282,178**	**$ 2,956,261**	**$ 2,716,941**	**$ 239,320**	**$ 2,312,134**	**$ 2,016,731**	**$ 295,403**	**$ 929,832**	**$ 785,819**	**$ 144,013**	**$ 2,312,243**	**$ 2,090,450**	**$ 221,793**
91100	Administrative salaries	$ 1,437,915	$ 250,398	$196,227	$54,171	$ 194,158	$148,713	$45,445	$ 207,988	$160,037	$47,950	$ 90,099	$73,425	$16,675	$ 199,198	$162,133	$37,064
91200	Auditing fees	$ 22,614	$ 4,542	$4,065	$478	$ 3,958	$3,557	$401	$ 3,792	$3,369	$423	$ 1,218	$1,071	$147	$ 3,352	$3,026	$327
91300	Management Fee	$ 2,146,009	$ 339,240	$339,240		$ 283,560	$283,560		$ 217,980	$217,980		$ 106,860	$106,860		$ 219,420	$219,420	
91310	Book-Keeping Fee	$ 209,192	$ 42,405	$42,405		$ 35,445	$35,445		$ 27,248	$27,248		$ 13,358	$13,358		$ 27,428	$27,428	
91500	Employee benefit contributions - administrative	$ 1,107,670	$ 161,390	$138,424	$22,965	$ 172,242	$152,976	$19,266	$ 164,313	$143,984	$20,328	$ 41,966	$34,897	$7,069	$ 149,943	$134,230	$15,713
91600	Office Expenses	$ 1,103,585	$ 199,154	$40,196	$158,958	$ 173,643	$40,291	$133,352	$ 170,164	$29,460	$140,704	$ 69,245	$20,315	$48,930	$ 141,748	$32,988	$108,761
91700	Legal Expense	$ 59,622	$ 16,238	$16,238		$ 18,400	$18,400		$ 6,129	$6,129		$ 215	$215		$ 11,106	$11,106	
91800	Travel	$ 12,026	$ 103	$103		$ 32	$32		$ 563	$563		$ -			$ 2,285	$2,285	
91900	Other	$ 2,533,880	$ 475,718	$475,718		$ 399,116	$399,116		$ 421,125	$421,125		$ 146,437	$146,437		$ 325,464	$325,464	
91000	**Total Operating-Administrative**	**$ 8,632,513**	**$ 1,489,187**	**$ 1,252,615**	**$ 236,572**	**$ 1,280,554**	**$ 1,082,090**	**$ 198,464**	**$ 1,219,302**	**$ 1,009,896**	**$ 209,406**	**$ 469,399**	**$ 396,578**	**$ 72,820**	**$ 1,079,945**	**$ 918,080**	**$ 161,865**
92000	Asset Management Fee	$ 318,240	$ 59,640	$59,640		$ 50,040	$50,040		$ 52,800	$52,800		$ 18,360	$18,360		$ 40,800	$40,800	
92200	Relocation Costs	$ 1,409	$ 1,200	$1,200		$ -			$ -			$ -			$ -		
92400	Tenant services - other	$ 337,610	$ 23,395	$18,579	$4,815	$ 20,106	$16,067	$4,040	$ 18,170	$13,908	$4,262	$ 60,054	$58,572	$1,482	$ 16,545	$13,250	$3,295
92500	**Total Tenant Services**	**$ 339,019**	**$ 24,595**	**$ 19,779**	**$ 4,815**	**$ 20,106**	**$ 16,067**	**$ 4,040**	**$ 18,170**	**$ 13,908**	**$ 4,262**	**$ 60,054**	**$ 58,572**	**$ 1,482**	**$ 16,545**	**$ 13,250**	**$ 3,295**
93100	Water	$ 285,780	$ 58,310	$58,310		$ 41,135	$41,135		$ 38,800	$38,800		$ 13,369	$13,369		$ 39,148	$39,148	
93200	Electricity	$ 2,801,275	$ 603,860	$603,860		$ 517,005	$517,005		$ 452,015	$452,015		$ 172,398	$172,398		$ 99,123	$99,123	
93300	Gas	$ 293,127	$ 8,159	$8,159		$ 3,032	$3,032		$ 26	$26		$ 21,346	$21,346		$ 253,164	$253,164	
93600	Sewer	$ 466,571	$ 108,764	$108,764		$ 78,752	$78,752		$ 74,663	$74,663		$ 11,403	$11,403		$ 72,367	$72,367	
93800	Other utilities expense	$ 50,665	$ 4,890	$4,890		$ 4,859	$4,859		$ 6,712	$6,712		$ 439	$439		$ 11,600	$11,600	
93000	**Total Utilities**	**$ 3,897,418**	**$ 783,983**	**$ 783,983**	**$ -**	**$ 644,783**	**$ 644,783**	**$ -**	**$ 572,216**	**$ 572,216**	**$ -**	**$ 218,955**	**$ 218,955**	**$ -**	**$ 475,401**	**$ 475,401**	**$ -**
94100	Ordinary maintenance and operations - labor	$ 1,778,718	$ 235,511	$235,511		$ 285,014	$285,014		$ 277,826	$277,826		$ 93,908	$93,908		$ 230,231	$230,231	
94200	Ordinary maintenance and operations - materials and other	$ 702,826	$ 79,840	$79,840		$ 40,945	$40,945		$ 183,606	$183,606		$ 39,074	$39,074		$ 106,769	$106,769	
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	$ 125,327	$ 22,691	$22,691		$ 5,566	$5,566		$ 23,571	$23,571		$ 14,821	$14,821		$ 9,053	$9,053	
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	$ 42,385	$ 15,327	$15,327		$ 4,900	$4,900		$ 7,497	$7,497		$ 700	$700		$ 8,470	$8,470	
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	$ -	$ -			$ -			$ -			$ -			$ -		
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	$ 61,405	$ 6,492	$6,492		$ -			$ -			$ 28,669	$28,669		$ -		
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	$ 251,952	$ 39,456	$39,456		$ 26,440	$26,440		$ 35,187	$35,187		$ 2,603	$2,603		$ 58,186	$58,186	
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	$ 54,638	$ 7,716	$7,716		$ 5,193	$5,193		$ 90	$90		$ 10,700	$10,700		$ 11,554	$11,554	
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	$ 4,763	$ 201	$201		$ 2,182	$2,182		$ -			$ 1,687	$1,687		$ -		
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	$ -	$ -			$ -			$ -			$ -			$ -		
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	$ 86,695	$ 14,074	$14,074		$ 12,342	$12,342		$ 17,435	$17,435		$ 4,512	$4,512		$ 8,099	$8,099	
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	$ 16,714	$ 16,714	$16,714		$ -			$ -			$ -			$ -		
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	$ -	$ -			$ -			$ -			$ -			$ -		
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	$ 230,336	$ 10,401	$10,401		$ 30,714	$30,714		$ 11,891	$11,891		$ 16,749	$16,749		$ 50,039	$50,039	
94300	**Ordinary Maintenance and Operations Contracts**	**$ 874,216**	**$ 133,072**	**$ 133,072**	**$ -**	**$ 87,336**	**$ 87,336**	**$ -**	**$ 95,670**	**$ 95,670**	**$ -**	**$ 80,442**	**$ 80,442**	**$ -**	**$ 145,401**	**$ 145,401**	**$ -**
94000	**Total Maintenance**	**$ 3,355,760**	**$ 448,423**	**$ 448,423**	**$ -**	**$ 413,295**	**$ 413,295**	**$ -**	**$ 557,102**	**$ 557,102**	**$ -**	**$ 213,423**	**$ 213,423**	**$ -**	**$ 482,401**	**$ 482,401**	**$ -**
95200	Protective services - other contract costs	$ 194,430	$ 36,437		$36,437	$ 30,572		$30,572	$ 32,258		$32,258	$ 11,217		$11,217	$ 24,927		$24,927
95000	**Total Protective Services**	**$ 194,430**	**$ 36,437**	**$ -**	**$ 36,437**	**$ 30,572**	**$ -**	**$ 30,572**	**$ 32,258**	**$ -**	**$ 32,258**	**$ 11,217**	**$ -**	**$ 11,217**	**$ 24,927**	**$ -**	**$ 24,927**
96130	Workmen's Compensation	$ 134,823	$ 21,738	$21,738		$ 20,532	$20,532		$ 22,579	$22,579		$ 7,077	$7,077		$ 16,650	$16,650	
96140	All other Insurance	$ 296,751	$ 54,711	$54,711		$ 45,849	$45,849		$ 50,473	$50,473		$ 16,961	$16,961		$ 37,904	$37,904	
96100	**Total Insurance Premiums**	**$ 431,574**	**$ 76,449**	**$ 76,449**	**$ -**	**$ 66,381**	**$ 66,381**	**$ -**	**$ 73,052**	**$ 73,052**	**$ -**	**$ 24,038**	**$ 24,038**	**$ -**	**$ 54,554**	**$ 54,554**	**$ -**
96210	Compensated absences	$ 42,744	$ (3,827)	-$3,827		$ (3,998)	-$3,998		$ (1,850)	-$1,850		$ 6,595	$6,595		$ 11,814	$11,814	
96300	Payments in lieu of taxes	$ 38,840	$ 1,831	$1,831		$ (99)	-$99		$ (1,729)	-$1,729		$ 4,947	$4,947		$ 7,300	$7,300	
96400	Bad debt - tenant rents	$ 98,611	$ 35,460	$35,460		$ 24,971	$24,971		$ 14,853	$14,853		$ (419)	-$419		$ 13,235	$13,235	
96800	Severance expense	$ 80,682	$ 11,081	$11,081		$ 7,112	$7,112		$ 9,503	$9,503		$ -			$ 19,517	$19,517	
96000	**Total Other General Expenses**	**$ 260,877**	**$ 44,544**	**$ 44,544**	**$ -**	**$ 27,987**	**$ 27,987**	**$ -**	**$ 20,777**	**$ 20,777**	**$ -**	**$ 11,123**	**$ 11,123**	**$ -**	**$ 51,865**	**$ 51,865**	**$ -**
96720	Interest on Notes Payable (Short and Long Term)	$ 741,346	$ 35,037	$35,037		$ 304,992	$304,992		$ 28,701	$28,701		$ 35,146	$35,146		$ 97,171	$97,171	
96700	**Total Interest Expense and Amortization Cost**	**$ 741,346**	**$ 35,037**	**$ 35,037**	**$ -**	**$ 304,992**	**$ 304,992**	**$ -**	**$ 28,701**	**$ 28,701**	**$ -**	**$ 35,146**	**$ 35,146**	**$ -**	**$ 97,171**	**$ 97,171**	**$ -**
96900	**Total Operating Expenses**	**$ 18,171,177**	**$ 2,998,295**	**$ 2,720,471**	**$ 277,825**	**$ 2,838,711**	**$ 2,605,635**	**$ 233,076**	**$ 2,574,379**	**$ 2,328,452**	**$ 245,927**	**$ 1,061,714**	**$ 976,195**	**$ 85,520**	**$ 2,323,609**	**$ 2,133,522**	**$ 190,087**
97000	**Excess Revenue Over Operating Expenses**	**$ 439,939**	**$ (233,946)**	**$ (238,300)**	**$ 4,353**	**$ 117,550**	**$ 111,306**	**$ 6,244**	**$ (262,245)**	**$ (311,721)**	**$ 49,476**	**$ (131,882)**	**$ (190,376)**	**$ 58,494**	**$ (11,366)**	**$ (43,072)**	**$ 31,706**
97200	Casualty losses- Non-capitalized	$ 12,615	$ -			$ -			$ (12,931)	-$12,931		$ -			$ 24,800	$24,800	
97400	Depreciation expense	$ 4,200,487	$ 94,386	$90,739	$3,648	$ 1,573,975	$1,572,797	$1,178	$ 298,299	$298,299		$ 316,745	$314,810	$1,935	$ 497,519	$496,341	$1,178
90000	**Total Expenses**	**$ 22,384,279**	**$ 3,092,682**	**$ 2,811,209**	**$ 281,472**	**$ 4,412,686**	**$ 4,178,432**	**$ 234,253**	**$ 2,859,748**	**$ 2,613,821**	**$ 245,927**	**$ 1,378,459**	**$ 1,291,005**	**$ 87,454**	**$ 2,845,928**	**$ 2,654,664**	**$ 191,264**
10000	**Excess (Deficiency) of Revenue Over (Under) Expenses**	**$ (3,773,163)**	**$ (328,333)**	**$ (329,038)**	**$ 706**	**$ (1,456,425)**	**$ (1,461,492)**	**$ 5,067**	**$ (547,613)**	**$ (597,090)**	**$ 49,476**	**$ (448,627)**	**$ (505,186)**	**$ 56,559**	**$ (533,685)**	**$ (564,213)**	**$ 30,528**
11020	Required Annual Debt Principal Payments	$ 992,296	$ 45,777	$45,777		$ 398,481	$398,481		$ 37,499	$37,499		$ 45,919	$45,919		$ 135,228	$135,228	
11030	Beginning equity	$ 43,711,644	$ 2,307,246	$1,596,537	$710,709	$ 8,151,636	$7,921,045	$230,591	$ 3,246,045	$2,620,018	$626,028	$ 3,019,289	$3,001,982	$17,307	$ 4,071,712	$3,484,300	$587,412
11190	**Unit Months Available**	**35844**	**5964**	**5964**		**5004**	**5004**		**5280**	**5280**		**1836**	**1836**		**4080**	**4080**	
11210	**Unit Months Leased**	**31589**	**5654**	**5654**		**4726**	**4726**		**3633**	**3633**		**1781**	**1781**		**3657**	**3657**	
11270	**Excess Cash**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**	
11620	Building Purchases	$ 531,237	$ 4,353		$4,353	$ 6,244		$6,244	$ 49,476		$49,476	$ 58,494		$58,494	$ 31,706		$31,706

See report of independent auditors

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS- PROJECT BASED (CONTINUED)
For the year ended December 31, 2008

TN004000010	Operating Fund Program	Capital Fund Program	TN004000012	Operating Fund Program	Capital Fund Program	TN004000021	Operating Fund Program	Capital Fund Program	TN004000022	Operating Fund Program	Capital Fund Program	TN004000029	Operating Fund Program	Capital Fund Program	TN004000032	Operating Fund Program	Capital Fund Program	Other Project	Operating Fund Program	Capital Fund Program	TN004000033	Operating Fund Program	Capital Fund Program
$ 576,527	$576,527		$ 318,610	$318,610		$ 433,298	$433,298		$ 323,959	$323,959		$ (6,216)	-$6,216		$ -			$ -			$ -		
$ 1,105	$1,105		$ 8,339	$8,339		$ 8,615	$8,615		$ 85	$85		$ -			$ -			$ -			$ -		
$ 577,632	**$ 577,632**	**$ -**	**$ 326,949**	**$ 326,949**	**$ -**	**$ 441,913**	**$ 441,913**	**$ -**	**$ 324,044**	**$ 324,044**	**$ -**	**$ (6,216)**	**$ (6,216)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 873,718	**$733,990**	**$139,728**	**$ 1,357,821**	**$1,238,772**	**$119,049**	**$ 627,668**	**$515,860**	**$111,808**	**$ 355,694**	**$280,981**	**$74,713**	**$ 340,216**	**$340,216**		**$ 38,793**	**$38,793**	**$0**	**$ -**			**$ 148,398**	**$148,398**	**$0**
$ 202,858		$202,858	$ 134,444		$134,444	$ 43,662		$43,662	$ -			$ -			$ -			$ -			$ 941,585		$941,585
$ 3,147	**$3,147**		**$ 6,296**	**$6,296**		**$ 2,504**	**$2,504**		**$ 1,672**	**$1,672**		**$ -**			**$ -**			**$ -**			**$ 105,479**		**$105,479**
$ 6,497	**$6,497**	-	**$ 4,222**	**$4,222**	-	**$ 13,870**	**$13,870**		**$ -**	-		**$ -**			**$ -**			**$ -**			**$ -**		
$ 84,035	$84,035		$ 128,104	$128,104		$ 63,086	$63,086		$ 47,920	$47,920		$ 129,462	$129,462		$ -			$ -			$ 10,823	$10,823	
$ 1,747,886	**$ 1,405,301**	**$ 342,586**	**$ 1,957,837**	**$ 1,704,344**	**$ 253,493**	**$ 1,192,703**	**$ 1,037,233**	**$ 155,470**	**$ 729,330**	**$ 654,617**	**$ 74,713**	**$ 463,462**	**$ 463,462**	**$ -**	**$ 38,793**	**$ 38,793**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,206,285**	**$ 159,221**	**$ 1,047,064**
$ 132,814	$105,570	$27,244	$ 150,969	$127,757	$23,212	$ 126,477	$104,677	$21,801	$ 85,815	$71,386	$14,428	$ -			$ -			$ -			$ -		
$ 1,680	$1,440	$240	$ 770	$566	$205	$ 2,040	$1,848	$192	$ 1,261	$1,124	$137	$ -			$ -			$ -			$ -		
$ 170,880	$170,880		$ 113,280	$113,280		$ 130,620	$130,620		$ 91,680	$91,680		$ 289,187	$289,187		$34,904	$34,904		$ -			$ 148,398	$148,398	
$ 21,361	$21,361		$ 14,160	$14,160		$ 16,328	$16,328		$ 11,459	$11,459		$ -			$ -			$ -			$ -		
$ 97,460	$85,910	$11,550	$ 141,175	$131,334	$9,841	$ 108,106	$98,864	$9,242	$ 71,075	$64,958	$6,117	$ -			$ -			$ -			$ -		
$ 108,047	$28,103	$79,944	$ 100,424	$32,311	$68,113	$ 84,719	$20,747	$63,972	$ 56,426	$14,088	$42,338	$ -			$ -			$ -	$0		$ 15	$15	
$ 1,142	$1,142		$ 4,247	$4,247		$ 1,719	$1,719		$ 427	$427		$ -			$ -			$ -			$ -		
$ 4,834	$4,834		$ 3,745	$3,745		$ 156	$156		$ 307	$307		$ -			$ -			$ -			$ -		
$ 239,270	$239,270		$ 203,861	$203,861		$ 191,442	$191,442		$ 131,440	$131,440		$ 7	$7		$ -			$ -			$ -		
$ 777,488	**$ 658,510**	**$ 118,978**	**$ 732,630**	**$ 631,260**	**$ 101,370**	**$ 661,608**	**$ 566,401**	**$ 95,207**	**$ 449,889**	**$ 386,870**	**$ 63,020**	**$ 289,194**	**$ 289,194**	**$ -**	**$ 34,904**	**$ 34,904**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 148,413**	**$ 148,413**	**$ -**
$ 30,000	$30,000		$ 25,560	$25,560		$ 24,000	$24,000		$ 17,040	$17,040		$ -			$ -			$ -			$ -		
$ -			$ -			$ 209	$209		$ -			$ -			$ -			$ -			$ -		
$ 96,198	$93,776	$2,422	$ 14,765	$12,701	$2,063	$ 11,042	$9,104	$1,938	$ 59,244	$57,962	$1,283	$ 15,781	$15,781		$ -			$ -			$ 2,310	$2,310	
$ 96,198	**$ 93,776**	**$ 2,422**	**$ 14,765**	**$ 12,701**	**$ 2,063**	**$ 11,251**	**$ 9,313**	**$ 1,938**	**$ 59,244**	**$ 57,962**	**$ 1,283**	**$ 15,781**	**$ 15,781**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,310**	**$ 2,310**	**$ -**
$ 16,113	$16,113		$ 39,063	$39,063		$ 28,018	$28,018		$ 11,824	$11,824		$ -			$ -			$ -			$ -		
$ 278,754	$278,754		$ 255,260	$255,260		$ 231,720	$231,720		$ 191,140	$191,140		$ -			$ -			$ -			$ -		
$ 4,217	$4,217		$ 3,162	$3,162		$ 12	$12		$ 8	$8		$ -			$ -			$ -			$ -		
$ 22,358	$22,358		$ 50,032	$50,032		$ 35,123	$35,123		$ 13,109	$13,109		$ -			$ -			$ -			$ -		
$ 2,670	$2,670	-	$ 7,758	$7,758		$ 8,552	$8,552		$ -			$ 3,185	$3,185		$ -			$ -			$ -		
$ 324,112	**$ 324,112**	**$ -**	**$ 355,276**	**$ 355,276**	**$ -**	**$ 303,425**	**$ 303,425**	**$ -**	**$ 216,081**	**$ 216,081**	**$ -**	**$ 3,185**	**$ 3,185**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 159,895	$159,895		$ 201,475	$201,475		$ 189,435	$189,435		$ 105,424	$105,424		$ -			$ -			$ -			$ -		
$ 88,748	$88,748		$ 42,515	$42,515		$ 68,784	$68,784		$ 52,546	$52,546		$ -			$ -			$ -			$ -		
$ 18,316	$18,316		$ 10,992	$10,992		$ 7,524	$7,524		$ 12,793	$12,793		$ -			$ -			$ -			$ -		
$ 1,635	$1,635		$ 7,522	$7,522		$ (3,862)	-$3,862		$ 198	$198		$ -			$ -			$ -			$ -		
$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
$ 17,995	$17,995		$ -			$ -			$ 8,250	$8,250		$ -			$ -			$ -			$ -		
$ 6,795	$6,795		$ 48,234	$48,234		$ 27,073	$27,073		$ 7,978	$7,978		$ -			$ -			$ -			$ -		
$ 4,810	$4,810		$ 788	$788		$ 11,865	$11,865		$ 1,922	$1,922		$ -			$ -			$ -			$ -		
$ 385	$385		$ 308	$308		$ -			$ -			$ -			$ -			$ -			$ -		
$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
$ 6,841	$6,841		$ 7,658	$7,658		$ 12,362	$12,362		$ 3,372	$3,372		$ -			$ -			$ -			$ -		
$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
$ 35,302	$35,302		$ 16,932	$16,932		$ 33,676	$33,676		$ 23,906	$23,906		$ -			$ -			$ -			$ 727	$727	
$ 92,078	**$ 92,078**	**$ -**	**$ 92,433**	**$ 92,433**	**$ -**	**$ 88,639**	**$ 88,639**	**$ -**	**$ 58,418**	**$ 58,418**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 727**	**$ 727**	**$ -**
$ 340,720	**$ 340,720**	**$ -**	**$ 336,423**	**$ 336,423**	**$ -**	**$ 346,858**	**$ 346,858**	**$ -**	**$ 216,389**	**$ 216,389**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 727**	**$ 727**	**$ -**
$ 18,329		$18,329	$ 15,616		$15,616	$ 14,663		$14,663	$ 10,411		$10,411	$ -			$ -			$ -			$ -		
$ 18,329	**$ -**	**$ 18,329**	**$ 15,616**	**$ -**	**$ 15,616**	**$ 14,663**	**$ -**	**$ 14,663**	**$ 10,411**	**$ -**	**$ 10,411**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 11,563	$11,563		$ 18,080	$18,080		$ 9,563	$9,563		$ 7,041	$7,041		$ -			$ -			$ -			$ -		
$ 26,973	$26,973		$ 25,179	$25,179		$ 23,005	$23,005		$ 15,697	$15,697		$ -			$ -			$ -			$ -		
$ 38,536	**$ 38,536**	**$ -**	**$ 43,258**	**$ 43,258**	**$ -**	**$ 32,568**	**$ 32,568**	**$ -**	**$ 22,738**	**$ 22,738**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 323	$323		$ 1,546	$1,546		$ 24,710	$24,710		$ 7,431	$7,431		$ -			$ -			$ -			$ -		
$ 6,667	$6,667		$ (2,405)	-$2,405		$ 4,795	$4,795		$ 4,796	$4,796		$ 12,738	$12,738		$ -			$ -			$ -		
$ 8,373	$8,373		$ (2,321)	-$2,321		$ 10,413	$10,413		$ (5,954)	-$5,954		$ -			$ -			$ -	$0		$ -		
$ -			$ 13,523	$13,523		$ 8,186	$8,186		$ 11,760	$11,760		$ -			$ -			$ -			$ -		
$ 15,362	**$ 15,362**	**$ -**	**$ 10,343**	**$ 10,343**	**$ -**	**$ 48,104**	**$ 48,104**	**$ -**	**$ 18,033**	**$ 18,033**	**$ -**	**$ 12,738**	**$ 12,738**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 75,165	$75,165		$ 147,967	$147,967		$ 12,726	$12,726		$ 4,441	$4,441		$ -			$ -			$ -			$ -		
$ 75,165	**$ 75,165**	**$ -**	**$ 147,967**	**$ 147,967**	**$ -**	**$ 12,726**	**$ 12,726**	**$ -**	**$ 4,441**	**$ 4,441**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 1,715,909	**$ 1,576,181**	**$ 139,728**	**$ 1,681,838**	**$ 1,562,789**	**$ 119,049**	**$ 1,455,203**	**$ 1,343,395**	**$ 111,808**	**$ 1,014,266**	**$ 939,553**	**$ 74,713**	**$ 320,898**	**$ 320,898**	**$ -**	**$ 34,904**	**$ 34,904**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 151,450**	**$ 151,450**	**$ -**
$ 31,977	**$ (170,881)**	**$ 202,858**	**$ 275,999**	**$ 141,555**	**$ 134,444**	**$ (262,500)**	**$ (306,162)**	**$ 43,662**	**$ (284,936)**	**$ (284,936)**	**$ -**	**$ 142,564**	**$ 142,564**	**$ -**	**$ 3,889**	**$ 3,889**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,054,835**	**$ 7,771**	**$ 1,047,064**
$ -			$ 746	$746		$ -			$ -			$ -			$ -			$ -			$ -		
$ 246,130	$245,374	$757	$ 471,545	$469,979	$1,565	$ 92,455	$91,277	$1,178	$ 609,433	$608,536	$897	$ -			$ -			$ -			$ -		
$ 1,962,040	**$ 1,821,555**	**$ 140,485**	**$ 2,154,129**	**$ 2,033,514**	**$ 120,615**	**$ 1,547,658**	**$ 1,434,672**	**$ 112,986**	**$ 1,623,698**	**$ 1,548,088**	**$ 75,610**	**$ 320,898**	**$ 320,898**	**$ -**	**$ 34,904**	**$ 34,904**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 151,450**	**$ 151,450**	**$ -**
$ (214,153)	**$ (416,254)**	**$ 202,101**	**$ (196,292)**	**$ (329,170)**	**$ 132,879**	**$ (354,955)**	**$ (397,439)**	**$ 42,484**	**$ (894,369)**	**$ (893,471)**	**$ (897)**	**$ 142,564**	**$ 142,564**	**$ -**	**$ 3,889**	**$ 3,889**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,054,835**	**$ 7,771**	**$ 1,047,064**
$ 98,205	$98,205		$ 208,758	$208,758		$ 16,627	$16,627		$ 5,802	$5,802		$ -			$ -			$ -			$ -		
$ 2,240,637	$1,600,456	$640,181	$ 5,239,962	$2,006,191	$3,233,771	$ 2,039,937	$1,542,671	$497,266	$ 8,577,216	$8,406,585	$170,631	$197,696	$197,696		$ 3,440,570	$60,787	$3,379,783	$ -			$ 1,179,699	$172,526	$1,007,173
3000	**3000**		**2556**	**2556**		**2400**	**2400**		**1704**	**1704**		**2400**	**2400**		**444**	**444**		**0**	**0**		**1176**	**1176**	
2848	**2848**		**1888**	**1888**		**2177**	**2177**		**1528**	**1528**		**2376**	**2376**		**444**	**444**		**0**	**0**		**877**	**877**	
$ -	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**	
$ 202,858		$202,858	$ 134,444		$134,444	$ 43,662		$43,662	$ -			$ -			$ -			$ -			$ -		

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS- PROGRAM BASED
For the year ended December 31, 2008

Line Item No.	Description	Total Programs	1 Business Activities	2 State/Local	8 Other Federal Program 1	9 Other Federal Program 2	14.218 Community Development Block Grants/ Entitlement Grants	14.238 Shelter Plus Care	14.243 Opportunities for Youth_Youthbuild Program	14.866 Revitalization of Severely Distressed Public Housing	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	16.595 Executive Office for Weed and Seed	14.DVP Disaster Voucher Program
70300	Net tenant rental revenue	$ 183,733	$183,733											
70400	Tenant revenue - other	$ 373,212	$373,212											
70500	Total Tenant Revenue	$ 556,945	**$ 556,945**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
70600-010	Housing assistance payments	$ 13,064,934										$13,064,934		
70600-020	Ongoing administrative fees earned	$ 1,619,380										$1,619,380		
70600	**HUD PHA operating grants**	**$ 15,783,055**	**$148,398**	**$0**		**$62,600**		**$316,876**	**$372,268**	**$25,500**	**$95,559**	**$ 14,684,314**	**$24,270**	**$53,271**
70610	Capital grants	$ 129,949		**$0**		**$74**				**$34**	**$1,458**			**$128,383**
70800	Other government grants	$ 191,250		$24,476									$166,774	
71100-010	Housing Assistance Payment	$ 64,920										$64,920		
71100	**Investment income - unrestricted**	**$ 68,442**	**$3,522**									**$ 64,920**		
71400-010	Housing Assistance Payment	$ 38,748										$38,748		
71400	**Fraud recovery**	**$ 38,748**										**$ 38,748**		
71500	Other revenue	$ 470,991	$470,991											
71600	Gain or loss on sale of capital assets	$ 20,028	$20,028											
70000	**Total Revenue**	**$ 17,259,341**	**$ 1,199,885**	**$ 24,476**	**$ -**	**$ 62,674**	**$ -**	**$ 316,876**	**$ 372,268**	**$ 25,465**	**$ 97,016**	**$ 14,787,982**	**$ 191,044**	**$ 181,654**
91100	Administrative salaries	$ 858,700		$0					$204,438	$22,889	$23,007	$584,968	$23,399	
91200	Auditing fees	$ 45,727	$6,000									$39,727		
91300	Management Fee	$ 426,891	$20,283									$406,608		
91310	Book-Keeping Fee	$ 254,130										$254,130		
91500	Employee benefit contributions - administrative	$ 233,510	$171	$0					$49,029	$1,751	$9,022	$168,044	$5,494	
91600	Office Expenses	$ 709,933	$138,898	$24,476		$62,674			$118,801	$860	$63,530	$138,543	$162,151	
91700	Legal Expense	$ 42,462	$39,748									$2,714		
91800	Travel	$ 4,257	$4,044									$213		
91900	Other	$ 228,034	$6,402									$221,632		
91000	**Total Operating-Administrative**	**$ 2,803,644**	**$ 215,545**	**$ 24,476**	**$ -**	**$ 62,674**	**$ -**	**$ -**	**$ 372,268**	**$ 25,500**	**$ 95,559**	**$ 1,816,578**	**$ 191,044**	**$ -**
92200	Relocation Costs	$ 1,500	$1,500											
92400	Tenant services - other	$ 1,500	$1,500											
92500	**Total Tenant Services**	**$ 3,000**	**$ 3,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
93100	Water	$ 16,706	$16,009									$698		
93200	Electricity	$ 64,566	$54,870									$9,696		
93600	Sewer	$ 22,035	$21,566									$470		
93000	**Total Utilities**	**$ 103,308**	**$ 92,444**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 10,863**	**$ -**	**$ -**
94200	Ordinary maintenance and operations - materials and other	$ 10,322	$4,681									$5,641		
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	$ 4,443	$4,230									$213		
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	$ 3,284	$3,284											
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	$ 11,719	$11,278									$441		
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	$ 1,115	$1,115											
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	$ 13										$13		
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	$ 1,589	$1,516									$73		
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	$ 5,237										$5,237		
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	$ 2,897	$1,073									$1,824		
94300	**Ordinary Maintenance and Operations Contracts**	**$ 30,296**	**$ 22,496**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,800**	**$ -**	**$ -**
94500	Employee benefit contribution - ordinary maintenance	$ -												
94000	**Total Maintenance**	**$ 40,618**	**$ 27,177**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 13,442**	**$ -**	**$ -**
96130	Workmen's Compensation	$ 12,680	$2,156									$10,524		
96140	All Other Insurance	$ 23,710	$13,445									$10,266		
96100	**Total Insurance Premiums**	**$ 36,390**	**$ 15,601**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,789**	**$ -**	**$ -**

See report of independent auditors

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS- PROGRAM BASED (CONTINUED)
For the year ended December 31, 2008

Line Item No.	Description	Total Programs	1 Business Activities	2 State/Local	8 Other Federal Program 1	9 Other Federal Program 2	14.218 Community Development Block Grants/ Entitlement Grants	14.238 Shelter Plus Care	14.243 Opportunities for Youth_Youthbuild Program	14.866 Revitalization of Severely Distressed Public Housing	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	16.595 Executive Office for Weed and Seed	14.DVP Disaster Voucher Program
96200	Other general expenses	$ 3,314										$3,314		
96210	Compensated absences	$ (1,435)	$184									-$1,619		
96300	Payments in lieu of taxes	$ 21,011	$21,011											
96500	Bad debt - mortgages	$ 1,136,500	$1,136,500											
96800	Severance expense	$ 36,812										$36,812		
96000	**Total Other General Expenses**	**$ 1,196,202**	**$ 1,157,695**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 38,507**	**$ -**	**$ -**
96720	Interest on Notes Payable (Short and Long Term)	$ 427,751	$427,751											
96700	**Total Interest Expense and Amortization Cost**	**$ 427,751**	**$ 427,751**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
96900	**Total Operating Expenses**	**$ 4,610,912**	**$ 1,939,213**	**$ 24,476**	**$ -**	**$ 62,674**	**$ -**	**$ -**	**$ 372,268**	**$ 25,500**	**$ 95,559**	**$ 1,900,179**	**$ 191,044**	**$ -**
97000	**Excess Revenue Over Operating Expenses**	**$ 12,648,429**	**$ (739,328)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 316,876**	**$ -**	**$ (34)**	**$ 1,458**	**$ 12,887,803**	**$ -**	**$ 181,654**
97100	Extraordinary maintenance	$ 6,033	$6,033											
97300-050	All Other	$ 16,381,535										$16,381,535		
97300	**Housing assistance payments**	**$ 16,851,139**						**$285,065**				**$ 16,381,535**		**$184,539**
97400	Depreciation expense	$ 439,766	$439,122			$644								
90000	**Total Expenses**	**$ 21,907,850**	**$ 2,384,368**	**$ 24,476**	**$ -**	**$ 63,318**	**$ -**	**$ 285,065**	**$ 372,268**	**$ 25,500**	**$ 95,559**	**$ 18,281,713**	**$ 191,044**	**$ 184,539**
10030-040	Tax Credit	$ 1,729,793	$1,729,793											
10030	**Operating transfers from / to primary government**	**$ 1,729,793**	**$ 1,729,793**							**$ -**				
10080	Special items, net gain/loss	$ 6,233	$6,233											
10100	**Total other financing sources (uses)**	**$ 1,736,026**	**$ 1,736,026**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
10000	**Excess (Deficiency) of Revenue Over (Under) Expenses**	**$ (2,912,483)**	**$ 551,543**	**$ -**	**$ -**	**$ (644)**	**$ -**	**$ 31,811**	**$ -**	**$ (34)**	**$ 1,458**	**$ (3,493,731)**	**$ -**	**$ (2,885)**
11030	Beginning equity	$ 33,094,246	$1,840,884	$0	$0	$4,508	$0	$46,696	$0	$26,041,914	$957	$5,154,510	$0	$4,778
11170-001	Administrative Fee Equity- Beginning Balance	$ (273,321)										-$273,321		
11170-010	Administrative Fee Revenue	$ 1,619,380										$1,619,380		
11170-050	Other Revenue	$ -										$0		
11170-060	Total Admin Fee Revenues	$ 1,619,380										$ 1,619,380		
11170-080	Total Operating Expenses	$ 1,900,179										$ 1,900,179		
11170-110	Total Expenses	$ 1,900,179										$ 1,900,179		
11170-002	Net Administrative Fee	$ (280,799)										$ (280,799)		
11170-003	Administrative Fee Equity- Ending Balance	$ (554,120)										$ (554,120)		
11170	**Administrative Fee Equity**	**$ (554,120)**										**$ (554,120)**		
11180-001	Housing Assistance Payments Equity - Begining Balance	$ 5,427,830										$5,427,830		
11180-010	Housing Assistance Payment Revenues	$ 13,064,934										$ 13,064,934		
11180-015	Fraud Recovery Revenue	$ 38,748										$ 38,748		
11180-025	Investment Income	$ 64,920										$ 64,920		
11180-030	Total HAP Revenues	$ 13,168,602										$ 13,168,602		
11180-080	Housing Assistance Payments	$ 16,381,535										$ 16,381,535		
11180-100	Total Housing Assistance Payments Expenses	$ 16,381,535										$ 16,381,535		
11180-002	Net Housing Assistance Payments	$ (3,212,933)										$ (3,212,933)		
11180-003	Housing Assistance Payments Equity-Ending Balance	$ 2,214,897										$ 2,214,897		
11180	**Housing Assistance Payments Equity**	**$ 2,214,897**										**$ 2,214,897**		

See report of independent auditors

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS- COCC BASED
For the year ended December 31, 2008

	Income Statement			
Line Item No.	**Description**	**COCC Total**	**Operations**	**Capital Fund**
70300	Net tenant rental revenue	$ -		
70400	Tenant revenue - other	$ 15,500	$15,500	
70500	**Total Tenant Revenue**	**$ 15,500**	**$ 15,500**	**$ -**
70600	**HUD PHA operating grants**	$ 17,678		**$17,678**
70610	Capital grants	$ 74,991		$74,991
70710	Management Fee	$ 2,572,341	$2,572,341	
70720	Asset Management Fee	$ 318,240	$318,240	
70730	Book-Keeping Fee	$ 463,322	$463,322	
70740	Front Line Service Fee	$ 1,626,975	$1,626,975	
70750	Other Fees	$ 1,228,530	$1,228,530	
70700	**Total Fee Revenue**	$ 6,209,408	$ 6,209,408	$ -
71100	**Investment income - unrestricted**	**$ 6,656**	$6,656	
71500	Other revenue	$ 195,891	$195,891	
71600	Gain or loss on sale of capital assets	$ 198	$198	
70000	**Total Revenue**	**$ 6,520,323**	**$ 6,427,654**	**$ 92,670**
91100	Administrative salaries	$ 2,361,987	$2,361,987	
91200	Auditing fees	$ 50,453	$50,453	
91500	Employee benefit contributions - administrative	$ 890,577	$890,577	
91600	Office Expenses	$ 659,918	$610,664	$49,255
91700	Legal Expense	$ 207,763	$207,763	
91800	Travel	$ 12,470	$12,470	
91900	Other	$ 188	$188	
91000	**Total Operating-Administrative**	**$ 4,183,357**	**$ 4,134,102**	**$ 49,255**
93100	Water	$ 3,348	$3,348	
93200	Electricity	$ 40,560	$40,560	
93300	Gas	$ 3,493	$3,493	
93600	Sewer	$ 1,987	$1,987	
93800	Other utilities expense	$ 5,266	$5,266	
93000	**Total Utilities**	**$ 54,653**	**$ 54,653**	**$ -**
94100	Ordinary maintenance and operations - labor	$ 30,143	$30,143	
94200	Ordinary maintenance and operations - materials and other	$ 50,734	$50,734	
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	$ 1,528	$1,528	
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	$ 2,850	$2,850	
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	$ 13,410	$13,410	
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	$ 62	$62	
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	$ 356	$356	
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	$ 26,368	$26,368	
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	$ 12,219	$12,219	
94300	**Ordinary Maintenance and Operations Contracts**	**$ 56,793**	**$ 56,793**	**$ -**
94000	**Total Maintenance**	**$ 137,669**	**$ 137,669**	**$ -**
95100	Protective services - labor	$ 376,509	$376,509	
95300	Protective services - other	$ 684	$684	
95000	**Total Protective Services**	**$ 377,193**	**$ 377,193**	**$ -**
96130	Workmen's Compensation	$ 69,283	$69,283	
96140	All Other Insurance	$ 72,776	$72,776	
96100	**Total Insurance Premiums**	**$ 142,058**	**$ 142,058**	**$ -**
96200	Other general expenses	$ -	$ -	
96210	Compensated absences	$ 4,315	$4,315	
96400	Bad debt - tenant rents	$ (582)	-$582	
96800	Severance expense	$ 199,159	$199,159	
96000	**Total Other General Expenses**	**$ 202,892**	**$ 202,892**	**$ -**
96720	Interest on Notes Payable (Short and Long Term)	$ 4,526	$4,526	
96700	**Total Interest Expense and Amortization Cost**	**$ 4,526**	**$ 4,526**	**$ -**
96900	**Total Operating Expenses**	**$ 5,102,349**	**$ 5,053,094**	**$ 49,255**
97000	**Excess Revenue Over Operating Expenses**	**$ 1,417,974**	**$ 1,374,559**	**$ 43,415**
97200	Casualty losses- Non-capitalized	$ (2,418)	-$2,418	
97400	Depreciation expense	$ 235,904	$87,155	$148,749
90000	**Total Expenses**	**$ 5,335,835**	**$ 5,137,832**	**$ 198,003**
10000	**Excess (Deficiency) of Revenue Over (Under) Expenses**	**$ 1,184,488**	**$ 1,289,822**	**$ (105,334)**
11030	Beginning equity	$ (4,451,802)	-$5,196,791	$744,989
11610	Land Purchases	$ 62,378		$62,378

See report of independent auditors

CHATTANOOGA HOUSING AUTHORITY
Chattanooga, Tennessee

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

FEDERAL GRANTOR	Type	Federal CFDA #	Expenditures
US. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:			
Public Housing:			
Low Rent Public Housing Program	A - Major	14.850	$ 9,717,134
Capital Fund Program	A - Major	14.872	3,043,223
Revitalization of Severely Distressed Public Housing	B - Nonmajor	14.866	25,534
Resident Opportunity and Supportive Services	B - Nonmajor	14.870	97,016
Youthbuild Program	B - Nonmajor	14.243	372,268
Section 8 Programs			
Housing Choice Voucher Program	A - Major	14.871	14,684,314
Disaster Housing Assistance Grant	B - Nonmajor	14.182	62,674
Disaster Voucher Program	B - Nonmajor	14.182	181,654
Shelter Plus Care	B - Nonmajor	14.238	316,876
US. DEPARTMENT OF JUSTICE			
Weed & Seed Program	B - Nonmajor	16.595	24,270
TOTAL FEDERAL FINANCIAL AWARDS			$ 28,524,963
Threshold for Type A / B			$ 855,749

See report of independent auditors

Attachment F
(Appendix 2)

Admissions and Continued Occupancy Policy (ACOP)

CHATTANOOGA HOUSING AUTHORITY

ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

Revised October 2009

(Approved by CHA Board of Commissioners September 28, 2009)

ADMISSIONS AND CONTINUED OCCUPANCY POLICY
FOR THE PUBLIC HOUSING PROGRAMS

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FOR THE PUBLIC HOUSING PROGRAMS

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FOR THE PUBLIC HOUSING PROGRAMS

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ADMISSIONS AND CONTINUED OCCUPANCY POLICY
FOR THE PUBLIC HOUSING PROGRAMS

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CHAPTER 1: INTRODUCTION

1.1 Introduction & Mission Statement

The mission of the Chattanooga Housing Authority (CHA) is to provide decent, safe, and sanitary housing, free from discrimination, and to promote economic opportunity for all residents.

Among the CHA's goals in achieving this mission are the following:

a) To provide healthy, drug-free communities both in and surrounding units supported and managed by the CHA;

b) To serve as the city's housing safety net to the maximum extent possible without sacrificing the health of the community and neighborhood;

c) To design, implement and support educational and vocational programs with the goal of reducing the long-term reliance of residents on public assistance programs;

d) To use established and innovative financial and human resources to ensure that each CHA resident and housing community has the opportunity to achieve his/her/its maximum potential;

e) To promote the integration of public housing within the larger community;

f) To comply with all applicable federal, state, and local laws and regulations; and

g) To ensure that all employees are provided with the necessary training and supervision to accomplish their assigned responsibilities in promoting the mission of the CHA.

h) All employees of the CHA are expected to work cooperatively with management, residents, the public and co-workers toward achieving the mission and goals of the Chattanooga Housing Authority as set forth by the Board of Commissioners (Board).

This Admissions and Continued Occupancy Policy (ACOP) describes the admission, occupancy and transfer policies by which the CHA determines eligibility for admission, selects prospective residents, assigns units, admits residents, and processes transfers, in a fair and nondiscriminatory manner.

1.2 Statement of Nondiscrimination

1.2.1 Compliance with Federal and State Laws

It is the policy of the CHA to comply fully with existing federal and state laws[1] protecting the individual rights of applicants, residents, and/or staff and any laws subsequently enacted.

1.2.2 Civil Rights and Fair Housing

The CHA shall not discriminate because of race, color, sex, religion, age, handicap, disability, ancestry, national origin, ethnicity, familial status or marital status, children or veteran status in the leasing, rental, sale or transfer of units, buildings, and related facilities, including land that it owns or controls. The CHA shall affirmatively further fair housing in the administration of its Public Housing Program(s).

To this end, the CHA shall not:

a) Deny to any household the opportunity to apply for housing, or deny to any qualified applicant the opportunity to lease housing suitable to his/her needs;

b) Provide housing which is different from that provided to others except as required or permitted by law and in accordance with this ACOP;

c) Subject any person to segregation or disparate treatment;

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

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

f) Deny a person access to the same level of services available to other similarly situated individuals and/or

g) Deny a person the opportunity to participate in a planning or advisory group that is an integral part of the Programs.

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[1] Title VI of the Civil Rights Act of 1964 and the implementing regulations at 24 CFR Part 1; Title VIII of the Civil Rights Act of 1968 (as amended by the Fair Housing Amendment Act of 1988); Executive Order 11063 on Equal Opportunity in Housing and the implementing regulations at 24 CFR Part 107; Section 504 of the Rehabilitation Act of 1973 and the implementing regulations at 24 CFR Part 8; the Age Discrimination Act of 1975 and the implementing regulations at 24 CFR Part 146; and the implementing regulations at 24 CFR Parts 100,108,110, and 121, Title II of the Americans with Disabilities Act and the implementing regulations at 28 CFR Part 35, Tennessee Landlord and Tenant Act. [2] 24 CFR 960.103, 24 CFR 5.105(a).

To further its commitment to full compliance with applicable civil rights laws, the CHA will provide federal/state/local information to applicants/residents of the public housing programs regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be available at the Chattanooga Housing Authority's Central Office and all CHA's Site Based Management Offices throughout the City of Chattanooga. In addition, all CHA's written information and advertisements will contain the appropriate Equal Opportunity language and logo.

The CHA will assist any family that believes it has suffered illegal discrimination by providing copies of the appropriate housing discrimination forms. The CHA will also assist in completing the forms, if requested, and will provide the address of the U.S. Department of Housing and Urban Development (HUD), Region IV Field Office, 235 Cumberland Bend, Suite 200, Nashville, TN 37228-1803, and the City of Chattanooga, Office of Multi-Cultural Affairs, City Hall, Chattanooga, Tennessee 37401.

1.2.3 Right To Privacy

All adult members of both applicant and resident 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.

The CHA will not release applicant or resident information unless there is a: (i) signed release of information request from the applicant or resident; (ii) lawful court order or through lawful civil or criminal discovery processes; (iii) a request for cooperation or for information from other governmental agencies or regulatory bodies; (iv) as authorized by HUD regulations; and/or (v) as otherwise authorized by law.

1.2.4 Reasonable Accommodations

The CHA shall make reasonable accommodations as required by law for handicapped/disabled persons to promote equal access to and participation in the public housing programs. Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25 and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the CHA's facilities are inaccessible to or unusable by persons with disabilities.

Furthermore, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination

because the CHA's policies and/or procedures, lease or other provisions of law so provide.

The CHA cannot refuse to make a reasonable accommodation in rules, policies, practices or services when such accommodation may be necessary to afford a person with a physical or mental impairment equal opportunity to use and enjoy a CHA apartment, including public and common use areas.

The CHA must make a modification to existing premises, when requested by a disabled person, if the modification is reasonable and necessary to afford equal opportunity to use and enjoy CHA premises.

An accommodation or structural modification is not reasonable if it would impose an undue administrative and financial burden on the CHA, or fundamentally alter the nature of the Programs. The burden of demonstrating that a requested accommodation is unreasonable and imposes an undue administrative and financial burden, or fundamentally alters the nature of the Programs is on the CHA. If granting the requested accommodation would create an undue administrative and financial burden, the CHA shall approve the request to the extent that it can do so without undergoing the undue burden or fundamental program alteration as described above.

The following procedures set out the means by which applicants and residents may request accommodations and the guidelines that the CHA will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the CHA will ensure that all applicants/residents are aware of the opportunity to request reasonable accommodations.

a) Communication

The CHA will advise in writing the method to follow in order to request an accommodation at the time of orientation and will post the method in the Site Based Management Offices. The Development Departments, Project Manager is the Chattanooga Housing Authority's ADA/504 Coordinator and is responsible for reviewing all requests for accommodations and for responding in writing to the requestors.

b) Questions to ask in granting the accommodation

The appointed staff members will conduct the following analysis:

- Is the requestor a person with disabilities?

  For the purpose of the Americans with Disabilities Act (ADA) the definition of a person with disabilities 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 impairment. "Major life activities" include functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, bathing, learning and working.

If the disability, for which the accommodation is being requested, is apparent or has already been documented, the answer to this question is "yes." If the disability is not apparent or documented, the CHA will obtain verification from a physician that the person is a person with a disability within the meaning of the ADA.

- 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 requestor must provide documentation that the requested accommodation is needed due to the disability. The CHA will not inquire as to the nature of the disability. However, the CHA may inquire about the disability only to the extent that it is needed to make a determination regarding the applicant's eligibility for a program, a preference, or a reasonable accommodation.

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

  First, would the accommodation constitute a fundamental alteration?

  The CHA's business is housing. If the request would alter the fundamental business that the CHA conducts, it would not be considered reasonable. For instance, the CHA would deny a request to have the CHA do grocery shopping for a person with disabilities.

  Second, 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 CHA may request a meeting with the individual to investigate and consider equally effective alternatives.

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

The cost necessary to carry out approved requests, including requests for physical modifications, will be borne by the CHA if there is no one else willing to pay for the modifications. If another party pays for the modifications, the CHA will seek to have the same entity pay for any restoration costs.

The CHA will consider a resident's request to make physical modifications to a unit at his/her own expense. In making its decision, the CHA will consider whether the proposed modifications comply with local code and/or affect the structural integrity of the building.

Any request for an accommodation that will enable a resident 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 CHA shall promptly provide the applicant for a reasonable accommodation with written notice of the decision. The notice shall contain the reason for the decision and inform the applicant that he/she may appeal the decision in accordance with this Policy.

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1.3 Accessibility and Plain Language

1.3.1 Accessible Facilities and Programs

Facilities and programs used by applicants and residents shall be made accessible. CHA offices, hearing rooms, community rooms, laundry facilities, and other CHA spaces will be available for use by residents with disabilities. If these facilities are not already accessible (and located on accessible routes), they will be made accessible so long as this does not impose an undue financial and administrative burden on the CHA.

1.3.2 Plain Language Paperwork

Documents intended for use by applicants and residents will be presented in accessible formats for those with vision or hearing impairments and will be written simply and clearly to enable applicants and residents with learning or cognitive disabilities to understand as much as possible.

1.3.3 English Language Ability

Some applicants and residents will not be able to read (or to read English), so staff must be prepared to read and explain documents orally. Applicants who read or understand little English may need to be provided with an interpreter who can explain what is occurring. CHA will not pay the costs associated with having a foreign language interpreter but will make available information on free translation services. The CHA will make an effort to have its written materials translated into those languages frequently spoken by applicants and residents.

The CHA is committed to providing meaningful access to the CHA's programs and activities by persons with Limited English Proficiency (LEP). No LEP applicant or resident will be denied access to CHA's Programs and activities because the individual does not speak English, or communicates in English on a limited basis.

When given at least 24 hours notice of a need for an interpreter, the CHA will endeavor to have bilingual staff available or access to people who can translate and interpret languages other than English at no cost.

Any notice to an applicant or resident, who is known not to speak English, shall bear a notice in commonly spoken foreign languages of the importance that the notice be translated.

1.3.4 Other Services To Promote Accessibility To Programs

When provided with adequate notice, the CHA will endeavor to have sign language interpreters available for the hearing impaired.

CHAPTER 2: MARKETING AND OUTREACH

2.1 Marketing Policy

It is the policy of the CHA to conduct marketing and outreach efforts to provide the local community with awareness of the CHA's Programs. The CHA will conduct outreach to the community to create an awareness of the availability of its Programs and to maintain an adequate application pool, taking into consideration the vacancy level and the availability of units through turnover.

It is the policy of the CHA to comply fully with existing federal and state laws protecting the individual rights of applicants, residents, and/or staff, and any laws subsequently enacted.

The CHA shall undertake a marketing effort in its programs whenever its waiting list for units is fewer than the number of applicants anticipated to be placed in the next twelve (12) months. Additionally, the CHA shall undertake appropriate affirmative fair marketing efforts whenever the number of its minority resident households and minority households on the waiting list for either family housing or elderly/handicapped housing is fewer than the number of households meeting its affirmative action goal for the respective Program.

The CHA will provide informational materials and/or presentations to individuals, groups, social service agencies and others upon request.

2.1 Marketing Purpose

Marketing has two primary purposes:

a) to make all potential applicants aware of the housing opportunities and related services that CHA offers its residents; and

b) to attract specific groups of applicants, such as:

- those with low- and very low-income levels, or
- disabled persons who require units with accessible features.

2.2 Marketing Requirements

The following requirements apply to CHA marketing efforts:

2.2.1 Fair Housing

Materials must comply with the Fair Housing Act requirements with respect to wording, logo, size of type, etc.

2.2.2 Plain Language

Marketing materials shall be in “plain language”. The CHA shall make an effort to use print media, videos and multi-media in a variety of languages as necessitated by applicant/resident language needs.

2.2.3 Eligibility

Marketing materials shall make clear who is eligible for housing including people with physical and/or mental disabilities.

2.3 Marketing and Outreach Strategies

2.3.1 When CHA Will Market Apartments

The CHA will undertake marketing efforts whenever there is a need to do so in order to address: changes required as a result of legislative or regulatory requirements; fair housing needs; unit vacancy or turnover considerations; de-concentration and income mixing needs; an insufficient pool of applicants on the waiting list; or any other factor which may require marketing efforts to further program goals.

The CHA shall assess these factors at least annually as part of its Agency Plan in order to determine the need and scope of the marketing effort.

2.3.2 Affirmative Marketing

The CHA shall undertake appropriate affirmative fair marketing efforts whenever the CHA identifies a need to augment the number of applicants on any of its site–based waiting lists.

2.3.3 Print Media

The CHA will establish a list of publications to use when it is necessary to print marketing material. As necessary, the CHA will utilize any or all of these publications to facilitate outreach.

The CHA will seek to reach potential applicants through advertising in publications that serve all populations. Additionally, the CHA may use public service announcements to reach people who cannot or do not read newspapers. The Equal Housing Opportunity logo will be used in all advertisements.

2.3.4 Required Postings

In the lobby of the CHA's Central Office and in each of its site management offices, the CHA will post, in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, a statement that the following information is available for review at the CHA's Central Office located at 801 North Holtzclaw Avenue, Chattanooga, TN, and at each site management office. In those developments where there is no site management office, the statement will be posted in the site management's community area.

a) Statement of policies and procedures governing Admissions and Continued Occupancy;

b) Notice of the status of the waiting lists (opened or closed);

c) A listing of all the developments by name, address, number of units, units designed with special accommodations, addresses of all site management offices, office hours, telephone numbers, TTD numbers and resident facilities and hours of operation;

d) Applications for admission to the CHA's Programs;

e) Income limits for admission;

f) Utility Allowance Schedule;

g) Current schedule of routine maintenance charges;

h) A sample dwelling lease;

i) Admissions and Continued Occupancy Policy (ACOP);

j) Pet rules, pet lease agreement, pet owner's absence agreement;

k) Fair Housing Poster; and

l) Equal Opportunity in Employment Poster.

m) Procedure to request Reasonable Accommodation

2.4 Limited English Proficiency Plan

The CHA is committed to providing meaningful access to the CHA's Programs and activities by persons with Limited English Proficiency (LEP). No LEP applicant or resident will be denied access to CHA's Programs and activities because the individual does not speak English, or communicates in English on a limited basis.

When given at least 24 hours notice of a need for an interpreter, the CHA will endeavor to have bilingual staff available or access to people who can translate and interpret languages other than English at no cost.

CHAPTER 3: APPLICATIONS AND PROCESSING

3.1 Application Forms

Applications are available during the hours of 8:30 a.m. to 5:00 p.m., Monday through Friday at each site management office and on the CHA's website at www.chahousing.org.

Applications will be mailed to individuals upon request. The CHA shall provide reasonable assistance to applicants in completing the application form.

3.2 Waiting Lists

The following provisions set forth the procedures for managing the CHA's waiting list(s), placement of applicants on the waiting list(s), and the assignment of vacant units to persons on the waiting list(s) in a uniformly nondiscriminatory basis without respect to race, color, sex, religion, age, handicap, disability, national origin, ancestry, ethnicity, familial status, marital status, children or veteran status:

3.2.1 Management

The CHA maintains a waiting list for each of its sites by bedroom size, with the exception of its scattered sites. The CHA maintains one waiting list for its four scattered sites by bedroom size, and a separate waiting list for the Greenwood Terrace tax credit site. The CHA also maintains a separate waiting list for the Housing First Program for Emma Wheeler Homes, and may from time to time establish additional waiting lists for other special housing Programs. The CHA shall date and time stamp each application as received.

The CHA will use the date and time of application within the selection preference categories and within the pool of standard applicants to determine the order of selection from the waiting list.

The waiting lists are generally open for an indefinite period; however, in the event of closure and reopening, the CHA shall follow the procedures delineated in this section.

a) Opening the Waiting List(s)

The CHA's Executive Director or his/her designee has the discretion of determining when to open a waiting list. The CHA will provide public notice at the time of opening a waiting list to ensure that families are aware that they may apply for public housing. The CHA will publish the notice in The Chattanooga Times Free Press, in available minority media

of general circulation, and to local organizations that service low and moderate income families. The CHA will also provide written notice in the lobbies of the Central Office, Housing Choice Voucher Program Office and all site management offices.

The notice shall state clearly the method of selection (date and time or lottery), where and when to apply, and will set forth any limitations on who may apply.

As an alternative, the CHA may elect to use a lottery system at the time of opening the wait lists.

The Executive Director or his designee is responsible for the determination of whether and when a lottery system will be used. In the event that the CHA elects to adopt and use a lottery system for the selection of applicants, the date and time of application will not apply, as said selection will be superseded by the lottery selection.

In the event that the CHA elects to use a lottery system, this intention will be declared and publicized in the CHA's advertisement of the opening of the waiting list(s). The CHA will draw applications from the lottery pool in a public forum. The CHA may maintain the pool of applicants from the lottery for a stated period of time and draw applications from the lottery pool, in a public forum throughout that period of time as necessary.

b) Closing the Waiting List(s)

The CHA's Executive Director or his/her designee has the discretion of when to close a waiting list.

If the CHA's Executive Director or his/her designee determines that the existing waiting list contains an adequate pool of applicants based on available housing opportunities and projected turnover, the CHA may stop accepting new applications or may accept only applications meeting identifying criteria.

Additionally, if the CHA opens the waiting list for a particular property, the CHA must ensure that all of the applicants on the waiting list prior to closing who have met the eligibility requirements for the Program have had an opportunity to be housed. This would include any applicant in any preference category, including Standard Applicants.

3.2.2 Updating and Reclassification of the Waiting List(s)

The CHA will update and reclassify all applications on file on its waiting lists on a bi-annual basis to ensure that the pool of applicants on the

waiting lists reasonably represents families who are still interested in applying for housing.

The CHA will contact applicants on the waiting list to confirm that they are still interested in participating in the program for which application was made. The CHA will also request that the applicant family update information regarding address, family composition, income category and claimed preferences to ensure that the applicant is still preliminarily eligible and that the preference status remains the same. The CHA will request that applicants respond within a timeframe set forth in the letter and shall indicate that failure to respond may result in the removal of the family from the waiting list. In the event that the applicant does not respond within the timeframe and/or attend a scheduled appointment at the CHA, the family shall be removed from the waiting list.

The CHA will grant a reasonable accommodation for an applicant with a disability who is removed from the list for failure to respond to the CHA's request for information or update due to the disability if the applicant requests such accommodation in writing and the CHA determines that the requested accommodation is reasonable. Under these circumstances, the CHA shall reinstate the applicant to his/her former position.

An applicant may at any time withdraw his/her application.

3.3 Processing Applications for Admission

3.3.1 Processing

It is the CHA's policy to accept and process applications in accordance with applicable CHA policies and federal regulations, and handbooks.

Applications will not be accepted unless they are complete, legible and signed by the Head of Household and Co-Head of Household (if applicable).

3.3.2 Applicant Placement On Waiting List

All applications shall be assigned and shall be date and time stamped when they are completed and received at the CHA site management office. Applicants may apply and be placed on up to three site based waiting lists.
The CHA places applicants on the waiting lists based upon the date and time of application and eligibility for a weighted selection preference as set forth below:

a) <u>Category 1: Witness Protection</u>

This selection preference is available when a local, state, and/or federal law enforcement organization requests that the CHA house a witness or other person involved in an investigation or pending criminal action, the CHA may place the applicant above all others on the waiting list based upon the date time the application was provided by the law enforcement organization. Additionally, the law enforcement organization must provide compelling written justification for the request. The request shall be reviewed and approved by the Executive Director and the applicant will be subject to standard screening procedures.

b) Category 2: Natural Disaster (PH Resident)
This selection preference is for a family, who was a public housing resident in Chattanooga or another jurisdiction, affected by a federal and/or state natural disaster.

c) Category 3: Natural Disaster (Non PH Resident)
This selection preference is for a family affected by a federal and/or state declared natural disaster.

d) Category 4: Displaced
Individuals or families displaced by government action [i.e. required to move by any level of government: federal, state or local], refugees as defined by federal law, and individuals displaced due to the inaccessibility of a unit including fire/flood or other casualty to the unit; and/or HUD disposition of a HUD multi-family project, or individuals displaced by domestic violence.

e) Category 5: Working Full-Time
The head-of-household, spouse or sole member of the family must work for wages, commissions, or other consideration of value and demonstrate full-time employment (32 hours or more per week) at the time of application and at the time of unit offer. It must be apparent that the full time employment is of a continuous, as opposed to a temporary nature and the applicant must anticipate such continuous employment after the date of placement. Seasonal full-time employment such as that of school support personnel shall be eligible for this preference if the break in continuous employment is a result of the academic school calendar.

Note: A head-of-household, spouse or sole member aged 62 or older, or a person with disabilities is eligible for this preference.

f) Category 6: Working Part-Time
The head-of-household, spouse or sole member of the family must work for wages, commissions, or other consideration of value and demonstrate part-time employment (20 hours to 31 hours per week) at the time of application and at the time of unit offer. It must be apparent that the part-

time employment is of a continuous, as opposed to a temporary, nature and the applicant must anticipate such continuous employment after the date of placement. Seasonal part-time employment, such as that of school support personnel, shall be eligible for this preference if the break in continuous employment is a result of the academic school calendar.

g) Category 7: Chattanooga Housing Authority Job Training/Other Certified Development Programs

The head-of-household, spouse or sole member of the family is participating in an education or employment program funded by HUD, Workforce Investment Board, or any other federal, state or local organization, whose primary purpose is to prepare low and very low income individuals for economic independence or family self-sufficiency. Such participation must be for a minimum of twenty hours per week and must be verified in writing by the provider of the programming.

Additionally, the CHA may, from time to time, certify other programming that may qualify for this preference**.**

h) Category 8: Chronically Homeless

The HUD definition of a chronically homeless person is an unaccompanied homeless individual with a disabling condition who has either:

(i) been continuously homeless for a year or more, or
(ii) has had at least four episodes of homelessness in the past three years.

A disabling condition is defined as a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability.

For chronic homelessness, the definition of a homeless person is an unaccompanied individual sleeping in a place not meant for human habitation or in an emergency homeless shelter.

i.) Category 9 Homeless

An individual who lacks a fixed, regular, nighttime residence; and/or an individual who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); an institution that provides a temporary residence for individuals intended to be institutionalized or a public or private place not designed for, or ordinarily used for a regular sleeping accommodation for human beings.

Standard Applicant

An applicant who is not eligible for any other preference in this ACOP, however, meets the preliminary eligibility requirements for admissions.

Therefore, placement on the waiting list will be in the following order:

- Applicants with selection preference in category 1 (by date/time of application)
- Application with selection preference in category 2 (by date/time of application)
- Application with selection preference in category 3 (by date/time of application)
- Applications with selection preference in category 4 (by date/time of application)
- Applicants with selection preference in category 5 (by date/time of application)
- Application with selection preference in category 6 (by date/time of application)
- Application with selection preference in category 7 (by date/time of application)
- Applications with selection preference in category 8 (by date/time of application)
- Applications with selection preference in category 9 (by date/time of application)
- Standard Applicants

3.3.3 Selection From The Waiting List(s)

The CHA shall select applicants from the waiting list(s) in the order of placement on the list as determined by the date and time of the application and eligibility for the preference, subject to the following provisions.

a) Designated Developments

The CHA has designated Boynton Terrace, Gateway Towers and Mary Walker Towers as elder-only in accordance with HUD regulations. The CHA will offer available units first to elder families (62 years of age or older). If there are no elder families on the site based waiting list, the CHA will next offer available units to near elder families (50 through 61 years of age).

All of these provisions are subject to the approval of the Designated Housing Plan submitted July 2009.

b) Handicapped-Accessible Units [24 CFR 960.407(b)]

A handicapped accessible unit will first be offered to families who will benefit from the accessible features. If there are no applicants on the waiting list who require accessible features, the CHA will offer the accessible unit to an applicant who does not require accessible features, provided that he/she agrees in writing to transfer to a different unit at the family's expense, if a family requiring an accessible unit needs the unit. The CHA will provide a 30-day notice to any family required to transfer.

c) De-concentration and Income Mixing Provisions

In accordance with the congressional mandate in the "Quality Housing and Work Responsibility Act of 1998", the CHA has adopted the federally required policies to provide for de-concentration of poverty and to encourage income mixing in all family developments. Although the CHA will affirmatively market its housing Programs to all eligible income groups, the CHA will take appropriate actions to de-concentrate poverty and encourage income mixing in developments by offering units in developments with higher average income levels to families with lower incomes, and by offering units in developments with lower average income levels to families with higher incomes.

To this end, the site based management office may skip over families on the waiting list to reach other families with lower/higher incomes in order to comply with de-concentration requirements.

In conjunction with the submission of the annual plan, the CHA will analyze the income levels of families residing in each development and the income levels of the families on the site based waiting list. Based on this analysis, the CHA will determine necessary marketing strategies to comply with de-concentration requirements.

The CHA may offer one or more incentives to encourage applicant families whose income classification would help to meet the de-concentration goals of a particular development. Various incentives may be used at different times, or under different conditions, but will always be provided in a consistent and nondiscriminatory manner.

d) Income Targeting to Extremely Low Income Families

At least 40% of the families admitted to the CHA's Program during the fiscal year shall be extremely low-income families. This is called the

"basic targeting requirement". Admission of extremely low income families to the CHA's Housing Choice Voucher Program during the same fiscal year may be credited against the basic targeting requirement.

3.3.4 Unit Size

The guidelines set forth below generally establish the unit size based on the size and composition of the family:

Number of Family Members		
Number of Bedrooms	Minimum	Maximum
0 (Studio)	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

In addition to the above guidelines, the CHA shall determine an applicant household's appropriate unit size based upon the following criteria:

a) Single person families shall be allocated not more than one bedroom;

b) No more than two persons are required to occupy a bedroom;

c) A family that consists of a pregnant woman (with no other person) must be treated as a two person family;

d) Adult household members of the opposite sex, excepting husband and wife (or those in a similar living arrangement), do not have to share a bedroom; however, other household members of the opposite sex may elect to share a bedroom;

e) Persons of the same sex shall share a bedroom, provided that a household member, age 21 or over, may elect not to share a bedroom with his or her child, grandchild, or legal ward;

f) A household member does not have to share a bedroom if a consequence of sharing is or would be a severe adverse impact on his or her mental or physical health and if the CHA receives reliable medical documentation as to the impact of sharing;

g) Only bedrooms may be used for sleeping purposes by household members;

h) The living room, kitchen, bathroom, and hallways shall not be used for sleeping purposes by any household member;

i) A household member shall be considered to be living regularly with a family if temporarily absent for reasons such as hospitalization, duty assignment, employment, or school attendance in another location. Upon receipt of notice from the Department of Social Services that one or more children will be reunified with a household member, such child or children, if eligible and qualified, shall be considered household members for purposes of securing a unit of appropriate unit size for the reunified family;

j) Space will not be provided for a family member who will be absent most of the time, such as a member who is away in the military or a child who is away at school but who lives with the family during school recesses; or in situations involving custody of a child for less than 50% of time;

k) A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size;

l) A foster child will be considered in determining unit size only if he/she will be in the unit for more than twelve (12) months;

m) Children of the opposite sex under the age of five must share a bedroom (e.g. a five year old girl must share a bedroom with a three year old); persons within the same generation of the same sex shall share a bedroom;

n) Persons of different generations, persons of the opposite sex (other than adults who have a spousal relationship) and unrelated adults should be allocated a separate bedroom;

o) A full-time, live-in personal care attendant, whether or not a household member for purposes of rent determination, if determined by the CHA to be qualified, shall be deemed a household member for purposes of determining the appropriate unit size in public housing; and

p) In the event that a household member, who has signed the lease, applies for the addition of a person as an additional household member, the CHA shall determine whether the person is qualified and

whether the augmented family is eligible. If so, the CHA shall approve addition of the household member to the family if the unit is of appropriate unit size or, if the unit is too small, upon transfer of the family to a unit of appropriate unit size.

3.3.5 Exceptions to Guidelines

The CHA may grant an exception to subsidy standards in determining the appropriate unit size for a particular family, if the CHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The CHA may provide a family with a unit that is larger than suggested by the guidelines, with the condition that the family will move to a smaller unit when another family needs the unit and a suitable smaller unit is available. If such a move becomes necessary, the cost of the move shall be the responsibility of the family. The CHA will require that the family sign a document reflecting its understanding of this exception and of the family's responsibilities. These provisions are outlined in the CHA Dwelling Lease.

3.3.6 Unit Offer

When an applicant approaches the top of the waiting list, the CHA shall make a final determination of the applicant's eligibility and suitability. After a verified determination of eligibility and suitability is made, and the applicant's name is at the top of the waiting list(s), or is otherwise the next candidate for a unit offer, the CHA shall make one (1) unit offer of a suitable unit to the applicant household.

The unit offer shall be for the unit(s) that has been vacant for the longest period of time or is the unit that will next be available. In some instances, the CHA may make a unit offer for a unit that is expected to become available and for some reason the unit does not become available. Under those unusual circumstances, there will be a second unit offer to the applicant.

A "suitable" unit is one that is appropriate in size and type for the applicant.

If the applicant provides reliable documentation establishing that the unit offered is inappropriate and would cause severe and unreasonable hardship, the CHA may offer different units to the family.

An applicant must accept a unit offer within five (5) days of the written offer. For good cause the CHA may extend the time for a response. An applicant who fails to accept a unit offer within five days or to provide documentation that the unit would cause severe and unreasonable hardship within that period shall be removed from the waiting list.

3.4 Communications

3.4.1 CHA to Applicants

All communications with applicants will be by first class mail, except when an applicant, who is a disabled person, requests some other form of communication (for example, a telephone call, communication with a designated third party, etc.). Failure to respond to CHA communications may result in withdrawal of an applicant from all waiting lists.

3.4.2 Applicants to CHA

It is the responsibility of each applicant to inform the CHA in writing of any change in address, telephone number, household composition, change in preference, or other information, which may affect the status of the application while on the waiting list(s). For an applicant with no fixed address, such as homeless households, the address of a social service agency may be used for CHA contacts; however, if the applicant finds permanent housing, the address must be reported to the CHA in writing at once.

CHAPTER 4: ELIGIBILITY AND SUITABILITY FOR ADMISSION

4.1 General Provisions

4.1.1 Overview

The CHA thoroughly screens each individual applicant in accordance with HUD regulations and sound management practices to determine whether an applicant is both eligible and suitable for public housing. To demonstrate eligibility, an applicant must satisfy five separate eligibility requirements and demonstrate that the head of household: (i) is eighteen years or older at the time of the initial application and qualifies as a family, (ii) has an income within the appropriate income limits, (iii) meets citizenship/eligible immigrant criteria, (iv) provides documentation of Social Security numbers, a certificate of live birth for each household member, and (v) meets or exceeds the eligibility and suitability selection criteria.

4.1.2 Duty to Cooperate

Applicants are required to respond to the CHA within the specified time frames to any request to review their application and/or submit or update information and/or execute any necessary documents. Failure of the applicant to do so will result in removal of the applicant from the applicable waiting list(s). CHA reserves the right to require applicant status checks, changes to applications regarding income and Family circumstances, etc., to be done in person, by mail or electronically.

4.1.3 Fraud or Misrepresentation

Any applicant who has committed fraud or any person who knowingly or intentionally aids or abets any other person in obtaining or attempting to obtain or in establishing or attempting to establish eligibility for, any public housing, Section 8, or other subsidized program by the use of fraud, misrepresentation or other fraudulent scheme or device is not eligible for public housing admission for a period of one (1) year from the date of the final denial.

4.1.4 Applicant Interviews

The CHA shall conduct interviews with applicants for the Programs in accordance with the following guidelines.

a) Private Interview

Insofar as possible, application interviews shall be conducted in a private or semi-private atmosphere where CHA can reasonably

maintain the confidentiality of the information that the applicant or family provides.

b) Consistency of Information

During the applicant's formal interview, the eligibility interviewer will compare new information received with past information stated on application and, if necessary, inquire of the applicant family the reason(s) for any discrepancies, and/or require additional documentation.

c) Additional Documentation

Additional documentation or verifications specifically requested of the applicant must be provided within one week, or such other reasonable time as CHA may determine, from the interview date unless an extension is granted.

4.2 Applicant Eligibility

In order to meet the eligibility criteria for public housing, an applicant must meet the following standards:

4.2.1 Family Eligibility

At a minimum the applicant must be a family as defined by HUD regulation [24 CFR 5.403] and must be income eligible, i.e. a low income family.

4.2.2 Income Eligibility

To be eligible for admission, an applicant must be a low-income Family at the time of admission (i.e. family income does not exceed 80% of HUD established median income for Chattanooga). Annual income, not adjusted income, is used to determine whether an applicant is eligible. Generally, the applicant is eligible for admission into any unit in the CHA's developments subject to CHA initiatives regarding de-concentration strategies.

The income eligibility criteria apply only at admission and are not applicable for a tenant family's continued occupancy. Income eligibility restrictions do not apply to families transferring within the CHA's Program. However, a family may not be admitted to the CHA's Program from the Section 8 Program or from a public housing program operated by another housing authority without meeting the income requirements.

4.3 Citizen/Non-citizen Eligibility [24 CFR 5.506]

To be eligible for admission, each member of the family must be a United States citizen, national or a non-citizen that has eligible immigration status in one of the following categories:

4.3.1 Permanent Resident

Lawfully admitted for permanent residence as an immigrant, including special agricultural workers;

4.3.2 Attorney General Designation

Entered the United States before January 1, 1972 and has maintained continuous residence thereafter, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General of the United States;

a) Asylum/Refugee

Lawfully present in the United States pursuant to the granting of asylum (refugee status);

b) Emergent/Public Interest

Lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest (parole status);

c) Deportation Withholding

Lawfully present in the United States as a result of the Attorney General of the United States withholding of deportation (threat of life or freedom); and/or

d) Amnesty

Lawfully admitted for temporary or permanent residence (amnesty granted under Immigration and Naturalization Action Section 245A).

A family shall not be eligible for assistance unless every member of the family who will reside in the unit is determined to have eligible status, unless the family is a mixed family under appropriate HUD regulations [24 CFR 5.506, 5.516, 5.518] or certain family members are eligible for temporary deferral of termination of assistance or HUD determines that benefits should otherwise continue or be granted.

4.4 Social Security Eligibility

To be eligible, all family members must provide a Social Security number. Generally, no family member may be added to the lease prior to the verification of his or her Social Security number.

4.5 Execution of Consent Forms [24 CFR 5.230]

To be eligible, each member of the family who is at least 18 years of age shall sign one or more consent forms. The consent form(s) must contain, at a minimum, the following:

4.5.1 SWICA Authorization

A provision authorizing the CHA to obtain from State Wage Information Collection Agencies (SWICAs) any information or material necessary to complete or verify the application for participation or for eligibility for continued occupancy. For residents, a provision authorizing the CHA to obtain information or material through the Upfront Income Verification ("UIV") program to determine continued eligibility:

4.5.2 Employer Authorization

A provision authorizing HUD or CHA to verify with previous or current employers income and job related information pertinent to the family's eligibility for or level of assistance:

4.5.3 IRS and SSA Authorization

A provision authorizing HUD or CHA to request income information from the Internal Revenue Service and the Social Security Administration for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits;

4.5.4 Credit Report / Previous Landlord Authorization

A provision authorizing CHA to secure credit reports and a previous landlord history report;

4.5.5 Substance Abuse Treatment Records Authorization

A provision which will authorize the release of certain medical and treatment history for persons who have enrolled in an alcohol or substance or drug abuse facility and are stating to the CHA that they have been rehabilitated from the alcohol and substance or drug abuse;

4.5.6 Criminal History Authorization

A provision that authorizes the CHA to conduct a criminal background investigation of the applicant and each member of the applicant's family who is at least 16 years old.

4.5.7 Expiration Statement

A statement that the authorization(s) to release the information requested by the consent form expires 15 months after the date the consent form is signed. This provision will not apply to the Criminal History Authorization.

4.6 Applicant Suitability [24 CFR 960.203]

4.6.1 General

The CHA will evaluate each applicant to determine whether the applicant would be reasonably suitable as a resident of a CHA community. The CHA will deny admission to any applicant whose habit(s), action(s) and/or practice(s) reasonably may be expected to have a detrimental effect on other residents, site based management or maintenance staff, CHA's agents, contractors or employees, or other members of the public in and around the community. These suitability provisions shall also apply to any person who may be eligible to become head of household by reason of a family separation, or who may become a family member due to:

a) Addition to the lease;
b) Live-in aide;
c) Guardianship; or
d) A residual family.

The CHA may declare applicants who fall into one of the following categories (on an individual basis) to be unsuitable for admission to the public housing program. Before such a determination is made, the CHA shall give consideration to favorable changes in the behavior pattern of the applicant, length of time since the latest offense and other extenuating circumstances that indicate the applicant would or could be a responsible resident.

4.6.2 One Strike Policy & Criminal Background

It is the policy of the CHA that each applicant for the Programs shall be screened for criminal activity. The CHA has discretion to deny admission to an applicant:

a) Who was evicted from Public Housing, Indian Housing, Section 23, or any Section 8 Program because of drug-related criminal activity for a

three-year period beginning on the date of such eviction. (Drug-related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance.) The CHA shall use information contained in its own files, or information obtained from other housing agencies to make a determination that the person is ineligible. Note: This requirement may be waived if the person demonstrates successful completion of a re-habilitation program approved by the CHA, or the circumstances leading to the eviction no longer exist. For example, the individual involved in drugs no longer is in the household because the person is incarcerated;

b) Who the CHA has reasonable cause to believe illegally uses a controlled substance in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents;

c) Who is a fugitive felon or parole violator: (1) Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or (2) violating a condition of probation or parole imposed under federal or state law;

d) Who has a recent history of criminal activity involving crimes to persons or property and/or other criminal acts that affect the health, safety, or right to peaceful enjoyment of the premises by other residents;

e) Who has a drug possession charge listed within 5 years of the application date;

f) Who has an aggravated assault charge listed within 5 years and of the application date;

g) Who has simple assaults within 5 years of application date;

h) Who has any drug paraphernalia charge listed within 5 years of application date;

i) Who has any charge related to the manufacture, sale or delivery of any controlled/scheduled substance within ten years of application date (***Note:*** Manufacture of methamphetamine is a lifetime ban.);

j) Who has any history of homicide or attempted homicide in any degree (***Note:*** lifetime ban);

k) Who has a history of sex offenses to include but not limited to rape, sexual battery, unlawful sexual contact, and indecent exposure (***Note:*** Listing on the Sex Offender Registry is a lifetime ban.);

l) Who has any charge relating to a violent felony within 5 years, to include but not be limited to arson, robbery, and mayhem;

m) Who has any charge relating to a public order crime within 5 years of application date, including but not limited to public intoxication, disorderly conduct, vandalism, and prostitution;

n) Who has committed any other Criminal Act determined to be detrimental to the safety and well being of the CHA public housing community;

o) Who has engaged in acts of domestic violence within 5 years of the application date, including but not limited to dating violence, assault, sexual assault, and stalking; however, the CHA shall follow the terms of the Violence Against Women Act of 2005 in determining eligibility);

p) Who has been banned from CHA properties by being placed on the CHA No-Trespass List.

Generally, an applicant will not be denied for an incident more than five (5) years old unless that incident involved murder, rape, armed robbery, child abuse/molestation, violence (e.g., aggravated assault), violent criminal activity, drug-related criminal activity, drugs, and/or the incident contributes to or evidences a pattern of consistent criminal activity.

4.6.3 Alcohol Abuse

Admission shall be denied to any person when the CHA determines that there is reasonable cause to believe that the person's pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. In making such determination, the CHA shall rely upon relevant information obtained from local law enforcement agencies, social service agencies, property owners, employers, alcohol abuse centers, acquaintances (including current tenants) who may contact the CHA to volunteer information, or any other appropriate source.

The CHA may waive policies prohibiting admissions if the person demonstrates to the CHA's satisfaction that the person no longer is engaging in abuse of alcohol and has successfully completed a supervised alcohol rehabilitation

program; has otherwise been rehabilitated successfully; and/or is currently participating in a supervised alcohol rehabilitation program.

4.6.4 Pattern of threatened abusive or violent behavior toward CHA/Site Based Management staff members, CHA agents and residents and/or others;

4.6.5 History of failure to meet financial obligations, especially chronic or consistent delinquency in rent, utility payment(s) and/or maintenance charges;

4.6.6 Record of serious disturbances of neighbors, destruction of property; or other disruptive or dangerous behavior;

4.6.7 Unsanitary, unduly sloppy or hazardous housekeeping that could adversely affect the health, safety or welfare of other tenants;

4.6.8 Eviction from Public Housing

Any applicant who has been evicted from any public housing community for any reason cannot be placed on any site based waiting list for a period of twelve (12) months from the date of the eviction. Furthermore if the eviction is due to drug-related criminal activity or other serious criminal activity the applicant cannot be placed on any site based waiting list for a minimum of five (5) years after the date of the eviction. Any applicant who owes a verified or admitted move-out balance to CHA (regardless of time) or any other HUD subsidized program will not be considered for readmission until the account is paid in full.

4.6.9 Credit History

Record of eviction, judgment, significant debt which would reduce or reasonably inhibit the ability to pay.

4.6.10 Landlord Contact

Contact with the current landlord and, if applicable, at least one prior landlord to gather information about past performance in meeting rental obligations.

4.6.11 Utility Supplier

Contact with one prior utility supplier to gather information on the applicant's payment history.

4.6.12 Other Contacts

Contact with such other person(s) or entity/entities as CHA may deem necessary to demonstrate applicant’s previous and current ability and/or willingness to pay the rent and other applicable charges in a timely fashion.

4.6.13 Debt to Federal Subsidized Housing Programs

An applicant may be denied admission to the CHA’s Programs if the applicant has not paid back any debt owed to CHA from a previous tenancy and/or other

federal subsidized housing program(s). This would include the violation of any terms and agreements of the Housing Choice Voucher Program.

4.6.14 Other Behavior
Other behavior that would indicate an inability to comply with essential lease terms.

The purpose of these screening criteria is to prohibit admission to the CHA's housing of any person that it determines to be likely to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents and/or to be unable to comply with essential lease terms. In considering the elements leading to the determination, the CHA shall not consider whether the applicant happens to have a disability; rather, the focus shall be on whether the person's recent behavior indicates that he/she or she likely would continue to engage in behavior that would be in non-compliance with the dwelling lease.

4.7 Consideration of Mitigating Circumstances

The CHA shall have the right (but is not obligated to do so) to impose, as a condition of admission to or continued assistance in the Program for other household members, a requirement that any household member who engaged in or is culpable for drug use or alcohol abuse may not reside with the family in the household on the premises. Moreover, the CHA may require (but is not obligated to do so) that a household member who has engaged in the illegal use of a drug, or in alcohol abuse that threatened the health or safety of, or the right to peaceful enjoyment of the premises by, other residents, to submit evidence of current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program as a condition to being allowed to reside with the household or on the premises.

4.8 Results of Screening For Eligibility And Suitability for Tenancy

When the CHA has made a determination that an applicant is eligible and suitable, thereby satisfying all requirements for admission, the CHA shall notify the applicant of the approximate time when a unit will be offered to the family. The CHA reserves the right to verify an applicant's eligibility and/or suitability at any time prior to the placement of a family in a CHA community.

When the CHA has made a determination that an applicant is ineligible and/or unsuitable for the public housing program, the CHA shall provide prompt written notice of a decision denying assistance to an applicant. This notice shall contain a brief statement of the reasons for the CHA's decision. The notice will also state that the applicant may request an informal hearing in writing within ten (10) days of the date of the notice. The CHA shall provide the applicant with the opportunity within a reasonable time period, to request an informal hearing on the determination. If the applicant fails to

request a hearing within the prescribed time period, the CHA will remove the applicant's name from the site based waiting list(s).

4.9 Review of Denial of Eligibility, Suitability, and Preference Status

Upon request, the CHA will provide an informal hearing to applicants who are determined to be ineligible and/or unsuitable in accordance with 24 CFR 960.208.

Requests for informal hearings must be delivered in person or by regular first class mail to the CHA. Failure to request an informal hearing will result in removal from the site based waiting list(s).

The Executive Director or his/her designee shall conduct the informal hearing. The applicant will be afforded the opportunity to present written or oral objections to the CHA's decision, present evidence, and question all witnesses. The CHA shall respond in writing with a decision, including the reasons for the final decision within fifteen (15) working days after the hearing or within other such reasonable period of time.

With regard to informal hearings:

a) the participant must be given the opportunity before the CHA's hearing to examine any CHA documents that are directly relevant to the hearing and be allowed to photocopy any such documents at the applicant's expense;

b) the CHA must be given the opportunity to examine before the hearing any applicant's documents that are directly relevant to the hearing and be allowed to copy any such documents at CHA expense.

c) the applicant may be represented by a lawyer at his/her own expense or other representative;

d) the hearing officer must not have made or approved the decision under review or be a subordinate of that person.

CHAPTER 5: VERIFICATION

5.1 General [24 CFR 960.259]

The CHA Shall verify all factors affecting eligibility, suitability and the family's portion of the rent payment, and will maintain documentation relating to the third party verification in the applicant/resident file. In those instances when third party verification is not available, the CHA shall document the reasons for the failure to secure third party verification.

At the time of determining final eligibility and suitability, the CHA shall require an applicant to provide the CHA access to reliable and reasonably obtainable documentation verifying the accuracy of information appearing on the application form or otherwise necessary for the CHA's determination. If the CHA has verified any information when making a preliminary determination of eligibility for the applicant, the CHA shall re-verify such information on its final determination of eligibility and suitability. Non-receipt of requested documentation, without good cause established by applicant, shall be cause for determining the applicant unsuitable.

Information regarding eligibility or suitability may be obtained by the CHA from interviews with the applicant and with others, from telephone conversations, letters, or other documents, and from other oral or written materials. All such information received shall be recorded in the applicant's file including the date of its receipt, the identity of the source, and the person receiving the information.

The verification methods described in this chapter shall apply to the application verification process as well as to the annual reexamination process.

5.2 Income Eligibility

The applicant/resident shall provide and authorize reasonable verification of information regarding income, exclusions from income and deductions (whether at initial determination or at any re-determination) in order to ensure reliability of the information.

The CHA shall require UIV/written third-party verification (verification by a reliable person or entity, other than the resident or household member, with knowledge of the facts) of all items of income, exclusions, or deductions. Verification of income, exclusions or deductions, if not complete by the rent re-determination date, may continue until completion.

The applicant/resident shall assist the CHA in securing reasonable verification and shall promptly provide all written authorizations for such verification upon request by the CHA.

5.3 Eligible Immigration Status [24 CFR 5.508]

The CHA shall determine the citizenship/eligible non-citizen status of each family member regardless of age.

Prior to being admitted, or at the first reexamination, each citizen and national will be required to sign a declaration of eligible immigration status under penalty of perjury and show proof of his/her status by such means as a birth certificate, military ID, or military DD 214 Form.

Prior to being admitted or at the first reexamination, all eligible non-citizens who are 62 years of age or older will be required to sign a declaration of eligibility immigration status under penalty or perjury, and provide proof of age.

Prior to being admitted or at the first reexamination, all eligible non-citizens under 62 years of age must sign a declaration of eligibility immigration status and a verification consent form and provide original Immigration and Naturalization Status (INS) documentation. The CHA will copy the individual's INS documentation and place the copy in the file. The CHA will also verify the individual's status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the CHA 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 non-citizens must be listed on a statement of non-eligible members and the list must be signed by the head of the household. Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

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

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 CHA determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens listed on the lease) to permanently reside in their 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.

For each family member, citizenship/eligible non-citizen 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 the individual's status will be

obtained at the next regular reexamination. Prior to a new member joining the Family, his/her citizenship/eligible non-citizen status will be verified.

5.4 Social Security Numbers [24 CFR 5.216]

Prior to admission, each family member must have a Social Security number and provide verification of his/her Social Security number. A new family member must provide this verification prior to being added to the lease.

The best verification of the Social Security number is the original Social Security card. If the card is not available, the CHA will accept letters from the Social Security Administration 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.

The CHA will require an individual who states that he/she does not have a Social Security number to sign a statement to this effect.

If a member of a resident family indicates that he/she has a Social Security number, but cannot readily verify it, the CHA shall request the individual to certify to this fact and provide the applicant/resident up to thirty (30) days to produce the verification. If the individual is at least 62 years of age, the CHA will provide up to sixty (60) days to produce the verification.

For each family member verification of Social Security number will be obtained only once. This verification will be accomplished prior to admission. .

5.5 Suitability

5.5.1 Landlord References

The CHA may require an applicant to provide the names and current addresses of all landlords (or housing providers) for the applicant and household members during the period two (2) years prior to application through the date of the final determination.

If, after request the CHA has failed to receive a reference from a landlord (or housing provider), it shall notify applicant of non-receipt; and the CHA shall request that applicant use his or her best efforts to cause the landlord (or housing provider) to submit the reference to the CHA. In the event the applicant uses his or her best efforts but is unsuccessful, the applicant shall cooperate with the CHA in securing information from other sources about the tenancy. Non-receipt of a reference from a landlord (or housing provider) shall be cause for determining an applicant unqualified unless the applicant can show that he or she has used best

efforts to secure the reference and that he or she has complied with reasonable requests for cooperation in securing other information.

5.5.2 Criminal Background Check

In determining an applicant's qualification, the CHA's Chief of Police shall check local criminal databases and the Tennessee Bureau of Investigation's Sex Offender Registry. The Chief of Police may also check the FBI's National Crime Information Center ("NCIC") of all adult household members aged 16 years and older. The CHA may also consider information relating to criminal history that is in the application.

In its application the CHA shall notify all applicants that criminal background checks will be performed on household members aged 16 and older. As part of the application, the applicant shall sign an acknowledgement of his/her understanding of the CHA's Criminal Background Check Policy.

The Chief of Police shall request Criminal Background Information via secure internet connections.

The dissemination of any information related to criminal histories by the Chief of the Police to anyone other than persons authorized to review the information by the Executive Director is expressly prohibited.

5.5.3 Other Information

The CHA shall conduct a credit check on the head of household.
The CHA may rely on other information in making a determination of an applicant's suitability.

5.6 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 third party and online verification methods. 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 CHA 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.

When third party verification cannot be obtained, the CHA may accept documentation received from the applicant/tenant. Hand-carried documentation will be accepted only if the CHA has been unable to obtain third party verification in a 21 day period of time. The CHA will maintain photocopies of the documents in the file.

When neither third party verification nor hand-carried verification can be obtained, the CHA will accept a notarized statement signed by the head, spouse or co-head. Such notarized documents will be maintained in the file. In those instances when third party verifications is not available, the CHA shall document the reason for failure to secure third party verification.

5.6.1 Types of Verifications

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 CHA 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	UIV/3rd 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 physician 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 physician	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	Bills, receipts, records of payments, dates of trips, mileage log, receipts for fares and tolls
Value of and Income from Assets		Checking (3) statements Savings (1) statement
Savings, checking accounts	Letter from institution	Passbook, most current statements
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	3rd Party Verification	Hand-carried Verification
Income		
Earned income	Letter from employer	A minimum of 6 consecutive recent 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, pension, 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	N/A
Participation	Indicating - Whether enrolled or complete - Whether training is HUD-funded - Whether federal, state, local govt., or local program - Whether it is employment training	Evidence of job start

	- Whether if has clearly defined goals and objectives - Whether program has supportive Services - Whether payments are for out-of-Pocket expenses incurred in order to participate in a program - Date of first job after program completion	

5.6.2 Timing of Verification

Verification information must be dated within 120 days of certification or reexamination. If the verification is older than this, the CHA will contact the source and request information regarding any changes.

When an interim reexamination is conducted, the CHA will verify and update any information related to the basis for the interim reexamination.

CHAPTER 6: INCOME, EXCLUSIONS AND DEDUCTIONS FROM INCOME

6.1 Computation of Net Household Income

In order to determine net household income, the CHA shall first determine gross household income. Gross household income includes the income of all family members, excluding the types and sources of income that are specifically excluded. The deductions set out below are deducted from gross household income so computed, and the result is net household income. The Total Resident Payment is determined from the net household income.

6.2 Annual Income [24 CFR 5.609]

6.2.1 General

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.

If it is not feasible to anticipate a level of income over a 12-month period (e.g. seasonal or cyclic income), or the CHA believes that past income is the best available indicator of expected future income, the CHA may annualize the income anticipated for a shorter period, subject to a re-determination at the end of the shorter period.

6.2.2 Annual Income Determination

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 [24 CFR 5.609(b)(1)];

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 [24 CFR 5.609(b)(2)];

c) The interest, dividends and other net income of any kind from real or personal property and/or 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 [24 CFR 5.609(b)(4)];

d) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic 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 [24 CFR 5.609(b)(4)];

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 [24 CFR 5.609(b)(5) & (6)];

f) Welfare assistance: If the welfare assistance payment includes an amount specifically designed for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: the amount of the allowance or grant exclusive of the amount specifically designated for shelter utilities; plus the maximum amounts that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a

percentage, the amount calculated under this requirement is the amount resulting from one application of the percentage.

g) Imputed welfare income: this is income from welfare benefits that have been reduced because of welfare fraud or because of non-compliance with economic self-sufficiency requirements. Although the family in fact has reduced income, the CHA will impute the welfare income to the family in an amount equal to the reduction in benefits.

h) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the CHA by the welfare agency) plus the total amount of other annual income [24 CFR 5.615];

i) 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; and

j) All regular pay, special pay and allowances of a member of the Armed Forces, except for hostile fire pay.

6.3 Exclusions from Annual Income

Annual income does not include the following:

a) Income from employment of children (including foster children) under the age of 18 years [24 CFR 5.609(c)(1)];

b) Payments received from the care of foster children or foster adults (usually persons with disabilities, unrelated to the resident family, who are unable to live alone)[24 CFR 5.609(c)(2)];

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 [24 CFR 5.609(c)(3)];

d) Amounts received by the families that are specifically for, or in reimbursement of, the cost of medical expenses for any family member [24 CFR 5.609(c)(4)];

e) Income of a live-in aide [24 CFR 5.609(c)(5)];

f) The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)];

g) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)];

h) The amounts received from the following programs [24 CFR 5.609(c)(8)]:

- Amounts received under training programs funded by HUD;

- Amounts received by a person with a disability that is 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);

- 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; [24 CFR 5.609(c)(8)(iii)]

- 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 CHA on a part-time basis that enhances the quality of life in the development as determined by the CHA. Residents enrolled in job training programs administered by the CHA are paid a stipend for hours spent in training. The training program and stipend cannot exceed 18 months. No resident may receive more than one such stipend during the same period of time.

  Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of CHA's governing board [24 CFR 5.609(c)(8)(iv)];

- Incremental earnings and benefits resulting to any family member from participation in qualifying state and 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 [24 CFR 5.609(c)(8)(v)];

i) Temporary, nonrecurring or sporadic income (including gifts) [24 CFR 5.609(c)(9)];

j) Reparation payment paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)];

k) Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse) [24 CFR 5.609(c)(11)];

l) Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)];

m) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump-sum amount or in prospective monthly amounts [24 CFR 5.609(c)(14)];

n) Amounts received by the family in the form of refunds or rebates under state and local law for property taxes paid on the dwelling unit [24 CFR 5.609(c)15)];

o) Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)16];

p) Amounts specifically excluded by any other federal statues from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion.)

- The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 [7 USC 201(h)];

- Payments to volunteers under the Domestic Volunteer Service Act of 1973 [42 USC 5044(g)]. Examples of programs include but are not limited to: Retired Senior Volunteer Program, Foster Grandparent Program, Senior Companion Program, and the Older American Committee Service Program;

- National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs;

- Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives, and Active Corps of Executives;

- Payments received under the Alaska Native Claims Settlement Act [43 USC 1626(a)];

- Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes [25 USC 459(e)];

- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program [42 USC 8624(f)];

- Payments received under programs funded in whole or in part under the Job Training Partnership Act [29 USC 1552(b)];

- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs [20 USC 1087 uu]. Examples of Title IV Programs include: Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships;

- Payments received from programs funded under Title V of the Older Americans Act of 1965 [42 USC 3056(f)]. Examples include the Senior Community Services Employment Program, National Caucus Center on the Black

aged, National Urban League, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb;

- Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established in the "In Re Agent Orange" product liability litigation;

- Payments received under the Maine Indian Claims Settlement Act of 1980;

- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;

- Earned income tax credit refund payments received on or after January 1, 1991;

- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990.

q) For a qualified resident, increases in income due to earnings are completely excluded in calculating rent for 12 months, after which, half the increased earnings are excluded for the following 12 months. The exclusion period may be interrupted, but in no event may the total number of months between the beginning of the exclusion and the final month of exclusion exceed 48 months. This earned income disallowance is available only to households under lease and to the following three categories of individuals:

- A person whose annual income increases because of employment after having been unemployed for at least 12 months;

- A person whose annual income increases because of new or increased earnings during participation in an economic self-sufficiency program or other job training program; or

- A person whose annual income increases because of new or increased earnings, during or within six months after receiving assistance, benefits or services from a program funded by any state program for TANF. The assistance is not limited to income maintenance, but also includes benefits and services such as child care and transportation subsidies

and one-time payments, wage subsidies and other amounts and services as long as the value of such benefits or services over a six month period is at least $500. [24 CFR 960.255]

6.4 Deductions from Annual Income [24 CFR 5.611]

The CHA shall deduct the following amounts from family income.

a) $480 for each household member who is under 18 years of age, or is over 18 and has a disability or is a full-time student in a college or vocational program, but is not the family head or spouse;

b) $400 per family when the head or spouse is at least 62 years of age or disabled. Note: Only $400 is an allowable deduction, even if both the head and the spouse are elderly or disabled.

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

- Un-reimbursed medical expenses of any elderly family or disabled family; and

- Un-reimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed, but this allowance may not exceed the earned income received by family members who are 18 years of age or older who are able to work because of such attendant care or auxiliary apparatus; and

d) Reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

6.5 Receipt of a Letter or Notice from HUD Concerning Income

If a public housing resident receives a letter or notice from HUD concerning the amount of verification of family income, the resident shall take the letter to the CHA staff member responsible for income verification within ten (10) days of receipt by the resident.

The CHA shall reconcile any difference between the amount reported by the resident and the amount listed in the HUD communication. This shall be done as promptly as possible.

After the reconciliation is complete, the CHA shall adjust the resident's rent beginning at the start of the next month unless the reconciliation is completed during the final five (5) days of the month and then the new rent shall take effect on the first day of the second month following the end of the current month. In addition, if the resident had not previously reported the proper income, the CHA shall do one of the following:

a) Immediately collect the back rent due to the CHA;

b) Establish a repayment plan for the resident to pay the sum due to the CHA;

c) Terminate the lease and evict for failure to report income; or

d) Terminate the lease, evict for failure to report income, and collect the back rent due to the CHA.

6.6 Cooperating With Welfare Agencies

The CHA will make its best efforts to enter into cooperation agreements with local welfare agencies under which the welfare agencies will agree:

a) To target assistance, benefits and services to families receiving assistance in the public housing and Section 8 resident-based assistance program to achieve self-sufficiency; and

b) To provide written verification to the CHA concerning welfare benefits for families applying for or receiving assistance in our housing assistance programs.

CHAPTER 7: DETERMINATION OF TOTAL TENANT PAYMENT & RENT

7.1 Family Choice [24 CFR 960.253(a)]

At admission and each year in preparation for a family's annual reexamination, the CHA shall provide each family with the choice of having rent determined under the income method or having rent set at the flat rent amount.

Seasonal employees, such as school support personnel, will have a choice of income being calculated based upon the actual time worked within the calendar year or on an annual basis.

Families have only one choice of rent selection per year except for financial hardship cases. In order for families to make informed choices about rent options, the CHA will provide the following information:

a) The CHA's policies on switching types of rent in case of a financial hardship; and

b) The dollar amount of resident rent for the family under each option. If the family chose a flat rent for the previous year, the CHA will provide the amount of income-based rent for the subsequent year only if the family specifically requests it and submits updated income information or if the CHA is conducting an annual reexamination on the three-year cycle.

7.2 Flat Rent [24 CFR 960.253(b)]

The flat rent is based on the market rent charged for comparable units in the private unassisted rental market in Chattanooga. It is equal to the estimated rent for which the CHA could promptly lease a unit after preparation for occupancy. Flat rents are offered to residents to promote mixed incomes in developments and encourage self-sufficiency.

The CHA has set a flat rent for each public housing unit. In doing so, the agency considered the size and type of the unit, as well as its age, condition, amenities, services, and neighborhood. The CHA determined the market value of the unit by comparing it to comparable unassisted units in the census tract in which it is located. The CHA used a minimum of three comparable unassisted units in its analysis.

The CHA also applied certain adjustment factors in determining the flat rents as set forth below:

Range:	$10.00	Half bath:	$ 8.00
Refrigerator:	$10.00	Full bath:	$ 13.00
Parking:	$10.00	Laundry:	$ 10.00

Families who opt for the flat rent will be required to undergo an income reexamination process every three years, rather than an annual review. However, families who choose flat rent will be required to sign required HUD forms and report any changes in family composition on an annual basis.

Families who opt for the flat rent may request to have a reexamination/interim and return to the income based method at any time for any of the following reasons: the family's income has decreased; the family's financial circumstances have changed such as increased expenses for child care or medical care, and other circumstances creating a hardship on the family such that the income method would be more financially feasible for the family.

The CHA will post the flat rents at each of the developments and at the CHA's main office. The Board incorporates flat rents in this policy upon approval.

There is no utility allowance for families paying a flat rent.

7.3 The Income Method

An income-based rent is a resident rent that is based on the family's income. The total resident payment is equal to the highest of:

- 10 percent of the family's monthly income; or
- 30 percent of the family's adjusted monthly income; or
- The minimum rent of $50.

The amount of the income-based 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 anniversary date of move in for each affected family.

7.4 Minimum

Rent [24 CFR 5.630]

The CHA has established a minimum rent of fifty dollars ($50.00).

The CHA shall grant an exemption from the payment of the minimum rent if the family is unable to pay the minimum rent due to financial hardship. Financial hardship includes the following situations:

a) The family or individual has lost eligibility or is waiting for an eligibility determination for a Federal, State, or Local assistance program;

b) The family or individual would be evicted as a result of the imposition of the minimum rent requirement;

c) The income of the family or individual has decreased because of a changed circumstance, including loss of employment; and/or

d) A death in the family has occurred.

If a family requests a hardship exemption, the CHA shall suspend the minimum rent requirement beginning the month following the family's request for a hardship exemption, and continuing until the CHA determines whether there is a qualifying financial hardship and whether it is temporary or long term.

The CHA shall promptly determine whether a qualifying hardship exists and whether it is temporary or long term. The CHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a hardship exemption.

If the CHA determines that a qualifying financial hardship is temporary, the CHA shall reinstate the minimum rent from the beginning of the suspension of the minimum rent. The CHA shall offer the family a reasonable repayment agreement, on terms and conditions established by the CHA, for the amount of back minimum rent owed by the family.

If the CHA determines that a qualifying financial hardship is long-term, the CHA shall exempt the family from the minimum rent requirements so long as the hardship continues. The exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

7.5 Rent for Families Under the Non-citizen Rule [24 CFR 5.518]

A mixed family may receive continued 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 immigration status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child of the head of household or spouse.

If a mixed family qualifies for prorated assistance (and does not qualify for continued assistance), but decides not to accept prorated assistance, or if a family has no members with eligible immigration status, the family may be eligible for temporary deferral of termination of assistance if necessary to permit the family additional time for the orderly transition of those family members with ineligible status, and any other family member involved to other affordable housing.

The CHA shall prorate an eligible family's assistance using the following calculation:

a) Determine the 95th percentile of gross rents (resident rent plus utility allowance) for the CHA. The 95th percentile is called the maximum rent.

b) Subtract the family's total resident 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 resident payment. From this amount subtract the full allowance to obtain the prorated resident rent.

7.6 Utility Allowance

The CHA shall establish a utility allowance for all check-metered utilities for those residents who elect the income method calculation and/or pay a minimum rent of $50.00. 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. Allowances will be evaluated at least annually as well as any time utility rate changes by 10 percent or more since the last revision to the allowances. In addition to the utility allowances, the CHA has established a surcharge of $20.00 per month for the months of May through September for residents residing in a CHA High Rise building and residents residing at Harriet Tubman Development Units 500-599.

Utility allowance revisions based on rate changes shall be effective retroactively to the first day of the month following the month in which the last rate change took place. Revisions based on changes in consumption or other reasons shall become effective at each family's next annual reexamination.

Families with high utility costs are encouraged to contact the CHA for an energy analysis. The analysis may identify problems with the dwelling unit that, once corrected, will reduce energy costs. The analysis can also assist the family in identifying ways that they may reduce their costs.

7.7 Rent Payment Methods

Rent and other charges are due and payable on the first day of the month. All rents shall remain in effect until adjusted in accordance with the provisions of the lease. If a reasonable accommodation on where to pay rent is needed, other arrangements can be made. Payments may be made at the Asset Management Office by check, money order, State of Tennessee Electronic Benefit Transfer Card (EBT) (where available), or debit card in the amount due (where available). Payments in cash not to exceed $5.00 will also be accepted at the Asset Management Office

If the rent is not paid by the fifth calendar day of the month, rent shall be considered delinquent and a 30-day Notice to Vacate will be issued on the first offense and a 14-day Notice to Vacate will be issued on subsequent delinquencies to the tenant. If rent is not paid by the 15th day of the month, a late charge shall be assessed which will not exceed ten percent (10%) of the amount of rent past due, or $5.00, whichever is less. If money payable on a tenant's account is paid by a personal check and the check is returned for insufficient funds, this shall be considered a non-payment of rent and will incur the late charge plus an additional charge of $25 for processing costs.

For residents who have a primary source of income that is provided by the Federal Government, such as Social Security, SSI, VA or Widow's Pension, rental payment will be due within five (5) business days after receipt of the benefit. Residents must provide documentation to the Site Based Management Office of the anticipated day benefits will be received. If rent and other charges are not paid within the specified five (5) days, the resident will be accessed a late fee.

CHAPTER 8: COMMUNITY SERVICE AND CONTINUED OCCUPANCY

8.1 General

Community service is the performance of voluntary work or duties that are a public benefit and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities. [24 CFR 960.601]

In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service, or (2) participate in an economic self-sufficiency program, or (3) perform eight hours per month of combined activities as described unless exempt from this requirement.

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 such as: programs for job training, work placement, basic skills training, education, English proficiency, financial or household management, apprenticeships and any program necessary to ready a participant to work such as substance abuse or mental health treatment.

Each family member required to perform community service must perform eight hours of community service activities per month during the twelve month period. It is unacceptable, for example, to perform 96 hours of community service in one month and no community service in the remaining eleven months of the year.

8.2 Exemptions [24 CFR 960.601]

An exempt individual is an adult who:

a) Is 62 years or older; or

b) Is a blind or disabled individual as defined under 216(I)(1) or 1614 of the Social Security Act (42 U.S.C. 416(I)(1) and who certifies that because of this disability he or she is unable to comply with the community service requirement, or is a primary caretaker for such an individual;

c) Is engaged in work activities for at least 20 hours per week;

d) Meets the requirements from having to engage in a work activity under the State program funded under part A of Title IV of the Social Security Act (42 U.S.C. 601) or under any other welfare program of the State in which the CHA is located, including a State-administered welfare to work program; or

e) Is a member of a family receiving assistance, benefits or services under a State program funded under part A of Title IV of the Social Security Act or under any other welfare program of the State in which the CHA is located, including a State administered welfare to work program, and has not been found by the State or other administering entity to be in noncompliance with such a program.

8.3 Notification of the Requirement

The CHA shall provide written notification to each adult family member about the community service requirement and related exemptions. The notification will provide the opportunity for the family member to claim and explain an exempt status. The CHA shall verify each claim for exemption.

The notification will also advise family members that the community service obligation will begin upon the effective date of their first annual reexamination on or after October 1, 2003. For families paying a flat rent, the obligation begins on the date that the annual reexamination would have been effective had an annual reexamination taken place. The notification will also advise that failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

8.4 Community Service Volunteer Opportunities

The CHA will coordinate with social service agencies, local schools, the CHA's Resident Services Department and others to compile a list of community service volunteer opportunities. However, it is the resident's responsibility to secure opportunities for community service credit. The CHA is responsible for maintaining the record of documented community service compliance for affected residents and for determining the eligibility of the family for continued occupancy.

8.5 Assuring Resident Compliance [24 CFR 960.607]

If qualifying activities are administered by an organization other than the CHA, the family member must provide signed certification to the CHA by the organization that the family member has performed the community service activities.

If the CHA determines that there is a family member who is required to fulfill the community service requirement, but who has violated this family obligation, the CHA shall notify the resident of this determination.

The CHA's notice shall briefly describe the non-compliance and state that the CHA will not renew the lease at the end of the twelve-month lease term unless the resident and any other non-compliant family member enter into a written agreement with the CHA to cure such non-compliance, and in fact cure the non-compliance in accordance with the agreement, or the resident provides written assurance satisfactory to the CHA that the resident or other non-compliant resident no longer resides in the unit. The notice shall

also state that the resident may request a grievance hearing on the CHA determination and that the resident may exercise any available judicial remedy to seek timely redress for the CHA's non-renewal of the lease because of the determination of non-compliance.

8.6 Resident Agreement To Comply With Community Service Requirement

If the resident or family member has violated the community service requirement, the CHA may not renew the lease upon expiration of the term unless:

a) The resident and any other non-compliant resident enter into a written agreement with the CHA to cure such noncompliance by completing the additional hours of community service or economic self-sufficiency activity needed to make up the total number of hours required over the twelve-month term of the new lease, and

b) All other members of the family who are subject to the service requirement are currently complying with the service requirement or are no longer living in the unit.

8.7 Prohibition Against Replacement Of CHA Employees

In implementing the community service requirement, the CHA may not substitute community service or self-sufficiency activities performed by residents for work ordinarily performed by its employees, or replace a job at any location where residents perform activities to satisfy the community service requirement. [24 CFR 960.609]

CHAPTER 9: RECERTIFICATION

9.1 General

At least annually the CHA will conduct a reexamination of family income and composition in accordance with a schedule for reexaminations developed by the CHA. The results of the reexamination are used to determine the rent that the family will pay and that the family is appropriately housed.

It is the responsibility of the resident to report changes in family composition between annual reexaminations throughout the year. Additionally a household that claims zero income must report any increase in income. The CHA may conduct an interim examination based upon notification of these changes.

In the event that a household's income decreases, the family should report this change within 10 days. The CHA shall conduct an interim examination based upon the change and shall adjust the resident's rent accordingly.

In the event that a household income increases, the family must report this increase within 10 days to the CHA. The CHA shall conduct an interim re-examination based upon the change and shall adjust the residents rent accordingly.

9.2 Annual Reexamination

Approximately four months prior to the scheduled date for a resident's reexamination, the CHA will mail a notification letter to the family advising of the upcoming reexamination interview, the necessary documentation that will be required from the family and the options for rent payment by the family.

a) Annual Reexamination Interview

During the scheduled interview, the CHA will review all income documentation and will determine if the family is appropriately housed. If the family is not appropriately housed, the CHA may initiate a transfer.

If the family fails to attend or reschedule the interview, the CHA will mail a second letter rescheduling the interview. The letter will also advise that if the family fails to attend or reschedule the second interview, the CHA will take eviction action against the family.

b) Flat Rent

Each year at the reexamination interview, the family has the option of electing a flat rent.

If the family elects to pay a flat rent, at the annual reexamination the CHA will require only information about the family composition and the completion of HUD required consent forms. The CHA will perform an income reexamination every third year for families electing to pay flat rent.

The CHA will advise the family the approximate time when the CHA will review the amount of the flat rent, the approximate rent increase that the family can expect, and the approximate date that a future rent increase could become effective.

At the reexamination interview, the CHA will require that the family sign a certification accepting or declining the flat rent.

A family who opts for a flat rent may at any time request to have a reexamination and return to the income-based rent in the event that the family's income has decreased, the family's financial circumstances have changed, and/or other circumstances that create a hardship for the family such that the income method would be more financially feasible for the family.

c) Income Method Rent

Each year at the reexamination interview, the CHA will require all information regarding income, assets, expenses and other information necessary to determine the family's share of rent. The family will complete all HUD required consent forms that will be used by the CHA to secure third party verification of the family's circumstances.

Upon receipt of the third party verification, the CHA will determine the family's annual income and will calculate the rent based on the highest of 10% of monthly income, 30% of adjusted gross monthly income or the minimum rent.

The new rent will generally become effective upon the resident's anniversary date, but in no event prior to 30 days written notice to the family of the rent increase. If a determination of the new rent is delayed due to a reason beyond the family's control, then the rent increase will be payable on the first of the month after expiration of the 30 day notice period.

Example: Resident's anniversary date is June 1st. Notification of rent increase is dated May 25. New rent becomes effective on June 1st, but does not become payable until July 1st

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 resident's anniversary date.

If the family caused the delay, any increase will be effective on the anniversary date. Any reduction in rent will be effective on the first of the month after the reported change, except in documented cases of hardship in which the family was unable to report the decrease in income.

If a new member is added to the lease, the CHA will recalculate the family's income based on the new family member. This may result in an increase in rent. The CHA will provide a 30-day notice to the family of this rent increase.

d) Treatment of Over-Income Families

The CHA shall not evict or terminate the tenancy of a family solely because the family is over the income limit for public housing if the family has a valid contract for participation in an Family Self-Sufficiency Program ("FSS Program") and/or if the family receives the earned income disallowance provided by 24 CFR 960.255.

For a resident who is not a participant in an FSS Program and/or is not receiving the earned income disallowance, the CHA shall not evict or terminate the tenancy of a family solely because the family is over the income limit for public housing until one year following the annual reexamination in which the family's income exceed the income limit for public housing.

9.3 Interim Reexamination

a) A family is required to report the following changes to the CHA between regular reexaminations within (10) ten days:

- Any increase or decrease in family income;
- A household member has been added to the family through birth, adoption, court ordered custody or marriage; and
- A household member is leaving or has left the household.

The head of household must provide adequate documentation of these circumstances such as copies of court orders, birth certificates, adoption certificates, etc.

b) The CHA shall conduct an interim reexamination for:

- A family whose income has increased or decreased and/or;
- Any family who had claimed zero income that has an increase in their income and/or;

- A family whose period of "earned income disregard" ends.

If total tenant payment decreases as a result of decreased income or other situations, that decrease will become effective on the 1st day of the month after the resident reports the decrease. In the event of an increase in total tenant payment, that increase will become effective on the 1st day of the second month after the resident reports an increase.

9.4 Additions to Lease If a resident desires that a new member be added to the household, the resident must complete an application form providing information about the new family member's income, assets, verified citizenship/eligible immigrant status, Social Security number if applicable, and all other information required of an applicant for public housing.

Upon receipt of this information the CHA will screen the application. If the CHA determines that the individual is eligible and suitable, the CHA will execute a new lease with the family reflecting the changed family composition.

If the CHA determines that the individual is ineligible or unsuitable, the CHA will so advise the family in writing of the determination and of the opportunity to request an informal hearing.

Except for additions due to birth or court awarded custody, the CHA may disallow the addition of a household member if a resident family is currently properly housed and the addition of a new member to the household will create an over-housed situation. Additionally, the CHA shall disallow the addition of a new member to the household when the existing household is in an over-housed situation.

In the event that the CHA denies a resident's application to add a person to his/her lease, he/she may appeal the decision through the CHA's Grievance Policy.

9.5 Residual Tenancy

a) Criteria

A remaining member of a resident household may apply to become the head of household in the event of the death, departure or incapacity of the head of household. The application to become head of household will be approved provided that the applicant meets the following criteria:

- An adult who has been a resident of record on the current lease for the unit for a minimum of nine months and whose income has been reported and included in the rent computations during the period of his/her occupancy unless he/she was without income or was a full-time student; or

In the event that the remaining member(s) of the household consists only of minor children, the applicant must be an adult who has been appointed either as a temporary or permanent guardian, is the natural parent of one or more household members, is willing to assume responsibility for the apartment and the household and is willing to enter into a lease. Under these circumstances, the CHA shall screen the applicant in accordance with the terms of this policy; or

- In the event that the remaining member of the household is an incapacitated adult who is unable to fulfill the responsibilities set forth in the lease, the applicant must be an adult who has been appointed as either a temporary or permanent guardian of the remaining household member, and is willing to assume responsibility for the apartment, and willing to enter into a lease. Under these circumstances, the CHA shall screen the applicant in accordance with the terms of this policy.

b) Divorce, Separation or Protective Order

In the event of divorce, separation or a protective order issued by a court under chapter 209A or other state or federal statute, any person(s) designated by the court will be permitted to apply to become the head of household provided that he or she would otherwise qualify under the terms of this policy.

c) Income

An applicant to become the head of household will not be found ineligible based on income exceeding the eligibility limits for applicants for admission to public housing.

d) Limitations

A remaining member of a resident household will not be considered for residual tenancy if the departing or incapacitated head of household is relocating to another CHA apartment or to the CHA's Housing Choice Voucher Program, is relocating to another subsidized or non-subsidized apartment, is purchasing a home, is under eviction for non-payment of rent or for cause, or has vacated with an outstanding balance due to the CHA.

(A resident shall be regarded as being "under eviction" if the Community Manager has determined to proceed with eviction and the resident's appeal rights have been exhausted.)

A remaining member of a resident household will not be considered for residual tenancy if the head of household has died and immediately prior to death, the head of household was under eviction for non-payment of rent or for cause, or died with an outstanding balance of more than two month's rent due to the CHA. (A resident shall be regarded, as being "under eviction" if the Community Manager has determined to proceed with eviction and the resident's appeals rights have been exhausted.)

Approval of residual tenancy shall be conditional on the remaining members of a resident household being properly housed. Where applicable, any approved applicant for residual tenancy shall remain under a Use and Occupancy Agreement and will not sign a CHA standard dwelling lease until such time as the household transfers to an appropriately sized unit. Refusal to transfer to an appropriately sized unit shall be considered a violation of this policy and will cause the revocation of the conditional approval of residual tenancy.

e) Appeals

An applicant to be added to the lease and/or applicant for residual tenancy may appeal in accordance with the chapter IV (F) of this policy. A resident who applies to add a person to the lease or who applies for residual tenancy may appeal in accordance with the CHA's Grievance Policy.

9.6 Misrepresentation

If the CHA determines that the resident has intentionally misrepresented facts upon which rent is based, the CHA shall retroactively charge the resident the appropriate amount of rent and take other such actions as permitted by law up to and including eviction and criminal prosecution.

CHAPTER 10: RESIDENT TRANSFERS

10.1 Policy

It is the policy of the CHA that a resident who resides in another unit may be transferred to another unit for administrative reasons or for good cause as set forth in this chapter.

10.2 Administrative Transfers

The Executive Director or his/her designee may request a resident to transfer from one unit to another unit for a sound administrative reason such as:

a) Fire in or condemnation of an occupied unit;

b) Harassment or abuse of a resident or household member;

c) When the CHA determines that there is extreme overcrowding ("extreme overcrowding" exists when the family size exceeds the maximum number of persons and composition for the number of bedrooms in the unit);

d) When the CHA is undertaking modernization, and the type of work being done requires that the resident temporarily or permanently relocates; and

e) When there are defects in the resident's unit that pose an immediate and serious threat to health and safety that cannot be immediately repaired.

f) When the CHA terminates its participation in a specialized housing program that may have been approved by HUD. Such programs could include the partnership with the Southeast Tennessee Human Resource Agency (SETHRA).

A transfer for administrative reasons may be made between units in elderly/handicapped housing and family housing in the event that the transfer cannot be made to a unit of appropriate unit size in the same type of housing, provided that the household is eligible for the housing to which the transfer is made.

The CHA may decide at any time to initiate a transfer for administrative reasons. Such a transfer must be implemented in a manner consistent with the relevant provisions of the resident's lease and/or applicable law. The Director of Asset Management will consider and approve, if appropriate, Administrative Transfers before all other transfer requests.

10.3 Transfers For Good Cause

A resident who resides in a unit has the right to request a transfer by the CHA to a different unit for good cause such as:

a) When the resident is “under-housed” (in a unit that is too small, based on family size) or “over-housed” (in a unit that is too large, based on family size); and

b) When there is a compelling and documented medical impairment that could be substantially improved by transfer to another available unit.

A transfer for good cause may be made between units in elderly/handicapped housing and family housing in the event that the transfer cannot be made to a unit of appropriate unit size in the same type of housing.

10.4 Requirements For Approval Of Requests To Transfer For Good Cause

In order to be eligible for a transfer for good cause the resident must:

a) File a transfer application with all supporting documentation;

b) Be current in rent, charges and fees owed to the CHA; and

c) Not have committed (and household members must not have committed) any serious violations of the lease for at least two (2) years, and the applicant is not subject to eviction proceedings or to the terms of an agreement for judgment in a prior eviction proceeding.

Supporting documentation for medical transfers shall include a written statement from a physician indicating: the specific nature of the medical impairment, contributing factors in the resident’s current unit/development that aggravate the medical impairment and why a different type of unit/development would substantially improve the resident’s medical impairment.

10.5 Placement On The Waiting List

a) Administrative Transfers

A resident with an administrative transfer application to a unit shall be assigned a place on the appropriate site waiting list above all other applicants. Within the group of applications for administrative transfer, the applications will be placed on the list in time and date sequence as received by the site management office.

b) Transfers for Good Cause

A resident with an application to transfer for good cause to a federally aided unit shall be assigned a place on the appropriate federal waiting list in the Asset Management Office. The CHA will assign it a place below

standard applicants within date and time sequence as received by the Asset Management Office. Within the group of applications for transfer for good cause, these applications are prioritized on the waiting list(s) based on the time and date of receipt of the application by the Applications Office.

10.6 Unit Offers

The CHA shall offer one unit that is appropriate in size and meets the circumstances of the transfer, and where the transfer is for medical reasons, appropriate for the resident's medical need. A resident must accept the transfer offer within seven (7) working days of its receipt or be removed from the waiting list. For good cause, the CHA may extend the time for accepting the offer. If a resident refuses to move pursuant to an Administrative Transfer, the CHA will begin eviction proceedings.

After being removed from the waiting list, the resident may not file an application to transfer for one year from the date that the application was removed from the waiting list.

10.7 Acceptance Of Unit

Upon offer and acceptance of a unit, the family will execute a new lease and pay any rent and/or security deposit within two (2) days of being advised that the unit is ready to rent. The family will be allowed five days to move after receipt of the key to the unit to which the resident is transferring. The resident may elect to retain possession of the unit for up to an additional three days; however, the family must pay rent in an amount that includes both the resident's share and the share that is subsidized by HUD.

10.8 Cost of the Resident's Transfer

The cost of a resident's transfer will be borne by the CHA when transfer is required by CHA modernization or rehabilitation work. The CHA will also bear the expense of a resident's transfer when action or inaction by the CHA has caused the unit to be unsafe or uninhabitable.

The cost for a transfer will generally be borne by the family under 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 family was originally properly housed and the transfer is needed to move the family to an appropriately sized unit, either larger or smaller, due to a change in family composition;

c) When a family that did not require an accessible unit accepted the unit and must transfer because a handicapped family needs an accessible unit. (Prior to acceptance of the unit, the family generally must sign a statement acknowledging an understanding that a transfer may be required if a handicapped family needs the unit.)

d) When the transfer is needed because action or inaction by the family 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.

10.9 Appeal

If the resident does not agree to an administrative transfer, or the CHA denies a resident's application to transfer for good cause, the CHA shall inform the resident of the right to request a grievance hearing. The resident must request the grievance hearing within 14 days of the denial of the transfer request.

CHAPTER 11: PET POLICY

11.1 Introduction

It is the policy of the CHA that a resident who resides in a federally-aided unit may be transferred to another unit for administrative reasons or for good cause as set forth in this chapter.

The CHA allows for pet ownership in its elderly/handicapped and family developments with the written pre-approval of the CHA in accordance with this policy.

General policy matters related to pets are set forth herein and are supplemented by the CHA pet rules, the CHA pet agreement lease addendum and the CHA's pet owner's absence agreement. Each of the documents related to pets may be obtained at the CHA's site management offices.

This policy does not apply to animals that are used to assist persons with disabilities. These animals are allowed in all public housing facilities with no restrictions other than those imposed on all residents to maintain the unit and associated facilities in a decent, safe and sanitary condition and to refrain from disturbing neighbors.

11.2 Pet Definition

Common household pets are limited to the following animal categories and related species:

11.2.1 Domestic Dogs

a) Maximum number per household: 1

b) Minimum age in elderly/handicapped developments: 6 months

c) Minimum age in family developments: 6-8 weeks old

d) Maximum adult weight: 25 pounds

e) Must be house broken

f) Must be spayed or neutered

g) Must have annual rabies and distemper inoculations as required by licensed veterinarian, as well as infectious hepatitis, leptospirosis, para influenza, and parvo inoculations at intervals recommended by licensed veterinarian

h) Animals deemed to be of a vicious breed are not permitted for safety reasons.

11.2.2 Domestic Cats

a) Maximum number per household: 1

b) Minimum age in elderly/handicapped developments: 6 months

c) Minimum age in family developments: 6-8 weeks old

d) Maximum adult weight: no restrictions

e) Litter must be changed twice a week

f) Must be spayed or neutered

g) Must have annual rabies and distemper inoculations and feline leukemia shots as required by licensed veterinarian

h) Must have scratching post

11.2.3 Birds

a) Maximum number per household: 2

b) Must be maintained inside cage at all times

c) Cage must be cleaned twice a week

11.2.4 Fish

a) Maximum number of aquariums: 1

b) Maximum aquarium size: 20 gallons

c) Aquarium or fishbowl must be cleaned as needed

Exception: If the CHA approved a family's application for a greater number of pets prior to the implementation of this policy, the family shall be permitted to keep those pets.

11.3 Pet Guidelines

The following guidelines apply to pets maintained by CHA residents. [Note: a household may have either one dog or one cat in addition to birds and fish.]

11.3.1 Approval

The Community Manager shall review the application and arrive at a decision by considering the following:

a) Whether the animal is a pet as defined above;

b) If available, prior landlord references (including references from the CHA in cases where tenant has had a pet in CHA property) relating to applicant's pet ownership, including problems with gnawing, chewing, scratching, or otherwise defacing the unit, common areas, and outside property.

If the Community Manager approves the application, the tenant must complete a "Pet Lease Addendum" and submit this form to the Community Manager. This document shall become part of the tenant's lease agreement.

The pet owner is responsible for providing the CHA with the following information and documents at the time of application and at the time of recertification provide updated inoculation records. These documents shall be kept in the pet owner's file:

a) Color photo and identifying description of the pet;

b) Attending veterinarian's name, address and telephone number;

c) Veterinary certificates of spaying or neutering, rabies, distemper combination, parvovirus, feline VRC, feline leukemia testing and other inoculations when applicable;

d) Veterinary certification of actual weight of projected adult weight and pet; and

e) Dog licensing certificates in accordance with local and state laws.

If the Community Manager denies the application, the tenant may request a hearing with the Director of Asset Management. This request must be submitted to the Community Manager in writing within fourteen (14) days of the tenant's receipt of the notice of denial. The Community Manager shall forward the request to the Director of Asset Management.

The Director of Asset Management shall conduct a hearing at a time and place convenient to both parties. The tenant may present any information relevant to his/her Application.

If the Director of Asset Management approves the application, he/she shall inform the tenant in writing within fourteen (14) days of the hearing and shall

direct the tenant to execute a Pet Lease Addendum with his/her Community Manager.

If the Director of Asset Management denies the application, he/she shall inform the tenant in writing within fourteen (14) days of the hearing.

11.4 Pet Owners Rights and Responsibilities

If the Application is approved, the pet owner shall assume the following obligations:

a) The pet owner shall be responsible for proper pet care, good nutrition, grooming, flea control, routine veterinary care and yearly inoculations. Dogs and cats must wear identification collars and tags with the tenant's name and phone number and the dates of the most recent inoculations and collars. A pet owner must keep a dog on a short leash, at all times, in common areas;

b) The pet owner is responsible for cleaning up after the pet inside the unit and anywhere on the CHA's property. A "pooper scooper" and disposable plastic bags should be carried at all times in common areas. The pet owner shall bag and dispose of waste in a receptacle designated by the CHA. Toilets are not designed to handle pet litter; therefore no pet debris shall be deposited in a toilet. Pet owners shall be responsible for the cost of repairs or replacements of any damaged toilets or pipes;

c) For hygienic reasons, pet blankets and bedding shall not be cleaned or washed in the laundry room;

d) The pet owner shall maintain the unit and its patio, porch and yard, if any, in a sanitary, insect-free, and odor-free condition at all times;

e) The pet owner must provide litter boxes for cat waste, which must be kept in the owner's unit. The pet owner shall bag and dispose of litter box waste in a receptacle designated by the CHA. Litter boxes shall be kept clean and odor free;

f) The pet owner shall prevent the pet from gnawing, chewing, scratching or otherwise defacing doors, walls, windows and floor covering of the unit, other units and common areas, as well as shrubs and landscaping of the development. Pet owners shall be responsible for cost of repair or replacement for any damages caused by the pet. Charges for damages will include materials and labor. Payment plans may be negotiated between the CHA and the pet owner. A dispute concerning the amount of damages is subject to the CHA Tenant Grievance Procedure;

g) The pet owner shall be responsible for the cleaning, deodorizing and sanitizing of carpeting and other floor coverings in the unit;

h) Pets are not to be tied outside or left unattended on a patio or porch;

i) The pet owner shall not alter the unit, patio, or other outside area to create an enclosure for a pet;

j) The pet owner shall not allow the pet to disturb the health, safety, rights, comfort or quiet enjoyment of other tenants. A pet will not create a nuisance to neighbors, residents, staff and/or visitors with excessive barking, whining, snapping, biting, chirping or other unruly behavior;

k) No pet is to remain unattended without proper care for more than twenty-four (24) hours, except in the case of a dog, which shall be no more than eight (8) hours. If the pet is left unattended and no arrangements have been made for its care, the CHA shall have the right to enter the premises to take the pet to be boarded at a local animal care facility at the expense of the resident;

l) The pet owner shall allow the CHA to inspect a pet owner's unit on a quarterly basis to ensure that the unit is being cared for properly. The CHA may increase the number of inspections at its discretion;

m) All female dogs over the age of six months and all female cats over the age of five months must be spayed. All male dogs over the age of eight months and all male cats over the age of ten months must be neutered. If health problems prevent such spaying or neutering, a veterinarian's certificate will be necessary to allow the pet to become a resident of the development and the exception will be at the Executive Director's or his/her designee's discretion;

n) The pet owner is responsible for providing the CHA with the information regarding the pet's inoculations, licensing, photograph and other information as required. This information shall be kept in the pet owner's file; and

o) The pet owner is responsible for keeping the CHA informed of any change of information.

11.5 CHA Rights and Responsibility

The CHA shall:

a) Post a copy of this policy for pet ownership and enforce these rules in a fair and just manner;

b) Keep proper records of pet owner's and pet's pertinent information, conduct unit inspections, investigate complaints and issue warnings and bills for damages, and schedule repairs;

c) Enforce the Lease Addendum; and

d) Reserve the right to require dog owners to relocate to a comparable unit on the ground floor of each building based upon written complaints concerning the behavior of the dog in the elevator or hallways, or the documented medical conditions of residents affected by the presence of the dog.

11.6 Pet Fee

The CHA will assess a non-refundable, annual Pet Fee in the amount of $150.00 per pet, per year to families who reside in family developments to cover the costs to the CHA relating to this Policy. The tenant shall pay the annual fee at the time of reexamination each year and provide proof of inoculations at such time.

Residents of elderly/disabled developments must pay a one-time non-refundable pet fee of $150.00. No fee will be required for medically documented service animals; i.e. seeing eye dogs in a development.

11.7 Pet Policy Violation Procedures [24 CFR 5.356]

a) Notice of Pet Rule Violation

If the CHA determines on the basis of objective facts, supported by written statements that the pet owner has violated a rule set out in this Policy, the CHA may serve a written notice of pet rule violation on the pet owner. The notice should:

- Contain a brief statement of the factual basis for the determination that the Pet Policy has been violated;
- State that the pet owner has ten days from the effective date of service of notice to correct the violation, including, in appropriate circumstances, removal of the pet or to make a written request for a meeting to discuss the violation;
- State that the pet owner is entitled to be accompanied by another person of his/her choice at the meeting; and
- State that the pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meting may result in the initiation of procedures to terminate the pet owner's tenancy.

b) Pet Rule Violation Meeting

If the pet owner makes a timely request for a meeting to discuss an alleged pet rule violation, the CHA shall establish a mutually agreeable time and place for the meeting, but no later than fifteen (15) days from the effective date of service of the notice of pet rule violation (unless the CHA agrees to a later date).

At the meeting the Community Manager and the pet owner shall discuss the alleged pet rule violation and attempt to correct it. The CHA may, as a result of the meeting, give the pet owner additional time to correct the violation.

c) Notice of Pet Removal

If the pet owner and the Community Manager are unable to resolve the pet rule violation at the meeting, or if the Community Manager determines that the pet owner has failed to correct the pet rule violation as agreed within the prescribed additional time, the Community Manager may serve a written notice on the pet owner.

The notice must:

- Contain a brief statement of the factual basis for the determination and the pet rule(s) that have been violated;
- State that the pet owner must remove the pet within ten days of the effective date of service of the notice of pet removal (or the meeting if notice is served at the meeting); and
- State that failure to remove the pet may result in lease termination procedures.

d) Termination of Lease Agreement or Removal of Pet

The CHA may not initiate procedures to terminate a pet owner's lease unless:

- The pet owner has failed to remove the pet or correct a pet rule violation within the applicable time period; and
- The pet rule violation is sufficient to begin procedures to terminate the lease under the terms of the lease, applicable HUD regulations, and or applicable state or local law.

CHAPTER 12: INSPECTIONS

12.1 Move-In Inspections

The CHA and prospective head of household will inspect the premises prior to signing the lease. The CHA will prepare a written statement of the condition of the premises that will be signed by a CHA representative and the head of household. The CHA will provide a copy of the signed inspection statement to the head of household and will retain the original in the family's file.

12.2 Annual Inspections

The CHA will inspect each public housing unit annually to ensure that each unit meets Uniform Physical Conditions Standards [24 CFR 5.701]. The CHA will initiate work orders to correct deficiencies.

12.3 Preventative Maintenance Inspections

The CHA may conduct preventative maintenance inspections periodically. These inspections are intended to keep items in good repair and to extend the life of the unit and its equipment.

These inspections may encompass checks on leaks, the condition of the smoke detectors, water heaters, furnaces, automatic thermostats and water temperatures. These inspections may also provide an opportunity to conduct seasonal checks on furnace filters, window screens and air conditioning units.

12.4 Special Inspections

The CHA may schedule special inspections to enable HUD or others to inspect a sample of the federal housing stock maintained by the CHA.

12.5 Housekeeping Inspections

Generally, at the time of annual reexamination, and at other times as necessary, the Community Manager will conduct a housekeeping inspection to ensure that the family is maintaining the unit in a safe and sanitary condition.

12.6 Notice of Inspection

The CHA will provide the resident with at least two (2) days written notice of annual inspections, preventative maintenance inspections, special inspections, and housekeeping inspections.

12.7 Emergency Inspections

The CHA may enter a unit without prior notice if there is reason to believe that an emergency condition exists within the unit. The CHA representative who enters the unit will leave a written notice in the unit advising the family of the date and time of entry and purpose for the emergency inspection.

12.8 Pre-Move Out Inspections

The CHA will offer to schedule a pre-move out inspection upon receipt of a resident's notice to vacate.

The inspection allows the CHA to assist the family in identifying any problems, which, if left uncorrected, could lead to vacate charges. This inspection is a courtesy to the family and has been found to be helpful both in reducing costs to the family and in enabling the CHA to prepare units more quickly for future occupants.

12.9 Move-Out Inspections

The CHA will conduct a move-out inspection at the time a resident vacates to assess the condition of the unit and determine responsibility for any needed repairs. The CHA will notify the resident about the inspection and encourage the head of household to be present. This inspection becomes the basis for any claims assessed by the CHA against the resident's security deposit.

CHAPTER 13: TERMINATION OF TENANCY

13.1 Termination By Resident

The resident may terminate the lease at any time upon submitting a 30-day written notice. If the resident vacates prior to the end of the thirty (30) days, he/she will be responsible for rent through the end of the notice period.
In the event of a resident's death in a single person household, the CHA shall terminate rent charges effective on the date that the family of the decedent returns the keys to the unit to the CHA. In the event of the death of an adult with income in a multi-person household, the CHA will recalculate the family's rent based on the change of income effective on first day of the month following the date of death.

13.2 Termination By The CHA

The CHA will terminate the lease for serious or repeated violations of material lease terms. Such violations include, but are not limited to, the following:

a) Nonpayment of rent or other charges;

b) A history of three (3) or more late/delinquent rental payments within the current reexamination period;

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 site-based management 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 on the property or drug-related criminal activity on or off the premises;

k) Noncompliance with community service requirements effective one year after the suspension is lifted;

l) Permitting persons not on the lease to reside in the unit for more than (14) days each year without the prior written approval of the CHA; and

m) Other good cause.

The CHA 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.

13.3 Extended Absences and Abandonment

The head of household must notify the CHA in writing if all members of the household intend to be absent from the unit for more than thirty (30) consecutive days. A family may not be absent from the unit for longer than sixty (60) consecutive days or 180 days if the absence is due to medical reasons. Upon request by the head of household, the CHA will install a keyed knob set lockout device for the duration of the extended absence.

If the family is absent from the unit in excess of these limits, the CHA may take appropriate legal action, up to and including eviction. A family may request that the CHA approve an absence in excess of these limits. The CHA shall consider such a request and may approve it only if extenuating circumstances exist.

If the CHA does not receive written notice from a family regarding an extended absence, the CHA shall consider that the unit has been abandoned if:

- There is reason for the CHA to believe that the unit has been unoccupied for thirty (30) days or more, and
- The rent is past due and the household has not acknowledged or responded to demands for payment.

If the CHA determines that a unit has been abandoned, the CHA shall enter the unit to conduct an emergency inspection and send a written notice of abandonment to the family at the unit address and to any emergency contact person provided by the resident by way of the U. S. Mail forwarding service requested.

If the family does not respond to the written notice of abandonment within ten (10) days of the date of the notice, the CHA shall take appropriate legal action, up to and including eviction.

Upon receipt of an eviction order, the CHA shall inventory any items remaining in the unit and shall follow the court's order in the disposition of the property.

CHAPTER 14: TENANT GRIEVANCE

14.1 General

It is the policy of the CHA to provide tenants with a method for dispute resolution and the opportunity for a grievance hearing. Tenants in CHA Programs have the right to request a grievance hearing. "Tenant" means the head of household.

14.2 Policy Application

This grievance policy applies to a dispute a tenant may have with respect to the CHA's action or failure to act in matters involving that tenant's lease with the CHA or CHA rules that adversely affect the tenant's rights, duties, welfare or status. This policy does not apply to disputes between tenants, class grievances, and is not a forum for initiating or negotiating policy changes between tenants and the CHA Board. This policy does not apply to participants of the Section 8 Housing Choice Voucher Program.

The CHA shall provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

There is no right to a grievance hearing in cases for nonpayment of rent.

Additionally, there is no right to a grievance hearing in cases for termination of lease based on:

a) The amount of rent due to the CHA, unless the tenant pays the CHA an amount equal to the amount of the rent due and payable as of the first of the preceding month in which the act or failure to act took place. The tenant shall thereafter deposit the same monthly amount until the case is resolved by decision of the grievance panel; or

b) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other tenants or employees of the CHA;

c) Any violent or drug-related criminal activity on or off the premises; and/or

d) Any criminal activity that resulted in a felony conviction of a household member.

14.3 Filing a Grievance

A tenant shall submit a written request for a grievance in writing and deliver or mail it to the CHA, within seven (7) days after the tenant's receipt of a notice of lease termination. The request for a grievance hearing must specify the reasons for the grievance and the action that the tenant wants the CHA to take or refrain from taking. (Forms are available at the site management offices)

A request for a grievance hearing regarding some other matter shall be submitted in the same manner as above, but within fourteen (14) days after the date on which the grievant first became aware or should have become aware of the subject matter of the grievance.

The CHA shall permit additional time up to 10 business days for initiation of a grievance if the CHA shall find that there was a good reason for late initiation of the grievance and that the late initiation would not cause prejudice to the CHA.

14.4 Informal Settlement Conference

After the filing of a request for a grievance hearing, the CHA shall provide the grievant with the opportunity to discuss the grievance informally to attempt to settle the grievance without the necessity of a grievance hearing. The CHA shall give reasonable advance notice to the grievant and his or her representative (if any) of a time and place for an informal settlement conference, unless the conference occurred at or before the time of filing. The CHA shall prepare a written summary of the settlement conference including the names of the participants, the date of the conference, and the nature of the informal settlement or proposed disposition. The tenant and the CHA shall preferably sign the summary. The CHA shall maintain a copy of the informal settlement. If a matter is not resolved at the informal conference, a grievance hearing shall be held. Failure to attend an informal settlement conference shall not affect a grievant's right to a grievance hearing. [24 CFR 966.54]

14.5 Selection of a Hearing Officer

A grievance hearing shall be conducted by an impartial person appointed by the CHA's Executive Director or designee, other than a person who made or approved the action under a review or a subordinate of such person. The Executive Director or designee shall provide a list of Hearing Officers approved to hear a grievance. From this list, the Executive Director or designee shall appoint a hearing officer for a specified period of time.

14.6 The Hearing

14.6.1 Hearing Date and Notice

The CHA shall schedule a grievance hearing based on termination of a lease case within fourteen (14) days or as soon as reasonably practical after the CHA's receipt of the request. The CHA shall schedule a grievance hearing regarding some other issue as soon as reasonably convenient after receipt of the request.

The CHA is responsible for scheduling and other administrative matters, including delivering notices. The CHA shall give reasonable advance written notice of the time and place of the hearing to the grievant and to his or her representative (if any). The CHA or the panel may reschedule a hearing by agreement, or upon showing by the grievant or the CHA, that rescheduling is reasonably necessary.

If the grievant does not request that the hearing be rescheduled and does not appear at the hearing, the grievant has waived the right to a hearing.

14.6.2 Pre-hearing Examination of Relevant Documents

Prior to a grievance hearing, the CHA shall provide the grievant and/or his or her representative a reasonable opportunity to examine CHA documents that are directly relevant to the grievance. Following a timely request, the CHA shall provide copies of such documents to the grievant and may waive the charge for the copies for good cause (including financial hardship).

14.6.3. Persons Entitled to be Present

The grievance hearing shall be private unless the grievant requests that it be open to the public. If the grievant requests an open hearing, it shall be open to the public unless the CHA otherwise orders. The CHA and the grievant shall be entitled to have a reasonable number of persons present at a grievance hearing. The Hearing Officer shall decide a challenge to the presence of any such person.

The CHA and the grievant may be represented by a lawyer or by a non-lawyer. Each person present at the hearing shall conduct him or herself in an orderly manner or shall be excluded. If the grievant is disruptive or belligerent at the hearing, the Hearing Officer may take other appropriate measures to deal with the behavior, including dismissing the grievance.

14.6.4. Procedure at the Hearing

The Hearing Officer shall conduct the grievance hearing in a fair manner without undue delay. The hearing shall be tape-recorded. Procedure at the hearing

shall be informal, and formal rules of evidence shall not apply. The Hearing Officer shall initially define the issues. Thereafter, relevant information, including testimony of witnesses and written material, shall be received regarding such issues. The grievant and the CHA shall be entitled to question each other's witnesses. The Hearing Officer may question witnesses and may take notice of matters of common knowledge and applicable laws, regulations, and CHA policies and procedures. The Hearing Officer may request the CHA or the grievant to produce additional information which is relevant to the issues or which is necessary for a decision to be made provided that the other party is provided an opportunity to respond to such additional information.

14.6.5 The Decision

a) Written Decision

After the hearing, the Hearing Officer must determine the decision. This decision must be based upon the evidence presented at the hearing, additional information requested and upon applicable laws, regulations, and CHA policies and procedures. The decision must be in writing, dated, and state the findings of fact and the reasons for the decision. Within fourteen (14) days following the hearing, or as soon as reasonably possible, the Hearing Officer shall provide the CHA with the written decision and the CHA shall then mail or deliver a copy of the decision to the grievant and his or her representative. The CHA shall make a copy of the decision available for public inspection with names and personal identifiers deleted.

b) Review of the Decision

For hearings related to termination of lease causes, the grievant or the CHA may request a review by the Executive Director only to the extent that there is a claimed violation of procedures related to the processing of the grievance.

14.6.6 Effect of a Decision on a Grievance

The decision on a grievance shall be binding between the CHA and the grievant with respect to the particular circumstances involved in the grievance, provided that if a court has jurisdiction to determine a matter that has been subject to decision on a grievance, the court's determination on the matter shall supersede the decision on the grievance. The fact that a person may have failed to grieve a matter shall not affect any such jurisdiction by a court. As between the CHA and any person who was not a grievant, the decision on a grievance shall have no binding effect.

CHAPTER 15: RE-PAYMENT AGREEMENTS

15.1 Policy

At the discretion of CHA, a family may enter into a written payment agreement to pay for excessive maintenance or excess utility charges and/or other amounts related to the family's tenancy, such as rent. In the event the amount owed due to fraud exceeds $1999.00, CHA may offer the resident an opportunity to enter a repayment agreement to pay the full amount within 30 days of the fraud hearing. The full amount due must be paid in full in one lump sum payment, absolutely no partial payments will be accepted.

In the event the amount owed due to fraud is $1,999.00 or less, the CHA requires a down payment of 25% of the balance owed as a good faith payment.

The payment agreement sets out the nature of the debt, the terms of payment, the time period in which payment is to be made, any other provisions relating to the payment arrangements and the remedies available to the CHA upon breach of the arrangement. The CHA may requires a down payment of one-third (1/3) of the balance owed as a good faith payment.

Full payment must be made within the following specified time periods:

Fire Damage or Casualty to Unit:	Up to 24 months
Maintenance/Utility Charge	Up to 12 months
Outstanding Rent	Up to 12 months
Fraud	Up to 12 months

A resident may request an extension of the time period in writing setting forth the reasons for the request. The CHA may approve an extension when extenuating circumstances exist and the resident has continued to make good faith efforts to pay the balance due. However, the resident must sign a "Reservation of Rights" form whereby the CHA will maintain its rights to file legal action if the resident fails to keep the agreement.

If the current payment balance is not paid prior to the first of the following month, then the terms of the Payment Agreement shall become null and void and the entire balance owing to the CHA shall become due and payable.

CHAPTER 16: FRAUD AND MISREPRESENTATION

16.1 Purpose

This section explains the consequences of misrepresentation and falsification of any application, data relevant to any reexamination or transfer related information by applicants or residents.

16.2 Federal Law Prohibitions

Any person who knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years, or both. 18 U.S.C. §1001.

16.3 Applicant and Resident Certification

Initial applications and applications for continued occupancy for the Program shall contain a warning that falsification of information is punishable under state and federal law.

CHA shall consider the misrepresentation of income and/or family status to be a serious lease and policy violation as well as a crime and shall take appropriate action if fraud is discovered. Specifically:

a) An applicant family who has misrepresented income or family status shall be declared ineligible for housing assistance if subsidy overpayments are determined to be $2,000 or greater if the amount determined due is not repaid in full within 30 days of the fraud hearing date or date of execution of the repayment agreement, or at the discretion of the Executive Director. For overpaid subsidy amounts under $2,000, a resident may be offered a repayment agreement of up to 12 months and continued occupancy under the terms of the repayment agreement. Eviction proceedings will begin if/when a resident has more than 2 (two) subsidy overpayments during any 60 month period, resulting from unreported or under reported income.

b) If an examination of a resident's file discloses that the resident made any misrepresentations (at the time of admission or during any previous reexamination) which resulted in the applicant/resident being classified as eligible when, in fact, the applicant/resident was ineligible, the resident shall be required to vacate the unit, even though the resident may be currently eligible.

c) Resident family who has made misrepresentations of income, transfer or family status shall be subject to both eviction and being declared ineligible for future housing assistance.

d) If it is determined that the resident's misrepresentations resulted in paying a lower rent than should have been paid, the resident shall be required to pay the difference between rent owed and the amount that should have been paid. CHA reserves the right to demand full payment within thirty (30) days.

e) CHA may report apparent cases of applicant/resident fraud to the appropriate governmental agency. It is the policy of CHA to cooperate with federal, state, county or local authorities in prosecuting cases which, in the CHA's judgment, appear to be willful or deliberate misrepresentation.

CHAPTER 17: OTHER CHA HOUSING PROGRAMS

17.1 Housing First Program

This specialized program is in partnership with the Partnership for Children, Families, and Adults and provides housing for homeless families that have been victims of domestic violence. Recognizing the extraordinary need for case management services in this population and the ability of the Partnership to service more families through creating a Housing First Model, the opportunity exist to place families in a permanent stable housing setting for six to twelve months with case management services.

The CHA has agreed to earmark up to 15 housing units at Emma Wheeler Homes for the program. Interested families will be referred to the Partnership for preliminary screening. The Partnership will confirm that the family is homeless, has a member who is a victim of domestic violence, is at low risk of further victimization, and is able and willing to participate in programming for a 6-12 month period. If all four requirements are met, the Partnership would refer the family to the CHA for additional screening in accordance with this ACOP: income eligibility, past landlord history, credit worthiness, and criminal history.

From there, the applicant family will be referred to a Multi-Disciplinary Assessment Team for the family's willingness to participate in the Program.

If admitted to the program, the family will sign a lease with the CHA and will be required to comply with all terms and conditions. The Partnership's case manager will provide supportive services for each participating family. At the end of the program period, the family will "graduate" and be allowed to remain in the apartment, however, the CHA will make another apartment available to the program.

All families selected for this special program will be placed on a special site based waiting list and given priority placement in an appropriate size unit, based upon availability.

17.2 Premiere Housing Program

The CHA has designated certain units within its portfolio of public housing units as Premiere Units which are made available to residents who are working full time and engaged in programming that would lead to economic self-sufficiency.

17.3 Southeast Tennessee Housing Resource Agency Program (SETHRA)

The CHA has agreed to participate in this program to provide assistance to chronically homeless individuals who have formerly been alcohol/drug dependent.

17.4 Tax Credit Housing Program

The CHA has developed units through the assistance of tax credits at Greenwood Terrace, The Oaks at Camden, and The Villages of Alton Park. Admissions for these units is governed by the terms of this ACOP and the laws, regulations, and guidelines governing tax credit developments, and the Management Agreements between the Managing Agent and the CHA, and incorporated by reference in this Admissions and Continued Occupancy Policy.

17.5 Employee Housing Program

The CHA has deprogrammed units at some of its developments to enable CHA maintenance staff to provide on-call emergency services to residents.

17.6 HOPE VI Program

CHA's HOPE VI Program involves the comprehensive revitalization of the McCallie Homes Community as a mixed income community (The Villages of Alton Park). The eligibility and screening criteria for the on-site and off-site replacement public housing units may include different and additional screening criteria as outlined in the Management Agreement between the Pennrose Management Company and the Chattanooga Housing Authority.

17.7 Police Officers in Public Housing

The CHA may permit police officers who would not otherwise be income eligible for occupancy in CHA properties to reside in its developments to enhance security for the residents of the developments in accordance with 24 CFR 960.505. The objective is to grant exemption to qualified police officers for long term residency in CHA communities, where the officers' physical presence is expected to serve as a deterrent to criminal activity in and around the community.

Attachment G
(Appendix 3)

HCVP Admin Plan

ADMINISTRATIVE PLAN FOR THE

HOUSING CHOICE VOUCHER PROGRAM

(SECTION 8)

REVISED
OCTOBER 2009

(APPROVED BY CHA BOARD OF COMMISSIONERS SEPTEMBER 28, 2009)

THE CHATTANOOGA HOUSING AUTHORITY
801 N. Holtzclaw Ave.
Chattanooga, Tennessee 37404

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ADMINISTRATIVE PLAN FOR THE HOUSING CHOICE VOUCHER PROGRAM (SECTION 8)

The purpose of the Administrative Plan is to establish policies for carrying out the program in a manner consistent with HUD requirements and CHA policy. The Plan covers both admission and continued occupancy for the CHA Housing Choice Voucher Program.

Section I. Program Overview

The Chattanooga Housing Authority (CHA) administers the Housing Choice Voucher Program (Section 8). Effective October 1, 1999, the Quality Housing and Work Responsibility Act merged the Section 8 tenant-based programs into the Housing Choice Voucher (Voucher) Program. Administration of these programs is in compliance with the U.S. Department of Housing and Urban Development (HUD) regulations for each Section 8 Program, as specified in 24 Code of Federal Register (CFR), HUD directives, CHA policy and this Plan. CHA complies with all federal, state and local housing regulations. Definitions of terms used in this Administrative Plan are included in Definition of Terms for Housing Assistance Programs administered by CHA.

A. Objectives of Housing Choice Voucher Program (Section 8)

The objective of the Chattanooga Housing Authority is to provide decent, safe, affordable and sanitary housing to low income Families otherwise unable to obtain adequate housing. The number of Families served is limited only by the funding available through local, state and federal programs, CHA's budget, and the availability of adequate housing.

The Voucher Program (Section 8) provides participating Families with a greater choice of housing opportunities by subsidizing rent payments to private landlords. Through these programs, CHA helps low-income Families obtain quality housing within CHA's geographical jurisdiction. CHA's jurisdiction refers to all cities located in whole or in part in Hamilton County.

Through program administration, CHA will:

1. Ensure Housing Quality Standards are enforced for all units under contract in the Voucher Program (Section 8);

2. Offer all current and future Section 8 Voucher Program Families counseling and referral assistance on the following priority basis:

    a. all Section 8 Voucher Families residing in a unit that is located in an area within which there is an uncorrected perimeter inspection or a unit in which payment to the Landlord is abated because of a failed inspection, and

b. all other Section 8 Voucher Families;

3. Make every good faith effort to relocate a substantial percentage of its Section 8 Voucher Families into low-poverty and low-minority geographical areas in accordance with the CHA De-concentration Plan.

B. Statutory and Regulatory Compliance

The CHA will comply with all federal and state statutes and regulations as applicable in its administration of the Program addressed by this Plan including, but not limited to, 24 CFR Part 5, 24 CFR 982, 24 CFR 983, the Quality Housing and Work Responsibility Act of 1998 ("QHWRA"), the Privacy Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act ("ADA"), Title VI of the Civil Rights Act of 1964, and regulations promulgated by HUD relating to fair housing and equal opportunity.

Section II. Non-Discrimination and Accessibility

The Plan is designed to ensure that all applicants, voucher holders and landlords involved in the Program are treated fairly, equitably, and in compliance with applicable federal, state, and local laws and regulations.

A. Fair Housing

The CHA shall affirmatively further fair housing in the administration of the Program. [24 CFR 5.105(a), 24 CFR 903.7(o), 24 CFR 982.53]

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

To further its commitment to full compliance with applicable civil rights laws, the CHA will provide federal/state/local information to applicants/participants of the Program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be available at the CHA Central Office located at 801 N. Holtzclaw Ave., Chattanooga, TN. In addition, all CHA written information and advertisements will contain the appropriate Equal Opportunity language and logo.

The CHA will assist any family that believes it has suffered illegal discrimination by providing copies of the appropriate housing discrimination forms. The CHA will also assist in completing the forms, if requested, and will provide the address of the nearest HUD Office of Fair Housing and Equal Opportunity. [24 CFR 982.304]

B. Reasonable Accommodation

The CHA shall make reasonable accommodations as required by law for handicapped/disabled persons to promote the objective of providing equal access to and participation in the Program. Except as otherwise provided in 24 CFR 8.21I(1), 8.24(a), 8.25 and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the CHA's facilities are inaccessible to or unusable by persons with disabilities.

The CHA will provide Requests for Reasonable Accommodation Forms at the Section 8 Voucher Program Office lobby for applicants and voucher holders who desire to request an accommodation based on a disability. The CHA will make known the availability of these forms in Pre-certification Meetings, Voucher Issuance meetings, recertification briefings, newsletters and other CHA communications with those involved in the Program.

If the participant requests (as a reasonable accommodation) that he or she be permitted to make physical modifications to their dwelling unit (at their own expense), the request should be made to the property owner/manager. CHA 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.

The CHA will appoint a staff member who will be responsible for reviewing all requests for accommodations and for responding in writing to the requestors.

C. Other Services to Promote Accessibility to Programs

When given at least 24 hours notice of a need for an interpreter, the CHA will endeavor to have bilingual staff available or access to people who can translate languages other than English.

The CHA's offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by TDD of Bell South. The TDD telephone number is (423) 752-0830.

Persons with disabilities who require a reasonable accommodation in completing an application or other requirement of the Program may call the CHA to make special arrangements.

Section III. Marketing and Outreach

Marketing and outreach efforts are used to provide the local community with awareness of the CHA's various housing programs. The CHA will conduct outreach to the community to create an awareness of the availability of the Program to families of extremely low income, very low

income and low income. The CHA shall maintain an adequate application pool, taking into consideration the availability of vouchers through turnover and waiting list characteristics.

The CHA will provide informational materials and/or presentations to prospective participants, prospective landlords, participants, landlords, neighborhood associations, groups, social service agencies and others upon request to provide information about eligibility criteria and other aspects of the Program.

The CHA will seek to reach potential applicants and landlords through advertising in local newspapers, including newspapers that serve minority populations as well as radio and television media when feasible. The Equal Housing Opportunity logo will be used in all advertisements.

The CHA will comply with the income targeting requirements of the QHWRA. Not fewer than 75% of new admissions will have income at or below 30% of the area median income. All other new admissions to the project-based program must be at or below 80% of the area median income. [24 CFR 982.201(b)(2), 24 CFR 983.251(c)(6)]

A. Expanding Housing Opportunities

The CHA encourages owners of units outside areas of poverty or minority concentration to participate in the Program. The CHA has identified locations in its jurisdiction as areas of poverty or minority concentration, based on information obtained from the Federal Register, the Chattanooga Area Chamber of Commerce, the United States Census Bureau and regulations governing the Program found at 24 CFR 982.

B. Areas of Poverty

The CHA has identified "areas of poverty" as the following locations where 40% or more families have a gross income that is at or below poverty level as defined by the U.S. Census Bureau. According to the 2005 American Community Survey from the U.S. Census Bureau, 9.2 percent of Hamilton County, Tennessee families have income below the poverty level.

Location	% Below Poverty Level	Census Tract Number
Erlanger-UTC	56.7	15
West Side	53.7	16
South Broad / Alton Park	61.2	19
South Side	82.8	20
Downtown	47.0	31

C. Areas of Minority Concentration

The CHA has identified "areas of minority concentration" as the following locations where 50% or more families are minorities within the stated zip code.

Location	% Minority	Zip Code
Erlanger-UTC	54.88	37403
Highland Park	66.82	37404
East Chattanooga	82.58	37406
South Broad	88.92	37408
Alton Park	90.81	37410
Brainerd	57.55	37411

The CHA will seek out and educate owners of units outside these areas of poverty or minority concentration by way of semi-annual landlord meetings and prospective landlord workshops. CHA representatives will join community organizations such as the Apartment Association, the Realtors Association and conduct other community outreach programs to develop relationships to support this effort to expand housing opportunities.

D. Required Postings

In the lobby of the CHA Central Office Lobby and at the Section 8 Housing Choice Voucher Program Office Lobby, the CHA will post, in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, a statement that the following information is available for review:

1. The Plan

2. Notice of the status of the waiting list (s) (opened or closed)

3. Address of all CHA offices, office hours, telephone numbers, TDD numbers and hours of operation

4. Income limits for admission to the Program

5. Informal review procedures

6. Utility allowance schedule

7. Fair Housing Poster

8. Equal Opportunity in Employment Poster

9. Any current CHA notice

10. UIV data gathering warning

Section IV. CHA/Owner responsibility/obligation of the family

This Section outlines the responsibilities and obligations of CHA, the Section 8 Owners/Landlords, and the participating families. Also, the responsibilities and obligations of the Owners/Landlords and participating families are in the briefing packet.

A. CHA Responsibilities

CHA will comply with the consolidated ACC, the application, HUD regulations and other requirements, and the CHA Section 8 Housing Choice Voucher Administrative Plan.

In administering the program, CHA will

1. Publish and disseminate information about the availability and nature of housing assistance under the program;

2. Explain the program to owners and families;

3. Seek expanded opportunities for assisted families to locate housing outside areas of low income and minority concentration;

4. Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas low income and minority concentration. CHA will provide a resource list with owner names that accept rental assistance in non-concentrated areas. CHA will also distribute upon request a list of neighboring housing agencies with names, addresses, and phone numbers.

5. Affirmatively further fair housing goals and comply with equal opportunity requirements;

6. Make efforts to help persons with disabilities find satisfactory housing;

7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, 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 according to 24 CFR Part 5;

10. Review the family's *Request for Tenancy Approval* 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 according to 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 CHA utility allowance;

17. Administer and enforce the Housing Assistance Payments Contract with an owner, including taking appropriate action as determined by CHA, 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 CHA decisions concerning applicants for participation in the program;

20. Conduct informal hearings on certain CHA decisions concerning participant families;

21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits;

22. Administer the mandatory FSS program.

B. Owner Responsibilities

This Section states the obligations of an owner participating in the program.

The owner is responsible for performing all of the owner's obligations under the HAP

contract and the lease. 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 according to HQS, including performance of ordinary and extraordinary maintenance.

3. Complying with equal opportunity requirements.

4. Providing information regarding direct deposit to bank; warranty deed or tax notice; Tax Identification Number or Social Security Number.

5. Preparing and furnishing to CHA information required under the HAP contract.

6. Collecting from the family:

    a. Any security deposit required under the lease.

    b. The tenant's contribution (the part of rent to owner not covered by the housing assistance payment).

    c. Any charges for unit damage by the family.

7. Enforcing tenant obligations under the lease.

8. Paying for utilities and services (unless paid by the family under the lease.)

For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities see 24 CFR 100.203.

The owner is responsible for notifying CHA sixty (60) days prior to any rent increase. CHA reserves the right to deny rent increases to landlords based on funding availability.

C. Obligations of the Family

This Section states the obligations of a participant family under the program.

1. Supplying required information:

a. The family must supply any information that CHA 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.

b. The family must supply any information requested by CHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition according to HUD requirements.

c. The family must disclose and verify Social Security numbers and must sign and submit consent forms for obtaining information.

d. Any information supplied by the family must be true and complete.

e. The family must report any changes in income, benefits, and family composition within 10 days of the occurrence. In addition, once a dependant in the household turns 18, the family must report this and any income for that household member within 10 days of the dependant turning 18.

2. HQS breach caused by the Family

a. The family is responsible for any HQS breach caused by the family or its guests.

3. Allowing CHA Inspection

a. The family must allow CHA to inspect the unit at reasonable times and after at least two (2) days notice. If the family misses the scheduled inspection and fails to reschedule the inspection, CHA will charge the family a $25 missed appointment fee. CHA will also consider the family to have violated a Family Obligation and their assistance may be terminated. If the family calls to dispute the termination, one more chance will be given and the family will be obligated to sign a statement of understanding stating if they ever miss another appointment for inspection, they will be charged the $25 missed appointment fee and may lose their assistance.

4. Violation of Lease

a. The family may not commit any serious or repeated violation of the lease. A family who causes $500 in damages to a unit or commits serious or repeated violations of the lease may be terminated from the CHA Section 8 Housing Choice Voucher Program(s) and will be ineligible for CHA assisted housing for three years from the date of termination. After three years, the family must demonstrate they have lived in the community without damaging property or eviction for serious or repeated violations of a lease to establish eligibility for CHA assisted housing.

b. The proof of the $500 in damages will be derived from an itemized list of damages that coincides with paid receipts, pictures, and/or court documentation provided by the property owner. The damage documentation must be provided within 60 days of move-out. During court negotiations, the family's assistance will not be terminated. After the final outcome is determined and it is determined the family owes more than $500 in damages, the family assistance will be terminated.

c. If the family receives an agreement through the court procedure to repay the owner for damages, the family assistance will not be terminated. If the family defaults on the repay agreement through the courts and the owner provides documentation of default, the assistance will be terminated at that time.

d. If there are no court negotiations necessary to determine damages and the family and owner negotiate a repay agreement, the family assistance will not be terminated; however, if the family defaults and the owner can provide documentation of default, the family assistance will terminate at that time.

e. A family who is evicted more than once for non-payment of rent or other serious or repeated violations of the lease may be terminated from the program. However, if the family pays the owner for the back rent within thirty (30) days of the eviction notice, the assistance will not be terminated. The family will be ineligible for CHA assisted housing for three years from the date of termination. After three years, to establish eligibility for CHA assisted

housing, the family must demonstrate they have lived in the community without eviction for non-payment of rent or other serious or repeated violations of the lease.

5. Family Notice of Move or Lease Termination

   a. The family must notify CHA and the owner before the family moves out of the unit or terminates the lease by a notice to the owner.

6. Owner Eviction Notice

   a. The family must promptly give CHA a copy of any owner eviction notice it receives.

7. Use and Occupancy of the Unit

   a. The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.

   b. CHA must approve the composition of the assisted family residing in the unit. The family must promptly inform CHA of the birth, adoption or court-awarded custody of a child. The family must request approval from CHA to add any other family member (family is defined as a group of people related by blood, marriage, adoption, or affinity that live together in a stable family relationship) 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, or live-in aide as provided in paragraph (4) of this Section).

   c. The family must promptly notify CHA if any family member no longer resides in the unit.

   d. If CHA has given approval, a foster child/foster adult, or a live-in aide may reside in the unit.

   e. 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

      have approval of the owner, comply with zoning requirements, and the affected household member must

obtain all appropriate licenses.

f. The family must not sublease the unit.

g. The family must not assign the lease or transfer the unit.

8. Absence from the Unit

a. The family must supply any information or certification requested by CHA to verify that the family is living in the unit, or relating to family absence from the unit, including any CHA requested information or certification on the purposes of family absences. The family must cooperate with CHA for this purpose. The family must promptly notify CHA of its absence from the unit for more than seven (7) days.

b. 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 permission from CHA for absences exceeding 30 days. CHA will make a determination within five (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.

c. Authorized absences may include, but are not limited to:

- Prolonged hospitalization
- Absences beyond the control of the family (i.e., death in the family, other family member illness)
- Other absences that are deemed necessary by CHA
- Military personnel being deployed

9. Interest in the Unit

a. The family may not own or have any interests in the unit (except for owners of manufactured housing renting the manufactured home space).

10. Fraud and Other Program Violation

a. The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.

11. Crime by Family Members

a. The members of the family may not engage in drug-related or violent criminal activity.

12. Other Housing Assistance

a. 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.

Section V. Eligibility and Occupancy Policies

There are five eligibility requirements for admission to Section 8 -- 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 CHA screening criteria to be admitted to the Section 8 Housing Choice Voucher Program.

A. Family type

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** (if applicable), 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** is a family member who remains in the unit when other members of the family no longer reside in the unit and are removed from the lease.

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.

B. Income Eligibility

1. A Family is eligible for assistance under the Housing Choice Voucher Program (Section 8), according to 24 CFR, Part 5, if, at the time they initially received assistance under the Section 8 Voucher Program, the Family:

   a. has been continuously assisted under the 1937 Housing Act with no breaks in assistance exceeding six consecutive months; or

   b. qualifies as a Very Low-Income Family (including Extremely

Low) under HUD's approved Income Limits; or

c. qualifies as a Lower Income Family (other than Very Low-Income) and is displaced by Rental Rehabilitation or Development activities assisted under Section 17 of the 1937 Act (42 U.S.C.), or as a result of activities under the Rental Rehabilitation Demonstration Program; or

d. qualifies as a Moderate-Income Family and is displaced while living in housing covered by the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

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 CHA 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 CHA's jurisdiction under portability and have not used their voucher to receive assistance at their initial housing agency must meet the income limit for the area where they were initially assisted under the program.

5. Families who are moving into CHA jurisdiction under portability and are already program participants at their initial housing agency do not have to meet the income eligibility requirement for CHA's program.

6. Income limit restrictions do not apply to families transferring units within CHA's Section 8 Housing Choice Voucher Program.

C. Citizenship/Eligible Immigrant status

To be eligible, each member of the family must be a citizen, national, or a non-citizen 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(F)

for calculating rents under the non-citizen 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

Prior to admission to the Section 8 Housing Choice Voucher Program , each family member must provide verification of their Social Security number. If a member of an applicant family indicates they have a Social Security number, but cannot readily verify it, the member may submit other documentation of the number. CHA will allow ten (10) working days from the date of application for the applicant to provide a Social Security card or verification of the Social Security number from Social Security Administration. The application will retain its position on the waiting list while the required documentation is being obtained. If the documentation is not provided within the allotted time, the application will be denied.

New family members must provide verification prior to being added to the lease. Verification of the Social Security number will be obtained only once.

E. Consent Forms

1. 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 CHA 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;

b. A provision authorizing HUD or CHA 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.

F. Suitability for tenancy

CHA determines eligibility for participation and will also conduct criminal background investigation on all adult household members, including live-in aides. CHA will deny assistance to a family because of drug-related or violent criminal activity by family members. This investigation 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. If the individual has lived outside the local area, CHA may contact law enforcement agencies where the individual had lived or request an investigation through the FBI's National Crime Information Center (NCIC).

CHA will ban for life any family member who has been convicted of manufacturing or producing methamphetamine (speed) in a public housing development or in a Section 8 assisted property.

CHA will check with the federal sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender.

Additional screening is the responsibility of the owner. Upon the request of an owner/perspective owner, CHA will provide any factual information or third party written information it has relevant to a voucher holder's history of, or ability to, comply with material standard lease terms or any history of drug trafficking.

If an applicant previously abandoned a unit, they must prove they have not abandoned another unit in the last two (2) years.

Section VI. Application Intake

The CHA will provide public notice in advance of opening a waiting list to ensure that families are aware that they may apply for tenant-based and/or project-based assistance. The CHA will publish the notice in the Chattanooga Times Free Press, in available minority media of general circulation, and on local radio stations. The CHA will also provide written notice in the lobbies of the CHA Central Office and the Housing Choice Voucher Program (Section 8) Office. The notice shall state where and when to apply and will set forth any limitations on who may apply for the available vouchers. [24 CFR 982.206]

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program, and that such applicants will not lose their place on other waiting lists when they apply for the Section 8 Housing Choice Voucher Program. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

The CHA will determine the method that will be used for the opening of a waiting list. The CHA may elect to accept applications on a first come, first served basis. In such case, the CHA will date and time stamp an application upon receipt by the Housing Choice Voucher Program (Section 8) Office.

As an alternative, the CHA may elect to use a lottery system for the issuance of vouchers. The

Executive Director or his designee is responsible for the determination of whether and when a lottery system will be used. In the event that the CHA elects to adopt and use a lottery system for the selection of applicants, the date and time of application will not apply, as said selection will be superseded by the lottery selection.

In the event that the CHA elects to use a lottery system, this intention will be declared and publicized in the CHA's advertisement of the upcoming opening of the waiting list(s). The CHA will draw applications from the lottery pool in a public forum. The CHA may maintain the pool of applicants from the lottery for a stated period of time and draw applications from the lottery pool, in a public forum throughout that period of time as necessary.

A. Outreach to Lower Income Families

CHA will engage in outreach efforts directed toward potential Applicants, including Families that do not generally apply for assisted housing. CHA will conduct outreach on a continuous basis using the following marketing methods:

1. Use the Chattanooga Times Free Press newspaper, local minority papers and local radio stations to advise the public of available housing opportunities;

2. Publish brochures, leaflets and/or handouts describing CHA's available housing assistance and make these publications available to the public;

3. Contact community groups/organizations and neighborhood papers to promote available housing programs;

4. Hold outreach meetings and seminars in neighborhoods where Hispanic, white and Asian populations predominate (Hispanic and Southeast Asian populations are less likely to apply for CHA housing assistance); and

5. Designate a day for taking applications from Persons who are Elderly, Handicapped or Disabled. As a reasonable accommodation for Persons with a Disability or Handicap, CHA may take applications at alternate sites.

B. Opening and Closing of the Waiting List

If the CHA determines that the existing waiting list contains an adequate pool for use of available program funding, the CHA may stop accepting new applications or may accept only applications meeting criteria adopted by the CHA. [24 CFR 982.206I]
Opening of the waiting list for all applicants or only for applicants meeting specific criteria can be at the discretion of and with approval by the Executive Director.

C. Placement on the Waiting List

The application process requires the family to provide information about all household members including name, address, telephone number, composition, Social Security

number, picture identification for all adult household members, racial or ethnic designation, income verification, citizenship/eligible immigrant information, and information establishing any preferences to which the family may be entitled.

Upon receipt of the family's application, CHA will make a preliminary determination of eligibility. If CHA determines the family to be ineligible, CHA will notify the family and state the reason(s). CHA will offer the family the opportunity for an informal review of the determination.

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

CHA will ensure that verification of all preferences, eligibility, suitability selection factors are current to determine the family's final eligibility for admission into the Section 8 Housing Choice Voucher Program.

D. Organization of the Waiting List

The waiting list will be maintained according to the following guidelines:

1. The application will be a permanent file;

2. All applications will be maintained in one central pool in order of preference, priority within the preference, and then in order of date and time of application.

Note: The waiting list cannot be maintained by bedroom size under current HUD regulations.

E. Families Nearing the Top of the Waiting List

When CHA has vouchers available and is prepared to offer the vouchers to eligible applicants, the family whose application is more than two months old must update household composition, preferences, and income. CHA will re-verify the family's eligibility. If the family is no longer eligible for the Section 8 Housing Choice Voucher Program, CHA must notify the family in writing of this determination and give the family the opportunity for an informal review.

F. Missed Appointments

All applicants who fail to keep a scheduled appointment according to the paragraph below will be sent a notice of denial.

CHA 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, CHA will work closely with the family to find a more suitable time. Any applicant whose name is being removed from the waiting list will be notified by CHA, in writing, that they have ten (10) working days from the date of the written correspondence to 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.

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

G. Purging the Waiting List

CHA will update and purge its waiting list at least annually to ensure that the pool of applicants reasonably represents interested families. Purging also enables CHA to update the information regarding address, family composition, income category, and preferences.

H. Removal of Applicants from the Waiting List

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

1. The applicant requests that the name be removed;

2. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program or misses scheduled appointments; or

3. The applicant does not meet either the eligibility or screening criteria for the program.

I. Grounds for Denial

In accordance with 24 CFR.982.553 and FR-4495-F-02, Screening and Eviction for Drug Abuse and Other Criminal Activity published May 24, 2001, CHA will conduct criminal background checks on all new Applicants for a period of five (5) years prior to the application date. CHA may use the services of a contractor to conduct residency research outside the state of Tennessee. CHA will use the following standards to deny admission to the Section 8 Housing Choice Voucher Program.

1. Drug-Related Eviction

CHA will review residential history to determine if the Family has lived in federally assisted housing, and deny admission if any Family member was evicted from a federally assisted housing unit within three (3) years of the application date. An exception may be made if the member responsible for

the eviction is no longer a member of the household due to imprisonment or death.

2. Illegal Drug Use

CHA will deny admission to any Family if there is reason to believe that a Family member uses or sells any illegal drugs; or that a member's use of drugs will threaten other residents, cause damage to property, or generate police activity on or near the premises.

3. Drug-Related Criminal Activity

Regardless of whether a Family member was arrested or convicted, if the preponderance of evidence indicates that the member engaged in the manufacture, sale or distribution of illegal drugs for a period of ten (10) years prior to the application date, admission will be denied.

Regardless of whether a Family member was arrested or convicted, if the preponderance of evidence indicates that the member engaged in the use and possession of illegal drugs for a period of five (5) years prior to the application date, admission will be denied. If evidence can be provided that the Family member has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully, the CHA may consider the Family for admission to the Section 8 Housing Choice Voucher Program. [24 CFR 982.552I(2)(iii)]

4. Conviction for Methamphetamine Production

CHA will permanently deny admission if any Family member has been convicted for the manufacture of Methamphetamine on the premises of a federally assisted unit.

5. Sex Offenders

CHA will use the services of state and private agencies to check state registers for each state that the Family resided to ensure that no registered sex offenders are admitted to the program.

6. Alcohol Abuse

CHA will deny admission if there is reason to believe that any Family member has a pattern of abusing alcohol to the extent that it is a threat to other residents, will cause property damage, or generate police activity on or near the premises.

7. Violent Criminal Activity

Regardless of whether a Family member was arrested or convicted, if the preponderance of evidence indicates that the member engaged in any of the listed criminal acts, admission will be denied:

a. Crime involving extreme physical force, such as forcible rape, murder, armed robbery, assault and battery through use of a weapon; or

b. An activity involving the use of weapons against persons or property, such as armed robbery.

8. Other Crimes that Threaten the Health and Safety of Others

The following crimes are considered crimes of violence and commitment of such by a Family member is grounds for denial of admission:

a. Voluntary manslaughter

b. Kidnapping

c. Mayhem

d. Burglary

e. Arson

f. Terrorist threats

g. Assault

9. Pattern of Negative Rental History

CHA may elect to conduct rental history checks for new Applicants. A negative rental history may prevent eligibility for the Section 8 Voucher Program if the Family has a history of violating the lease or disturbing the peaceful enjoyment of the premises. Information obtained from the rental history check may be shared with the potential landlord.

10. Public Housing Residents and Former Program Participants

Applicants transferring from CHA's public housing developments will be screened the same as new Applicants to the Section 8 Voucher Program. The record of former Section 8 Voucher participants will be researched for possible program violations. The following violations are grounds for denial of admission:

a. While participating in the Section 8 Voucher Program the Family must not have violated any Family Obligation, as set forth in 24 CFR 982.551 as amended. An exception may be granted by CHA if the Family member who violated the Family Obligation is not a current member of the household on the application.

b. No Family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program in the last five (5) years.

c. The Family must have paid any outstanding debt owed CHA or another housing authority as a result of prior participation in any federal housing program or entered into a repayment agreement.

d. Families entering the Section 8 Voucher Program from CHA conventional housing programs must be in good standing under the terms of the CHA lease. The rent and other payments due under the lease must be current, and there must be no evidence of lease violations that would constitute grounds for termination.

e. No Family member may have been evicted from public housing for non-payment of rent during the past twenty-four (24) months.

f. No Family member may have engaged in or threatened abusive or violent behavior toward CHA personnel during the past sixty (60) months.

11. Notification of Ineligibility

CHA will notify all Applicants determined to be ineligible for assistance. Applicants will be notified in writing of the reason(s) for the determination. The letter will notify the Applicants of the right to request an Informal Review of the determination. All requests for Informal Reviews must be requested within fifteen (15) calendars days of the notification letter.

12. Informal Review

Applicants who refute a denial for admission to CHA housing programs will have the opportunity to present information and evidence to the Director of Assisted Housing in an Informal Review. The decision of the Director or his designee will be final.

If the Director or his designee determines that the Applicant is eligible, the

Family's name will be placed on the Section 8 Voucher Program Waiting List without loss of position during the period of ineligibility, or issued a Voucher, whichever is appropriate.

If after conducting a review CHA determines that the Applicant is ineligible, staff will notify the Applicant in writing. This procedure does not prevent the Applicant from exercising his/her other rights if the Applicant believes he/she is being discriminated against on the basis of race, color, national origin, religion, sex, handicap, familial status or age. A copy of the application, the notification letters, the Applicants' response (if any), the record of any Informal Reviews and a statement of the final disposition will be maintained by CHA for a period of three (3) years. CHA shall notify the Applicant of his/her ineligibility and shall provide the Applicant an opportunity to dispute the accuracy and relevance of the record. A copy of the criminal record will be provided upon request.

Section VII. Project-Based Waiting List Placement

The CHA places applicants on the project-based waiting list based upon the date and time of application and eligibility for a weighted selection preference as set forth below:

A. Residents in Units at Time of Project-Based Award

This selection preference is available to individuals who reside in the targeted development at the time of award of project-based vouchers.

B. Applicants on Tenant-Based Waiting List at Time of Project-Based Award
Applicants at the top of the Tenant-based waiting list may be offered The opportunity to reside in the project-based development if they meet the criteria for occupancy in the project.

C. Rent Burden Preference

This selection preference is available to individuals who meet criteria noted above in tenant-based Rent Burden Preference.

D. Unit Offer for Project-Based Program

After a verified determination of eligibility and suitability is made, and the applicant's name is at the top of the waiting list, or is otherwise the next candidate for unit offer, the CHA shall allow the applicant to choose from available developments for which the applicant is suitable or shall offer up to three unit offers in available developments, whichever is greater. If the applicant does not accept a unit subject to this system, the applicant will forfeit his/her preference status and will be placed at the bottom of the

project-based waiting list.

Section VIII. Selection from the Waiting List

Applicants will be selected to receive Section 8 rental assistance either as a special admission or as a waiting list admission.

A. Special Admission

Special admission is a non-waiting list admission relative to HUD awards of program funding targeted to families living in specified units. Examples of program funding that may be targeted for special admission include, but are not limited to:

1. A family displaced because of demolition, disposition or rehabilitation of a public housing development, for example by a HOPE VI project;

2. A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project;

3. A non-purchasing family residing in a project subject to a home ownership program;

4. A family residing in a project covered by a project-based Section 8 Housing Assistance Payment (HAP) contract at or near the end of the HAP contract term;

5. An applicant in need of victim witness protection; and

A special admission permits selecting a family for assistance that is not on the Section 8 waiting list or without considering the family's waiting list position. Records are maintained that show that the family was selected for HUD-targeted assistance.

B. Waiting List Admission

Except for special admissions, participants must be selected from the Section 8 waiting list. CHA will select families from the waiting list based on one or more of the following preferences:

1. ***FIRST PREFERENCE***: (Displaced by Government Action) – date and time within the preference

An applicant family who is displaced by government action or an

applicant whose dwelling has been extensively damaged or destroyed as a result of disaster, declared or otherwise formally recognized pursuant to federal relief laws.

2. ***SECOND PREFERENCE***: (Involuntary Displacement) – date and time within the preference

a. Individuals/families involuntarily displaced/homeless and referred by a recognized social services or private agency/organization that has performed an intake and assessment of the individuals/families circumstance and have developed a case management plan for follow up;

1. In general: For purposes of this chapter, the term "homeless" or "homeless individual or homeless person" [1] includes—
   - 1.1. an individual who lacks a fixed, regular, and adequate nighttime residence; and
   - 1.2. an individual who has a primary nighttime residence that is—
     - 1.2.1. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
     - 1.2.2. an institution that provides a temporary residence for individuals intended to be institutionalized; or
     - 1.2.3. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings
   - 1.3. An individual who has temporary shelter in a private residence where the household is over housed due to the individual / family's presence or the host is unwilling or unable to provide permanent residence.

2. Income eligibility
   - 2.1. In general: A homeless individual shall be eligible for assistance under any program provided by this chapter, only if the individual complies with the income eligibility requirements otherwise applicable to such program.
   - 2.2. Exception: Notwithstanding paragraph (1), a homeless individual shall be eligible for assistance under title I of the Workforce Investment Act of 1998 [29 U.S.C. 2801 et seq.].
   - 2.3. Exclusion: For purposes of this chapter, the term "homeless" or "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.

a.

An applicant family who is in need of immediate shelter by reason of extreme hardship or disaster. For example: an action by a housing owner that is beyond the applicant's control and that occurs despite the applicant having met all previous conditions of occupancy, and is other than a rent

increase; a disaster or catastrophe, such as fire, flood, or storm that has caused the unit to be uninhabitable.

The hardship will be governed by the position that preference will not be given to a family who is, or expected to be, without housing for failure to pay rent or carry out other normal obligations of residency.

It is the responsibility of the applicant to document to the satisfaction of CHA that the housing condition is caused by circumstances beyond the family's control. Written verification from the appropriate unit or agency of government, the property owner, or social services agency is required.

3. ***THIRD PREFERENCE:*** (Substandard Housing) – date and time within the preference

An applicant family who currently resides in substandard housing or who is homeless without a fixed nighttime residence or staying in a supervised shelter. For purposes of this preference, substandard housing is defined as any dwelling that is unsafe, unsanitary, or overcrowded due to its location, structural condition or lack of utilities. For example:

- A unit that an agency or unit of government has declared unfit for habitation;
- A unit that is dilapidated and endangers health and safety;
- A unit that is overcrowded (to be determined by CHA subsidy standards) or without one or more of the following for the exclusive use of the applicant family: operable indoor plumbing; useable flushing toilet; useable bathtub or shower; adequate safe electricity; safe or adequate heat; kitchen if designed for one.

Third preference also includes applicants who are without a fixed nighttime residence or are staying in a supervised shelter, including homeless persons; individuals who are victims of domestic violence; and victims of reprisals or hate crimes.

4. ***FOURTH PREFERENCE*** (Rent Burden) – date and time within the preference

An applicant family paying more than 50 percent of gross family income for rent and utilities. The rent burden must be in excess of ninety (90) days. Rent is the actual monthly amount due under a lease or occupancy agreement between a family and the family's current landlord and for the utilities purchased directly by the family from utility providers.

a. Documentation of Rent Burden

Families must submit a copy of the current lease agreement that includes the monthly rent and utility responsibility; copies of three months utility bills at the lease address; and documentation of all household income from each family member. The lease agreement and utilities must be documented as the responsibility of the Head of Household.

b. Verification of Preference

CHA will require written verification of all documented information provided by the family to determine eligibility for the preference. Verifications that conflict with information provided on the application may disqualify the preference.

5. ***FIFTH PREFERENCE*** (Working Family) – date and time within the preference

An applicant household where the Head of Household, spouse or sole member of the household is considered working in a full-time capacity (32 hours or more per week), long term part-time capacity (20 hours weekly for six continuous months), or an approved job training program in accordance with the following provisions:

a. Employment

The Head of Household or spouse must work for wages, commissions, or other consideration of value and demonstrate full-time or part-time (20 hours minimum per week) employment for at least six (6) months immediately prior to the date of placement on the waiting list. It must be apparent that the full-time or part-time employment is of a continuous, as opposed to a temporary nature, and the Head of Household must anticipate such continuous employment after the date of placement. Self-employed individuals may qualify for this selection preference if the Head of Household or spouse is able to demonstrate six (6) months of full-time or part-time self-employment (20 hours or more per week) immediately prior to the date of placement; or

1. Documentation of Employment

Families must document on the pre-application the source and amount of income received for all household members, and submit copies of documents to support the income.

2. Verification of Employment

CHA will use third-party written (and online) verification sources of all information provided by the family to determine eligibility for the preference. Verifications that conflict with information provided on the application may disqualify the preference.

b. Approved Job Training Program

Head of Household or spouse who is participating in or enrolled to participate in a training, education or employment program funded by HUD, Workforce Investment Board, or any other Federal, State, or local organization, provided that the program's primary purpose is to prepare low and very low-income individuals for economic independence. Such participation must be for a minimum of twenty (20) hours per week and must be verified, in writing, by the training, education, or employment provider.

c. Elderly and Disabled

The Working Family Preference is also extended equally to all elderly families and all families whose head or spouse meets HUD's definition of persons with disabilities. [24 CFR 5.403

1. Documentation of Disability

Families eligible to receive the working preference based on a disability must meet the HUD definition of a disability as defined in 24 CFR 5.403. To qualify as a disabled family the disabled member must be the Head of Household, spouse or Co-Head. Families must provide documentation to support the disability claim.

6. ***SIXTH PREFERENCE*** (Disability) – date and time within the preference

a. An elderly family as defined herein that has a member(s) with disabilities;
b. A non-elderly disabled family as defined herein

7. ***ALL OTHER ELIGIBLE APPLICANTS*** – date and time within the preference

A final determination of eligibility is made when the Applicant's name is selected from the waiting list, and the income and family composition is verified using online and third-party methods. At that time, the Family's total household income may not exceed the current HUD Income Limits for the family size.

In accordance with Income Targeting requirements, seventy-five percent (75%) of the new

admissions to the Section 8 Voucher Program must have incomes at or below 30% of the area median income (extremely low-income). CHA verifies the income of Families when they reach the top of the Waiting List to ensure that the Family's income is in the Extremely Low category.

Applicants are selected from the waiting list in sequential order and sent an appointment letter to the address given at time of application, unless the applicant has updated their address with the Program. This letter will provide a date and time to appear for final eligibility in accordance with the application date and time.

Section IX. Selection of Families for Special Section 8 Housing Choice Voucher Programs

CHA operates special Section 8 Voucher Programs under special allocations and regulations provided specifically for each program. Applicants may be admitted for participation in special programs without being on the Section 8 Voucher Program Waiting List; or if the Applicant is on the Section 8 Voucher Program Waiting List, and eligible for selection for a special program, he/she may be selected before other Applicants. Applicants are admitted as a special admission when HUD awards funding that is targeted for specific types of Families.

The programs are outlined below.

A. Mainstream Vouchers for Persons with Disabilities

Participants in the Mainstream Housing for Persons with Disabilities Program are Persons with Disabilities who have moved out of one of CHA's elderly high rises, or Applicants on the Section 8 Voucher Program Waiting List who have a disability. Following admittance into the Housing Choice Voucher Program (Section 8), participants follow all Section 8 Voucher Program rules and regulations.

B. Project-Based Vouchers for the Elderly and Persons with Disabilities

Participants in the Project-Based Voucher for Persons with Disabilities Program agree to

move into units designated for this program. The housing assistance is tied to the unit and participants who move out of their units lose their housing assistance. This program is covered in full in the Administrative Plan for the Section 8 Voucher Program Assistance Attached to Units (Project-Based Voucher Assistance) (CHA Policy 500-3).

Section X. Required Eligibility Documents

CHA will provide housing assistance to United States citizens and eligible immigrants only. A household with only one eligible member is considered a Mixed Family, and assistance will be provided for the eligible member only, although the non-citizens may reside in the household.

A. Eligibility Documentation

The Family must provide the following documents for each member as evidence of

citizenship:

1. United States Citizens

- A written and signed Declaration by each family member; and
- A birth certificate; or
- A United States passport; or
- A Naturalization Certificate or proof of naturalization; or

2. Eligible Immigrants

- A written and signed Declaration by each family member; and
- One of the documents described in the form "Acceptable INS Documents, including a Resident Alien Card; and
- A signed Verification Consent Form

B. Other Required Information for Admission

All Applicants must sign HUD's Authorization to Release Information and disclose the social security number for each Family member. [24 CFR 5.216]

If at the end of a 60-day period, a Family member cannot provide the original Social Security card issued by the Social Security Administration, CHA will accept photo

identification and one or more of the following documents:

1. A driver's license with the social security number

2. Identification card issued by a federal, state or local agency

3. Identification card issued by an employer

4. Internal Revenue Form 1099

5. Benefit award letter from a government agency.

C. Family Relations Documentation

CHA considers a Family to be made up of a group of individuals who intend to share common resources. [24 CFR 982.551] A Declaration of Household statement must be provided or signed. Any discrepancies or changes in reported household composition shall be verified by providing one or more of the following:

1. Birth Certificate

2. Certificate of birth issued by a physician, midwife, or hospital

3. Guardianship papers issued by a judiciary

4. Benefit Award Letter on behalf of a minor or disabled adult

5. Divorce decree

6. School records for minors

D. Other Eligibility Criteria and Execution of Consent Forms

Applicants must meet or exceed the following additional eligibility requirements. Each member of the family who is at least 18 years of age shall sign one or more consent forms, 16 years of age for the criminal background check.. The consent form(s) must contain, at a minimum, the following:

1. SWICA Authorization

   A provision authorizing HUD or CHA to obtain from State Wage Information Collection Agencies (SWICAs) any information or material necessary to complete or verify the application for participation or for eligibility for continued occupancy;

2. Employer Authorization

   A provision authorizing HUD or CHA to verify with previous or current employers income and job related information pertinent to the family's eligibility for or level of assistance;

3. IRS and SSA Authorization

   A provision authorizing HUD to request income information from the Internal Revenue Service and the Social Security Administration for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits;

4. Criminal History Authorization

   A provision authorizing the CHA to conduct a criminal background investigation of the applicant and each member of the applicant's family who is at least Sixteen (16) years old; and

5. Expiration Statement

   A statement that the authorization(s) to release the information requested by the consent form expires fifteen (15) months after the date the consent form is signed. This provision will not apply to

the Criminal History Authorization.

E. Removal from the Waiting List

Applicants who do not meet the basic eligibility requirements below at the time of selection from the waiting list will be removed from the list.

1. Income

The gross annual household income must not exceed the HUD-determined Income Limits for the Family size.

2. Eligible Family Member

At least one Family member must be a U.S. Citizen or Eligible Immigrant

3. Criminal Background Screening

All family members age Sixteen (16) and over will receive criminal history reviews.

4. The Head of Household is responsible for providing required documents within the sixty-day (60-day) allowed period.

Section XI. Subsidy

The CHA thoroughly screens each individual applicant in accordance with HUD regulations and sound management practices to determine whether an applicant is both eligible and suitable for the Program. To demonstrate eligibility, an applicant must satisfy five separate eligibility requirements and show that he/she: (i) qualifies as a family, (ii) has income within the appropriate income limits, (iii) meets citizenship/eligible immigration criteria, (iv) provides documentation of Social Security numbers, and (v) meets or exceeds the eligibility and suitability selection criteria as described in 24 CFR 982.201.

CHA will determine the Family bedroom size and family contribution to rent in accordance with 24 CFR Subpart E and Subpart G, using third party, independent verification. Only the Housing Choice Voucher Program staff may change the subsidy size at annual recertification.

A. Subsidy Standards

An eligible Family is determined based upon the members included on the original application and personally identified at the eligibility interview. All members must appear in person with photo identification. Members that are not identified will not be considered as a member of the assisted household.

Once the Family composition has been determined, any change in household composition must be reported to and approved by CHA prior to admission. [24 CFR 982.551(h)]

Additions due to birth, adoption or court-awarded custody must be reported to CHA upon entering the household.

CHA 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	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, CHA 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, and children who are temporarily away at school or temporarily in foster care.

Bedroom size will also be determined using the following guidelines:

1. No more than two (2) persons will occupy a bedroom.

2. Beginning with annual re-certifications effective 1/1/07 forward, a bedroom will be allowed for members of the opposite sex two (2) years and older with the exception of husband and wife.

3. Beginning with annual re-certifications effective 1/1/07 forward, a single Head of Household will share a room with a child under age two (2).

4. Other than the Head of Household, two (2) same sex persons will share a bedroom, up to the age of eighteen (18).

5. A bedroom will be allocated for an approved live-in-aide to provide continuous medical assistance to an elderly or disabled Family member. The additional bedroom is only allocated for the live-in-aide – this does not include any dependants of that live-in-aide.

6. A foster child will be considered in determining unit size only if he/she

will be in the unit for more than twelve (12) months.

7. Children removed from the household and placed in foster care must anticipate returning within six (6) months.

8. Exception to the above standards may be granted if reasonable accommodation is deemed necessary.

9. A child who resides in the unit at least 50% of the time, due to a change in custody, will be considered when determining voucher size.

10. Exceptions to voucher size if a change will occur within 2 months of the annual re-certification date:
    a. if a child will turn 2 within 2 months of the annual re-certification date;

    b. if a child will turn 18 within 2 months of the annual re-certification date;

    c. if the due date for a new baby is within 2 months of the annual re-certification date

CHA will grant exceptions to normal occupancy standards when a family requests a larger bedroom-size voucher than the guidelines allow and documents a medical reason why the larger size is necessary.

The family unit size will be determined by CHA according to the above guidelines and will determine the maximum subsidy for the family; however the family may select a unit that may be larger or smaller than the family unit size allocated. 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's voucher size will determine the maximum subsidy.

For families residing in units which are assisted with project-based vouchers, if CHA determines that the family is occupying a:

a. wrong-sized unit, or
b. unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, then

CHA will notify the family and the owner of this determination, and CHA will make an offer of continued assistance for the family, in the form of:

a. project-based voucher assistance in an appropriate-size unit (in the same or a different development); or
b. other project-based housing assistance (e.g. by occupancy of a public housing unit); or
c. tenant-based rental assistance under the voucher program; or
d. other comparable public or private tenant-based assistance (e.g., under the HOME program).

If CHA offers the family the opportunity to receive tenant-based rental assistance under the voucher program, CHA will terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's voucher (including any extension granted by CHA). If CHA offers the family the opportunity for another form of continued housing assistance (not in the tenant-based voucher program), and the family does not accept the offer, does not move out of the project-based voucher unit within a reasonable time as determined by CHA, or both, CHA will terminate the housing assistance payments for the wrong-sized or accessible unit, at the expiration of a reasonable period as determined by CHA.

B. Family Breakup and Remaining Family Member

Under certain circumstances the original Family composition may alter due to the Head of Household leaving the household; or a breakup of a husband and wife with minor children.

If the Head of Household dies, and there is another adult Family member, the voucher assistance will pass to the Remaining Member, providing they meet eligibility

requirements, who may then become the Head of Household. Another client number will be issued to the new Head for tracking purposes.

If there is not a remaining Family member who is already a member of that household and who has the legal capacity to enter into a lease under state and local law, the voucher assistance will terminate the month of the death or abandonment.

C. Split Family

In cases of divorce or separation under a settlement or judicial decree, CHA will follow a court’s ruling in determining which Family members continue to receive Section 8 Voucher Program assistance. Also of consideration will be:

1. The interest of any minor children, or ill, elderly or disabled Family members; and

2. whether Family members are forced to leave a unit as a result of actual or threatened physical violence against Family members by a spouse or other Family members of the household; and

3. who retains custody of the minor children, and provides housing for 51% or more of the time.

Section XII. Family Briefing and Voucher Issuance

All Families who are entering the Section 8 Voucher Program for the first time; and Porting

Families entering CHA's jurisdiction will be briefed on the program regulations and CHA's policies. For Porting Family program participants, the briefing requirement shall not in any way impede the leasing process or placement.

A. Conducting a Briefing Session and Issuing Materials to Voucher Holders

Applicants and Porting Families are allowed two (2) appointments to attend a briefing session. Any Applicant who does not attend one of the two sessions will be denied assistance. Briefings are normally conducted as group sessions. When necessary, staff members will conduct individual briefings to accommodate the needs of the homebound or Persons with Disabilities. All new Section 8 Voucher Program Families are briefed in accordance with 24 CFR 982.301, as amended.

Fair Housing and social service organizations may provide presentations at the briefings with prior approval of the Director.

B. Briefing Topics:

1. A description of how the program works;

2. Family and owner responsibilities;

3. Where the family may rent a unit, including inside and outside the CHA's jurisdiction;

4. Types of eligible housing;

5. For families qualified to lease a unit outside of CHA's jurisdiction under portability, an explanation of how portability works;

6. An explanation of the advantages of living in an area that does not have a high concentration of poor families;

7. An explanation of the family's affordability rate

8. Specifications of any local obligations for Welfare-to-Work Voucher recipients

C. Briefing Packet

During the briefing, the CHA will provide the family with a packet of information on the following topics:

1. The term of the voucher and the CHA's policy on extensions and suspensions of the term. The packet will include information on how to request an extension and forms for requesting extensions;

2. How the CHA determines the housing assistance payment and total tenant payment for the family;

3. Information on the payment standard, exception payment standard rent areas (if applicable), and the utility allowance schedule;

4. How the CHA determines the maximum rent for an assisted unit;

5. Where the family may lease a unit. For families qualified to lease outside the CHA's jurisdiction, the packet must include an explanation of how portability works;

6. The HUD-required tenancy addendum that provides the language that must be included in any assisted lease;

7. The Request for Tenancy Approval Form and an explanation of how to request CHA's approval of a unit;

8. A statement of the CHA's policy on providing information to prospective owners. This policy requires applicants to sign disclosure statements allowing the CHA to provide prospective owners with the family's current and prior addresses and the names and addresses of the landlords for those addresses. Upon request, the CHA will also supply any factual information or third party verification relating to the applicant's history as a tenant or their ability to comply with material standard lease terms or any history of drug-trafficking by a family member;

9. The CHA's subsidy standards, including when the CHA will consider granting exceptions to the standards;

10. The HUD brochure on how to select a unit ("A Good Place to Live");

11. The HUD-required lead-based paint brochure;

12. Information on federal, state, and local equal opportunity laws; the brochure "Fair Housing: It's Your Right;" and a copy of the housing discrimination complaint form;

13. A list of landlords, or other parties know to CHA, who may be willing to lease a unit to the family or help the family find a unit;

14. The family's obligations under the program;

15. The grounds upon which CHA may terminate assistance because of the family's action or inaction;

D. Issuance of Voucher/Extending Voucher

Once all family information has been verified, their eligibility determined, their subsidy calculated, and they have attended the family briefing, CHA will issue the voucher. At this point, the family begins their search for a unit.

The initial term of the voucher will be 60 days and will be stated on the Housing Choice Voucher.

CHA may grant one or more extensions of the term. To obtain an extension, the family must make a request in writing prior to the expiration date. If the family requests an extension and additional time can reasonably be expected to result in success, CHA will grant the length of request (sought by the family) or a new expiration date as determined by CHA.

If the family includes a person with disabilities, and the family requires an extension due to the disability, CHA will grant an extension allowing the family the full 120 days search time. If CHA determines that additional search time would be a reasonable accommodation, it may be granted with the proper documentation.

The voucher will be withdrawn if the Family fails to lease suitable housing during the term of the voucher. Expiration or withdrawal of a voucher does not preclude the Family from filing a new application for another voucher, provided CHA has not suspended the taking of applications.

E. Request for Tenancy Approval

When the family finds a unit that the owner is willing to lease under the program, the family and the owner will submit to CHA a completed *Request for Tenancy Approval* and a copy of the owner's proposed lease. CHA will permit the family to submit only one *Request for Tenancy Approval* (RFTA) unless the unit was not in compliance with Housing Quality Standards or the rent amount would exceed 40% of the family's adjusted income, or other circumstances beyond the family's control.

The terms of the HUD tenancy addendum shall prevail over any other provisions of the lease. CHA will review the request, the lease, and the HUD-required tenancy addendum and make an initial determination of approval of tenancy. CHA may assist the family in negotiating changes that may be required for the tenancy to be approvable. Once it appears the tenancy may be approvable, CHA will schedule an appointment to inspect the unit within 15 days after the receipt of inspection request from the family and owner. The 15-day period is suspended during any period the unit is unavailable for inspection. A unit must be available for inspection within thirty (30) days from the date of submitted *Request for Tenancy Approval*. Once inspected, the unit must pass inspection within thirty (30) days.

CHA will promptly notify the owner and the family whether the unit and tenancy are approved.

Additional screening is the responsibility of the owner. Upon request by an owner/perspective owner, CHA will provide any factual information or third-party written information they have relevant to a voucher holder's history of, or ability to, comply with standard material lease terms.

F. Approval to Lease a Unit

CHA will approve a lease if all of the following conditions are met:

1. The unit is eligible;

2. The unit is inspected by CHA and passes Housing Quality Standards (HQS);

3. The lease is approvable and includes the following language of the tenancy addendum:

    a. The names of the owner and the tenant;

    b. The address of the unit rented;

    c. The term of the lease (initial term must be for 1 year and any provisions for renewal);

    d. The amount of the monthly rent to owner;

    e. A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family; and

    f. The required HUD tenancy addendum;

4. The rent to owner is reasonable;

5. The family's share of rent does not exceed 40% of their monthly adjusted income if the gross rent exceeds the applicable payment standard;

6. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or CHA; and

7. The family continues to meet all eligibility and screening criteria.

The lease term may begin only after all of the following conditions are met:

1. The unit passes the CHA HQS inspection;

2. The family's share of rent does not exceed 40% of their monthly adjusted income if the gross rent exceeds the applicable payment standard;

3. The landlord and tenant sign the lease to be effective no earlier than the date after the unit passed HQS inspection;

4. CHA approves the leasing of the unit; and

5. Utilities are turned on in the tenant's name (if tenant is responsible for utilities).

CHA will prepare the contract when the unit is approved for tenancy. The contract will be executed and become effective simultaneously with the signing of the lease and the HUD required tenancy addendum. CHA will not pay any housing assistance to the owner until the contract is executed. New owners must provide a warranty deed or tax notice, and Tax Identification Number or Social Security Number. Additionally, owners must provide a warranty deed or tax statement for units that have not previously been on the program.

If a voucher family moves with continued assistance, the term of the new assisted unit may begin during the month the family moves out of the old assisted unit. Overlap of housing assistance payment for old unit for month when family moves and first housing assistance payment for new unit is not considered a duplicative subsidy.

G. CHA Disapproval of Owner

CHA requires participating landlords to abide by the Housing Assistance Payment (HAP) contract and enforce the lease agreement with the Family. Failure to abide by the HAP contract could result in penalties from abatement of HAP to permanent banning from participation.

CHA may disapprove, bar or suspend a single unit, an apartment complex or landlord from participation in the Section 8 Housing Choice Voucher Program. The length of the penalty is left to the discretion of the Director in conjunction with the severity of the problem that causes the suspension.

CHA will deny participation by an owner at the direction of HUD for any of the following reasons:

1. The owner has violated any obligations under a Section 8 Housing Assistance Payments Contract;

2. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

3. The owner has engaged in drug-related criminal activity or any violent criminal activity;

4. The owner has a history or practice of noncompliance with HQS

for units leased under Section 8 or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

5. The owner has a history or practice of renting units that fail to meet state or local codes;

6. The owner has not paid state or local real estate taxes, fines or assessments;

7. The owner refuses (or has a history of refusing) to evict families for drug-related criminal activity or for activity that threatens the health, safety, or right to peaceful enjoyment of the :
    a. Premises by tenant, CHA employees, or owner employees; or
    b. Residences of neighbors

8. If the owner is the parent, child, grandparent, grandchild, sister or brother, or any member of the family of an applicant seeking the initial use of a voucher (currently shopping) unless CHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities;

9. The owner refuses Direct Deposit;

10. Other conflicts of interest under federal, state, or local law.

CHA will take the following actions for owners who already participate in the Housing Choice Voucher Program:

1. CHA will suspend a unit, an apartment complex or landlord for three (3) to twelve (12) months if:

    a. complex/unit consistently fails HQS inspections for failure of the Landlord to properly maintain the unit/complex in a decent, safe and sanitary manner; or

    b. Landlord charges Families a security deposit that exceeds what is charged to unsubsidized renters.

2. CHA will ban a Landlord for a minimum of six months to permanently if:

    a. the complex/Landlord charges assisted families extra rent or executes a “side agreement” for rent or other charges not approved prior to the execution of the HAP contract; or

b. the Landlord commits fraud, bribery or any other corrupt or criminal act in connection with the Section 8 Voucher Program; or

c. the Landlord violates Section 8 Voucher Program regulations, the HAP contract or CHA policy; or

d. the Landlord engages in violent or drug related criminal activity; or

e. the Landlord has a history or practice of not complying with the HQS for units leased on the program; or

f. the Landlord has a history or practice of not enforcing the Lease; or

g. the Landlord has a history or practice of **not** terminating a family when the head-of-household, household member, guest or a person under the control of the household engages in activity that:

(1). threatens the right to peaceful enjoyment of the premises by other residents; or
(2). threatens the health or safety of other residents, or Landlord's employees or managers of Landlord's property; or
(3). threatens the health or safety of or the right to peaceful enjoyment of their residences, by persons living in the immediate vicinity of the premises.

3. CHA will suspend a unit, an apartment complex or landlord permanently or until verification of remediation by a licensed and accredited company certifies that the unit is free of the residual effects of:

a. The manufacturing of methamphetamine which has occurred in the unit at any time.

Section XIII. 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 and not in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves from the dwelling unit, the owner, subject to state or local law, may use the security deposit (including any interest on the deposit) according to 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 a written list of all items charged against the security deposit and the amount of each item. After deducting the amount (if any) used to reimburse the owner, the owner must refund promptly 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.

Section XIV. Ineligible/Eligible Housing

The following types of housing cannot be assisted under the Section 8 Tenant Based Housing Choice Voucher 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; and

F. A unit receiving any duplicate federal, state, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

CHA will approve leases for the following housing types:

A. Single family dwellings

B. Apartments

C. Duplexes

D. Townhouses

E. Manufactured housing

F. Modular homes

G. Home ownership option (if applicable)

Section XV. Moves with Continued Assistance

Participating families are allowed to move to another unit after the initial 12 months has expired or if CHA has terminated the HAP contract. CHA will issue the family another voucher if the family does not owe CHA money, has not violated a Family Obligation, has not committed serious or repeated violations of the lease (see Section 2.3.D.), and if CHA has sufficient funding for continued assistance. Families participating in the Housing Choice Voucher Program will not be allowed to move more than once in any 12-month period and under no circumstances will CHA allow a participant to improperly break a lease except under extraordinary circumstances.

A. When a Family May Move

Families on the Section 8 Voucher Program may move anywhere within the United States and U.S. territory. Families who wish to move out of CHA jurisdiction may do so utilizing the portability feature of their Voucher. The Family must provide a written

notice of intent to vacate to the Landlord according to the Landlord's lease and provide a copy of such notice to the CHA.
After the Move Tenant notice is given, the Family must move from the unit or execute a Continued Occupancy document with the Landlord and present it to the Housing Choice Voucher Program (Section 8) staff. The Landlord must correct all deficiencies and pass the inspection before the HAP terminates. CHA will reestablish the HAP payments when the unit passes inspection, but will not make any retroactive payments for any period the unit did not meet HQS.

1. Families Eligible for Relocation

Families who are currently receiving subsidy may relocate under any of the following conditions:

a. The Family has resided in their present unit for at least twelve (12) months; or

b. The Family has resided in their present unit for the time required under the most recent lease provided to CHA, and has given proper written notice of their intent to vacate to their Landlord and CHA; or

c. The unit has failed a Housing Quality Standards (HQS) inspection and the Landlord failed to meet CHA deadline for correcting identified problems and/or failed to request a re-inspection of the unit; or

d. The unit has been damaged or destroyed by fire or natural disaster; or

e. The Landlord does not wish to continue participation in the Section 8 Voucher Program (Federal regulations prohibit a Landlord from leaving the Section 8 Voucher Program during the first year of Family occupancy by a Section 8 Voucher recipient); or

f. CHA determines the Landlord has breached the contract; or

g. The Family has been evicted by the Landlord for reasons that do not violate the terms of their family obligations as set forth in 24 CFR 982.552, as amended.

2. Restriction on Moves

a. A Family may not relocate during the initial lease term.

b. CHA will limit the number of times a Family may search for housing to once every twelve (12) months, except:

(1). in circumstances where the unit is in violation of the Landlord's responsibilities under Housing Quality Standards; or

(2). the Family can no longer reside in the unit due to medical conditions verified by a physician.

c. Families in noncompliance with a promissory note and/or an agreement to repay a bad debt with CHA will not be permitted to move until the debt is brought current under the terms of the agreement.

d. CHA will not relocate Families evicted by a Landlord for serious or repeated violations of their lease agreement as spelled out in CHA Procedure 501-2.2.

e. Families must honor the notice of intent to vacate given to the Landlord as stipulated in the lease agreement. A new contract will not be executed prior to the month stipulated in the notice. Families who move early will be responsible for the rent to the Landlord until the new contract is executed.

f. CHA will pay the current Landlord the HAP through the end of the month the contract will terminate, unless the HAP has been abated.

g. The Family has not resided in their present unit for the required amount of time under their current lease, but has obtained the Landlord's written approval to terminate the lease due to extenuating circumstances that require the Family to move. Such moves are based on conditions that threaten the safety and welfare of the Family (e.g., domestic violence), or changes in the family composition or for economic reasons (job change) and require the review and approval of the Director of Assisted Housing or his designee.

3. Family Absence from Unit

The Family is obligated to use the assisted dwelling unit for residence by members of the Family as listed on the HAP Contract and Lease. The unit must be the Family's only place of residence.

The Family may be absent from the unit for brief periods, not to exceed three (3) weeks in duration. Absence is defined to mean no member of the family is residing in the unit. If absence shall exceed three (3) weeks, approval must be obtained from the Director or his designee and may only be approved for other good cause.

B. Portability

A family, whose head or spouse has a legal residence (or works) in the jurisdiction of CHA at the time the family first submits its application for participation in the CHA program, may lease a unit anywhere in the jurisdiction of CHA or outside CHA jurisdiction as long as there is another entity operating a tenant-based Section 8 program covering the location of the proposed unit.

If the head or spouse of the assisted family does not have a legal residence or work in the jurisdiction of CHA at the time of its application, the family will not have any right to lease a unit outside of CHA jurisdiction for a 12-month period beginning when the family is first admitted to the program. During this period, the family may only lease a unit located in the jurisdiction of CHA.

Families may only move to a jurisdiction where a Section 8 Program is being administered. For income targeting purposes, the family will count toward the initial housing agency's goals unless the receiving housing agency absorbs the family. If absorbed, the admission will count toward the receiving housing agency's goals.

If a family has moved from their assisted unit in violation of the lease, CHA will not issue a voucher and will terminate.

1. Income Eligibility

   a. 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 porting family is already a participant in the Initial Housing Agency's Voucher Program, income eligibility is not re-determined.

2. Portability: Administration by Receiving Housing Agency

   a. When a family utilizes portability to move to an area outside the Initial Housing Agency jurisdiction, another Housing Agency (the Receiving Housing Agency) must administer assistance for the family if that Housing Agency has a tenant-based program covering the area where the unit is located.

b. A Housing Agency with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such Housing Agency, the Initial Housing Agency may choose which Housing Agency shall become the Receiving Housing Agency.

3. Portability Procedures

a. When CHA is the Initial Housing Agency:

(1). CHA will brief the family on the process that must take place to exercise portability. The family will be required to attend an applicant or movers briefing.

(2). CHA will determine whether the family is income-eligible in the area where the family wants to lease a unit (if applicable).

(3). CHA will advise the family how to contact and request assistance from the Receiving Housing Agency.

(4). CHA will, within ten (10) calendar days, notify the Receiving Housing Agency to expect the family.

(5). CHA will immediately mail to the Receiving Housing Agency the most recent HUD Form 50058 (Family Report) for the family, and related verification information.

(6). CHA may deny a portability request to a client that is requesting portability to a PHA whose payment standard exceeds CHA payment standard if the Receiving PHA will not absorb the client.

CHA may in certain circumstances deny a family the right to exercise a portability move keeping the following caveats in mind:

- Insufficient funding,
- Receiving PHA will not absorb the family, and
- The cost of the HAP is higher in the new jurisdiction.

b. When CHA is the Receiving Housing Agency:

(1). If funding is available under the consolidated ACC for CHA Voucher Program when the porting family is received, CHA will absorb the family into its Voucher Program. After absorption, the family is assisted with

funds available under the consolidated ACC for CHA Tenant-Based Program.

(2). CHA will issue a voucher to the family. The term of CHA voucher will not expire before the expiration date of any Initial Housing Agency's voucher. CHA will determine whether to extend the voucher term. The family must submit a Request for Tenancy Approval (RFTA) to CHA during the term of CHA voucher.

(3). CHA will determine the family unit size for the porting family. The family unit size is determined according to CHA subsidy standards.

(4). CHA will (within ten (10) calendar days) notify the Initial Housing Agency 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 CHA opts to conduct a new reexamination, CHA will not delay issuing the family a voucher or otherwise delay approval of a unit unless the recertification is necessary to determine income eligibility.

(6). To provide tenant-based assistance for porting families, CHA will perform all Housing Agency program functions, such as reexaminations of family income and composition. At any time, either the Initial Housing Agency or CHA may make a determination to deny or terminate assistance to the family according to 24 CFR 982.552.

(7). CHA may deny or terminate assistance for family action or inaction according to 24 CFR 982.552 and 24 CFR 982.553.

4. Portability Billing

To cover assistance for a porting family, the Receiving Housing Agency may bill the Initial Housing Agency for housing assistance payments and administrative fees. The billing procedure will be as follows:

a. The receiving PHA must submit an initial billing notice (1) no later than 10 working days following the date the HAP contract was executed and (2) in time that it will be received no later than 60 days following the expiration date of the family's voucher issued by the initial PHA.

b. As the Initial Housing Agency, CHA will make payment within 30 days of receipt of Part II of the Form 52665 indicating billing amount. The amount of the housing assistance payment for a porting family in the Receiving Housing Agency's program is determined in the same manner as for other families in the Receiving Housing Agency's program. The Receiving Housing Agency's Payment Standard is used except when CHA denies a portability request to a PHA whose payment standard exceeds CHA payment standard.

c. The Initial Housing Agency will promptly reimburse the Receiving Housing Agency for 80% of the Initial Housing Agency's ongoing

administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by the Receiving Housing Agency.

d. The receiving PHA must notify CHA of any change in the billing amount as soon as possible (preferably before the effective date to avoid retroactive adjustments) but in no circumstances any later than 10 working days following the effective date of the change.

e. CHA will ensure that subsequent billing amounts are received no later than the fifth working day of each month for which the monthly billing amount is due.

Section XVI. Verification

CHA will verify information related to waiting list preferences, eligibility, admission, and level of benefits prior to admission. Before CHA issues a voucher, information must be updated (if more than sixty (60) days old) to verify that eligibility is current. Periodically, during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Household 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, citizenship/eligible non-citizen status and any claimed medical expenses. Ages and relationship of household members will only be verified in those instances where needed to make a determination of level of assistance.

CHA will use HUD's Upfront Income Verification (UIV) tools, to the extent that tools/systems are available to CHA, to verify income information before or during a family's reexamination of household income. UIV tools to be used include, but are not limited to, the following:

A. Verification Tools

Due to the sensitive nature of UIV data, CHA will restrict access to and safeguard the information in accordance with HUD guidance on security procedures, as issued and made available by HUD. Verification documents will be kept in the applicant/tenant file, when needed, and shredded/destroyed when no longer needed. Files will be kept in a secure area that requires electronic key entry by CHA staff.

1. **Enterprise Income Verification (EIV) System** – A HUD-provided Internet-based wage and benefit tool that allows CHA to validate the accuracy of tenant-reported income through an independent source. EIV systematically and uniformly maintains income information in computerized form for subsidized household members.

2. **Tenant Assessment Subsystem (TASS)** – A HUD-provided Internet-based benefit tool that matches Social Security (SS) and Supplemental

Security Income (SSI) to comparable tenant data from PIC and TRACS databases.

B. Types of Income

1. Gross wages and salaries (including overtime pay, commission, fees, tips, bonuses, and other compensation for personal services)

2. Unemployment compensation

3. Welfare benefits

4. Social Security benefits

   a. Social Security (SS)
   b. Supplemental Security Income (SSI)

Other income types (i.e., child support, pensions, etc.) may be verified using upfront income verification techniques if the resources are available.

C. Using Verification Tools

1. **Using Up-Front Income Verification (UIV)to Project Income** − CHA will follow "HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available" in handling differences between UIV and family-provided and/or other verified income information. The guidelines establish criteria on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of $200 or more per month.

   a. **No Substantial Difference** − If UIV information for a particular income source differs from the information provided by a family by less than $200 per month, CHA will follow these guidelines:

      (1) If the UIV figure is less than current family-provided information, CHA will use the family's information to calculate anticipated annual income.

      (2) If the UIV figure is more than the family's figure, CHA will use the UIV data to calculate anticipated annual income unless the family provides documentation of a change in circumstances (i.e., change in employment, reduction in hours, etc.) to explain the discrepancy. Upon receipt of acceptable family-provided documentation of a change in circumstances CHA will use the family-provided information.

b. **Substantial Difference** − If UIV information for a particular income source differs from the information provided by a family by $200 or more per month, CHA will follow these guidelines:

(1) CHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).

(2) When CHA cannot readily anticipate income (i.e., in cases of seasonal employment, unstable working hours, or suspected fraud), CHA will review historical income data for patterns of employment, paid benefits, and/or receipt of other income.

(3) CHA will analyze all UIV, third-party, and family-provided data and attempt to resolve the income discrepancy.

(4) CHA will use the most current verified income data (and historical income data, if appropriate) to calculate anticipated annual income.

2. **Verification of SS/SSI Benefits of Participants and Household Member** − CHA will obtain verification of SS/SSI benefits of participants and household members through SWICA and Enterprise Income Verification (EIV) System.

If benefit information is not available in HUD Systems or if the tenant disputes EIV benefit data, CHA will request a current, original SSA notice or benefit verification letter from each household member who receives Social Security benefits within 10 business days of CHA interview date. If the participant and/or household member(s) are unable to provide the requested document, CHA will ask the participant/household member(s) to call SSA at 1-800-772-1213 or visit the local SSA office to request a benefit verification letter. The request for a benefit verification letter can also be made at the SSA Internet Website at www.ssa.gov. The participant/household member(s) should provide CHA with the original benefit verification letter. CHA will make a photocopy of the original benefit verification letter, return the original benefit verification letter to the participant/household member, and maintain the photocopy of the benefit verification letter in the tenant file. (This same process can be used when third-party verification of SS/SSI benefits is not available for applicants and/or their household members.)

3. **Documentation of Unavailability of Third-Party Verification of SS/SSI Benefits** −In the event that third-party verification is not available,

CHA will document the tenant file as to why third-party verification was not available. Below are some examples of acceptable file documentation:

a. New admission, information not available through HUD systems
b. New tenant, information not available through HUD systems
c. Current tenant, information not available through HUD systems due to change in re-examination date
d. Current tenant, information not available through HUD systems due to discrepancy with name, date of birth, or social security number in SSA file
e. Current tenant, information not available through HUD systems, reason unknown

D. Methods of Verification and Timelines

CHA will verify family information through the five methods of verification authorized by HUD.

1. HUD requires CHA to use the most reliable form of verification that is available and to document in the file the reasons when CHA uses a lesser form of verification. In order of priority, forms of verification that may be used are:

   a. Enterprise Income Verification (EIV), when available
   b. Third-party written
   c. Third-party oral
   d. Review of documents
   e. Self-certification/declaration

2. CHA will allow seven (7) days for return of third-party verifications and ten (10) business days to obtain other types of verifications before stepping down to the next verification method.

3. Verifications may not be more than 90 days old at the time of voucher issuance. For participants, verifications must be dated within 90 days of reexamination.

4. There may be legitimate differences between the information provided by the family and EIV-generated information. No adverse action will be taken against a family until CHA has independently verified the EIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of CHA.

E. Levels of Verification

Age, relationship, U.S. citizenship, and Social Security numbers will generally be verified with documentation provided by the family. All adult (18+) household members are required to sign appropriate forms authorizing release of information to the CHA.

1. **Third-party written verification** will be used to confirm information directly with the source. Third-party written verification forms will be sent directly to, and received directly from (via first-class mail), the source and not passed through the hands of the household. However, CHA may request and receive directly from the source verifications that are faxed, emailed, or hand delivered. If third-party verification is received after lower level documents have been accepted as provisional verification and there is a discrepancy, CHA will utilize the third-party verification.

2. **Third-party oral verification** will be used when written third-party verification is delayed or not possible. When third-party oral verification is used (either by contacting source by telephone or in-person visit), staff will be required to note the name of the person contacted and telephone number, the date of the conversation, and the facts provided. If provided by telephone, CHA must originate the call.

3. **Review of Documents**: When third-party written or oral verification cannot be obtained, or the information has not been verified by the third party within the allotted time, CHA will note in the file why third-party verification is not available and utilize hand-carried documents provided by the applicant/participant family as the primary source if the documents provide complete information. Original documents must be provided by the family and should be dated within 60 days of the interview. Photocopies of the documents will be made and maintained in the file. The chart in the Appendix gives common examples of verifications.

Below is a list of some acceptable family-provided documents:

a. 3 Consecutive and original pay stubs
b. Social Security Administration award letter
c. Bank statements (2 Checking; 1 Savings)
d. Pension benefit statements
e. TANF award letter
f. Other official and authentic documents from a Federal, State, or local agency.

4. **Self-Certification/Self-Declaration**: When verification cannot be made by third-party verification or review of documents,

household members will be required to submit a self-certification. Self certifications must be signed in the presence of a CHA representative, or a notary public. CHA will document in the file why third-party verification was not available.

5. **Exceptions to Third-Party Verification Requirements**: When third-party verification of income, assets, and/or expenses is unavailable, an exception may be made to the third-party verification requirement if:

1. CHA made at least two unsuccessful documented attempts to obtain third-party verification
2. The source does not have the capability to provide written or oral third-party verification
3. The asset or expense to be verified is an insignificant amount, thus it is not cost effective or reasonable to obtain third-party verification

F. Verification of Medical Expenses

To verify medical expenses, CHA will attempt third-party verification of medical expenses from appropriate sources. If third-party verification is not available, CHA will request the tenant to provide original documents such as receipts, cancelled checks, or paycheck stubs for verifying medical insurance premiums. Also the tenant will be asked to provide receipts for payments for medical costs to physicians, pharmacies, and durable medical equipment providers. Previous medical bills that have been paid in full **will not** be considered.

G. Verification of U.S Citizenship or Eligible Non-Citizen Status

The U.S. citizenship/eligible non-citizen status of each family member regardless of age must be determined. U.S. Citizenship status will be verified only once. This verification will be obtained prior to admission and prior to a new member joining the resident family. Eligible non-citizen status will be verified at admission and annually thereafter.

1. Prior to being admitted, 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.)

2. Prior to being admitted, 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.

3. Prior to being admitted, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. CHA will make a copy of the individual's INS documentation and place the copy in the file. CHA also will verify their status through the INS SAVE system. If the INS SAVE

system cannot confirm eligibility, CHA will mail information to the INS so a manual check can be conducted on INS records.

4. Family members who do not claim to be citizens, nationals, or eligible non-citizens, must be listed on a Statement of Non-eligible Members, and the list must be signed by the head of the household. Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

5. Non-citizen students on U.S. student visas, though in the country legally, are not eligible to be admitted to the Housing Choice Voucher Program.

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 CHA determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens on the list) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such household members will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.

H. Verification of Social Security Numbers

1. Prior to admission, each family member must provide verification of their Social Security number. If a member of an applicant family indicates they have a Social Security number, but cannot readily verify it, the member may submit a written certification of the number. CHA will allow sixty (60) calendar days from the date of application for the applicant member to provide the required documentation. The application will retain its position on the waiting list while the required documentation is being obtained. If the documentation is not provided within the allotted time, the application will be denied. New family members must provide verification prior to being added to the voucher. Verification of the Social Security number will be obtained only once.

2. The preferred method to verify the Social Security number is the original Social Security card. If the card is not available, CHA will accept letters from the Social Security Administration that establish and state the number. Documentation from other governmental agencies will also be accepted that establish and state the number. Drivers license, military ID, passports, or other official documents that establish and state the number are also acceptable.

I. Timing of Verification

1. Eligibility information must be updated (if more than ninety (90) days old) to verify

that an applicant is eligible. Verification information for tenants must be dated within ninety (90) days of their reexamination. If the verification is older than ninety (90) days, the source will be contacted and asked to provide information regarding any changes.

2. When an interim reexamination is conducted, CHA will verify and update all information related to family circumstances and level of assistance.

Section XVII. Compliance Investigations

A. The discrepancy results in an overpayment of rent by the participant**.**

1. CHA shall process an interim re-certification if necessary to correct any underpayment of subsidy or UAP due to miscalculation of income following the procedure found in the HCVP Standard Operating Procedures Manual, Processing Interim Rent Changes.

2. An adjustment of Subsidy and/or UAP shall be issued and processed to the effective date of the re-certification where the discrepancy of income and overpayment of subsidy and/or UAP and/or Subsidy is first charged.

3. Accounting shall issue a check to the participant in the amount of the overpayment no later than 30 days following processing of the adjustment for the period of overpayment.

B. The discrepancy results in Overpayment of subsidy by CHA of $499.00 or less.

1. The Program Compliance Auditor will issue a 30 Day Termination of Subsidy Notice letter via certified and standard mail to the participant with e-mail copy to the HCVP Program Manager. The participant will have the right to request a formal hearing. This request must be made in writing to the Program Compliance Auditor at the address specified in the 30 Day Termination of Subsidy Notice, and must be received no later than 14 days before the date of the 30 Day Termination of Subsidy Notice. Hearings will be conducted throughout the month on a scheduled basis. Present at the formal hearing will be the Program Compliance Auditor (Hearing Officer), HCVP Program Manager or Representative and participant.

2. If the Hearing Officer finds in favor of the participant, he/she will determine if the effective re-certification is correct or if an interim re-certification is necessary to correct any underpayment of subsidy and/or UAP. If there has been an underpayment of subsidy and/or UAP, Step 1.a-c of this procedure shall be followed.

3. If the Hearing Officer determines the discrepancy to be valid, resulting in an overpayment of subsidy and/or UAP, the Program Manager or his/her representative may offer a repayment agreement requiring a down payment of 25 percent of the total amount due, to be paid within 30 days of the hearing date with the balance paid in up to twelve equal monthly payments. The payments will be due on the 5th, 15th or 25th of the month as agreed by both parties. The participant reserves the right to repay the full amount due at any time during the agreed upon repayment period.

4. The 25% down payment and all subsequent payments must be made at the Central Office of CHA at 801 N Holtzclaw Ave.

5. If the participant fails to request a fraud hearing, termination of subsidy and/or UAP will be enforced as noted in the 30 Day Termination of Subsidy Notice letter and the total amount due with reasonable collection and legal fees added will be referred for collection and/or the case shall be referred to the CHA Public Safety Department who will initiate a criminal investigation and if warranted refer the case to the Hamilton County Grand Jury, Inspector General's office or other law enforcement agency for prosecution..

6. If the participant fails to make the full down payment in the required time, termination of subsidy and/or UAP will be enforced as noted in the 30 Day Termination of Subsidy Notice letter and the total amount due with reasonable collection and legal fees added will be referred for collection and/or the case shall be referred to the CHA Public Safety Department who will initiate a criminal investigation and if warranted refer the case to the Hamilton County Grand Jury, Inspector General's office or other law enforcement agency for prosecution..

7. If at anytime the participant fails to make a scheduled payment within 30 days of the payment due date the entire balance shall become due and the participant will be notified of termination of subsidy and/or UAP. If any amount is unpaid as of the date of termination of subsidy and/or UAP, the total amount due with reasonable collection and legal fees added will be referred for collection.

C. The discrepancy results in overpayment of subsidy and/or UAP by the Tenant $500.00 to $1999.00.

1. The Program Compliance Auditor will issue a 30 Day Termination of Subsidy Notice letter via certified and standard mail to the participant with e-mail copy to the HCVP Program Manager. The Participant will have the right to request a formal hearing. This request must be made in writing to the Program Compliance Auditor at the address specified in the 30 Day

Termination of Subsidy Notice, and must be received no later than 14 days before the date of the 30 Day Termination of Subsidy Notice. Hearings will be conducted throughout the month on a scheduled basis. Present at the formal hearing will be the Program Compliance Auditor (Hearing Officer), HCVP Program Manager or Representative and participant.

2. If the Hearing Officer finds in favor of the participant, he/she will determine if the effective re-certification is correct or if an interim re-certification is necessary to correct any overpayment of rent. If there has been an overpayment of rent, Step 1.a-c of this procedure shall be followed.

3. If the Hearing Officer determines the discrepancy to be valid, resulting in an overpayment of subsidy and/or UAP, the Program Manager or his/her representative may offer a repayment agreement requiring a down payment of 25 percent of the total amount due, to be paid within 30 days of the hearing date with the balance paid in up to twelve equal monthly payments. The payments will be due on the 5th, 15th or 25th of the month as agreed by both parties. The participant reserves the right to repay the full amount due at any time during the agreed upon repayment period.

4. The 25% down payment and all subsequent payment must be made at the Central Office of CHA at 801 Holtzclaw Boulevard.

5. If the participant fails to request a fraud hearing, termination of subsidy and/or UAP will be enforced as noted in the 30 Day Termination of Subsidy Notice letter and the total amount due with reasonable collection and legal fees added will be referred for collection and/or the case shall be referred to the CHA Public Safety Department who will initiate a criminal investigation and if warranted refer the case to the Hamilton County Grand Jury, Inspector General's office or other law enforcement agency for prosecution..

6. If the participant fails to make the full down payment in the required time, termination of subsidy and/or UAP will be enforced as noted in the 30 Day Termination of Subsidy Notice letter and the case shall be referred to the CHA Public Safety Department who will initiate a criminal investigation and if warranted refer the case to the Hamilton County Grand Jury, Inspector General's Office or other law enforcement agency for prosecution.

7. If at anytime the participant fails to make a scheduled payment within 30 days of the payment due date the entire balance shall become due and participant will be notified of termination of subsidy and/or UAP. If any amount is unpaid as of the date of termination of subsidy and/or UAP, the total amount due with reasonable collection and legal fees added will be

referred for collection and/or the case shall be referred to the CHA Public Safety Department who will initiate a criminal investigation and if warranted refer the case to the Hamilton County Grand Jury, Inspector General's Office or other law enforcement agency

D. The discrepancy results in overpayment of subsidy and/or UAP by the participant of $2000.00 or greater.

The Program Compliance Auditor will issue a 30 Day Termination of Subsidy Notice letter via certified and standard mail to the participant with e-mail copy to the HCVP Program Manager. The participant will have the right to request a formal hearing. This request must be made in writing to the Program Compliance Auditor at the address specified in the 30 Day Termination of Subsidy Notice, and must be received no later than 14 days before the date of the 30 Day Termination of Subsidy Notice. Hearings will be conducted throughout the month on a scheduled basis. Present at the formal hearing will be the Program Compliance Auditor (Hearing Officer), HCVP Program Manager or Representative, Public Safety and participant.

1. If the Hearing Officer finds in favor of the participant, he/she will determine if the effective re-certification is correct or if an interim re-certification is necessary to correct any underpayment of subsidy and/or UAP. If there has been an underpayment of subsidy and/or UAP, Step 1.a-c of this procedure shall be followed.

2. If the Hearing Officer determines the discrepancy to be valid, resulting in an overpayment of subsidy and/or UAP, participant will be offered the opportunity of repayment. The repayment agreement will require that the overpayment be repaid in full in a lump sum payment within 30 days of the hearing date. Absolutely no partial payment will be accepted. If participant refuses repayment agreement or fail to comply with the specific terms of the repayment agreement termination of subsidy and/or UAP will be enforced as noted in the 30 Day Termination of Subsidy Notice letter and the total amount due with reasonable collection and legal fees added will be referred for collection and/or the case shall be referred to the CHA Public Safety Department who will initiate a criminal investigation and if warranted refer the case to the Hamilton County Grand Jury, Inspector General's Office or other law enforcement agency for prosecution.

E. File Documentation

CHA will document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the

family's file in sufficient detail to demonstrate that CHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached. Applicant/participant records/files will be retained by CHA for a period of not less than three (3) years.

Section XVIII. Rent and Housing Assistance Payment

A. Rent Reasonableness

Program regulation requires CHA to certify that the rent charged to the housing choice tenant is not more than the rent charged for other unassisted comparable units. CHA will not approve an initial rent (or a rent increase) in any of the tenant- or voucher-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease (or at the initial HAP contract in the case of project-based voucher units) and at the following times:

1. Before any increase in rent to owner is approved, owner must give a sixty (60) day notice of increase in rent to CHA and tenant. If the rent increase is requested sixty (60) days after recertification (or the anniversary of the HAP contract, in the case of project-based voucher units), the owner may be required to wait until the next recertification date to increase the rent. CHA reserves the right to deny an increase in rent based on funding availability;

2. If sixty (60) days before the contract anniversary date there is a 5 percent decrease in the published Fair Market Rent (FMR) as compared to the previous FMR; and

3. If CHA or HUD directs that reasonableness be re-determined.

B. Comparability

In making a rent reasonableness determination, CHA will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. CHA will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance, and utilities of the unit and the comparable units.

The rent reasonableness procedures are as follows:

Addresses of unassisted units throughout CHA jurisdiction are added to a databank. The reasonable rent for subject units is determined by requesting three units from the databank that match the subject unit's zip code, bedroom and bath size and square

footage. The program will select the units that most closely match the subject unit. If comparables can not be obtained from the database, other sources will be utilized such as the newspaper, internet other unassisted units from that property owner. The comparable data includes the value of utilities included in the rent, the value of amenities, and the monthly rent. If the requested rent for the subject unit is within the range of the rent of the comparables, the rent is reasonable.

Owners of projects with more than 4 units must complete the section on the back of the Request for Tenancy Approval (RFTA), and list three recently leased comparable unassisted units within the premises.

The owner must certify 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. For units assisted under the Low Income Housing Tax Credit program, rents will not exceed the maximum permitted under applicable IRS and HUD laws and regulations.

C. Maximum Subsidy

The Fair Market Rent (FMR) published by HUD or, if applicable, the exception payment standard rent (requested by CHA and approved by HUD) determines the maximum subsidy for a family.

For the Housing Choice Voucher Program, the minimum payment standard will be 90 percent of the FMR and the maximum payment standard will be up to 110 percent of the FMR without prior approval from HUD, or the exception payment standard approved by HUD.

D. Setting the Payment Standard

The Statute requires that the payment standard be set by CHA at between 90 and 110 percent of the FMR without HUD approval. CHA will review its determination of the payment standard annually after publication of the FMRs. CHA will consider vacancy rates and rents in the market area, 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 Housing Choice Voucher Program. If it is determined that success rates will suffer or that families are having to pay over 40 percent 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.

Before increasing any payment standard, CHA 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.

If success levels are projected to be extremely high and rents are projected to be at or below 30 percent of income, CHA 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. CHA may consider adjusting payment standards at times other than the annual review when circumstances warrant.

CHA may opt to lower payment standards. A lower payment standard applies immediately to all new admissions, all movers, and stayers with a new HAP contract (e.g., when the owner offers or requires a new lease). For all other voucher participants, decreased payment standard amounts are not applied until the second regular reexamination after the payment standard is lowered. CHA may request HUD to waive this requirement, for good cause.

If Payment Standards are lowered because of insufficient funding, the following will be excluded: elderly families, disabled families, Family Self-Sufficiency families, and Section 8 homeowner families.

E. Area Exception Rents (If Applicable)

To help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, CHA 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. CHA 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 CHA requests (and HUD approves) a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

F. Assistance and Rent Formulas

1. Total Tenant Payment

The total tenant payment is equal to the highest of:

a. 10 percent of monthly income

b. 30 percent of adjusted monthly income

c. Minimum rent

Plus any rent above the payment standard.

2. Minimum Rent.

CHA has set the minimum rent as **$50** for the Section 8 Housing Choice Voucher Program. If the family requests a hardship exemption, CHA will suspend the minimum rent for the family beginning the month following the family's hardship request. The suspension will continue until CHA 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.

a. ***A hardship*** exists in the following circumstances:

(1). When the family has lost eligibility for (or is awaiting 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, child care, transportation, education, or similar items;

(5). When a death has occurred in the family.

b. ***No hardship***. If CHA determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to CHA for the time of suspension.

c. ***Temporary hardship***. If CHA determines 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. CHA will offer a reasonable repayment agreement for any minimum rent back payment paid by CHA on the family's behalf during the period of suspension.

d. ***Long-term hardship***. If CHA determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.

e. ***Appeals***. The family may use the informal hearing procedure to appeal CHA determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing

procedures.

3. Rent for Families under the Non-citizen 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;

d. The family's head or spouse has eligible immigration status; and

e. 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. CHA will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, CHA 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 percent.

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.

G. Utility Allowance

CHA maintains a utility allowance schedule for all tenant-paid utilities (except telephone and cable), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services.

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, CHA uses normal patterns of consumption for the whole community and current utility rates.

CHA reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. CHA maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Participants may review this information at any time by making an appointment with the Section 8 Department.

CHA uses the appropriate utility allowance for the size dwelling unit actually leased by the family (rather than the family unit size as determined under CHA subsidy standards).

At each reexamination, CHA applies the utility allowance from the most current utility allowance schedule.

CHA 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 to the owner each month. The amount of the utility allowance is 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.

H. Distribution of Housing Assistance Payment

New HAP contracts may begin when all program requirements have been met. CHA monitors its housing assistance payments to ensure system accuracy, timeliness and integrity. All payments to Landlords and Families are made by check or direct deposit, processed and prepared through CHA Finance Department, independent of the Leased Housing Department. Payments are computed according to HUD approved formulas and schedules. A copy is kept on file of each Landlord's Tax Identification Number or Social Security number.

1. Monthly HAP

HAP disbursements are mailed on the first of every month. Utility payments to Families are mailed directly to the Family at the assisted address.

2. Late Payments

The first HAP for a new contract will be received no later than two calendar months following the execution of the HAP contract. All other payments will be received by the fifth day of each calendar month. CHA shall pay a late fee for HAPs not received (as defined above) due to factors within CHA's control, in accordance with what is charged to unassisted families which pay a late fee and not to exceed what is charged to the Landlord's assisted and unassisted tenants. No other late fees will be paid. This payment is made upon request from the Landlord, provided the Landlord has a policy and practice of collecting late fees from private market tenants residing in his/her units.

No late fee will be assessed or paid by CHA if the payment is received late due to factors beyond CHA's control or receipt of the late payment is due to an adjustment in either the amount of contract rent to the owner or the HAP to be made by CHA

I. Change of Ownership or New Ownership

CHA requires a written request by the owner who executed the HAP contract to make changes regarding who is to receive CHA's rent payment or the address where the rent payment should be sent.

In addition, CHA requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

1. Property Tax Notice, Settlement Statement, or Deed of Trust showing the transfer of title and address,

2. Tax Identification Number or Social Security Number, and

New owners will be required to execute IRS form W-9. CHA may withhold the rent payment until the Taxpayer Identification Number is received. The following documents are required from the owner:

1. Property Tax Notice, Settlement Statement, or Deed of Trust showing the transfer of title and address,

2. Tax Identification Number or Social Security Number, and

3. A statement that they will accept the existing HAP contract as is.

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Section XIX. Determination of Family Income

A. Income, Exclusions from Income, Deductions from Income

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

1. 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.

(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. During reexaminations, CHA will obtain each family's certification that it has or has not disposed of assets for less than fair market value during the two years preceding the effective date of the recertification. If the family certifies that it has disposed of assets for less than fair market value, the certification must show: (a) all assets disposed of for less than fair market value, (b) the date they were disposed of, (c) the amount the family received for each asset, and (d) the market value of each asset at the time of disposition. Third-party verification will be obtained whenever possible.

(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 workers' compensation are excluded.)

(6). 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.

(7). 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.);

(8). Imputed welfare income resulting from sanctions imposed by welfare agency;

c. CHA will annualize seasonal income over a twelve-month period based upon the past income; and spread cyclical income over a twelve-month period rather than redetermining income throughout the year (ex. For 9-month school employees, income will be divided over 12 months. No interim rent adjustment will be required).

Families whose welfare assistance (Families First) is reduced specifically because of fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement must not have their Section 8 contribution to rent reduced based on the Families First benefit reduction. The exclusion on reduction of Section 8 rent contribution does not apply when the family has complied with their Families First Program requirements but cannot obtain employment (e.g. the family has complied but loses welfare benefits because of a durational time limit, such as the five-year time limit for receipt of Families First benefits).

At all times when a request for an income reexamination and rent reduction due to a reduction in Families First income is received, CHA will verify with the local division of the Department of Human Services (DHS) that the family's benefits have been reduced because of noncompliance with economic self-sufficiency requirements, work activities requirements, or because of fraud. Verification may be obtained, in written form, directly from the local DHS office, or through the ACCENT computer system. The verification will be maintained in the tenant file.

If verification is obtained from DHS that the family's benefits have been reduced because of noncompliance with economic self-sufficiency requirements, work activities requirements, or because of fraud, the family's income must not be reduced for purposes of calculating the family's TTP. Instead, the family's welfare income must be "imputed" during the term of the welfare benefits

sanction. CHA will verify with DHS the term of the sanction.

To impute welfare benefits reduction:

(1). Determine the amount of welfare income received prior to the sanction.

(2). Determine the term of the sanction.

(3). Offset the amount of additional income the family receives that starts after the welfare sanction. If additional income received after the welfare sanction begins is equal to the amount of welfare income received prior to the sanction, the imputed welfare income is equal to $0.

CHA will not include imputed welfare income in annual income if the family was not an assisted resident at the time of the sanction. If a resident is not satisfied that CHA has calculated the amount of imputed welfare income according to HUD requirements, and if CHA denies the family's request to modify such amount, then CHA shall give the resident written notice of such denial, with a brief explanation of the basis for CHA's determination of the amount of imputed welfare income. CHA's notice shall also state that if the resident does not agree with the determination, the resident may grieve the decision according to our grievance policy. The resident is not required to pay an escrow deposit for the portion of the resident's rent attributable to the imputed welfare income to obtain a grievance hearing.

Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency’s normal due process procedures. CHA shall rely on the welfare agency notice to CHA of the welfare agency’s determination of a specified welfare benefits reduction.

2. Exclusions from Income

Annual income does not include the following:

a. Earned income of minors (children under the age of 18, including foster children) except head of household or spouse;

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 workers’

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. To qualify as a Live-In Aide, a tenant's medical professional must document that the tenant needs a live-in aide. CHA must screen the aide and add their name to the tenant's lease.

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

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;

(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 CHA 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 value of the allotment of food stamps will be calculated and excluded annually;

(b). Payments to volunteers under the Domestic Volunteer Services Act of 1973;

(c) Payments made under HHS's Low-Income Energy Assistance Program;

(d). Payments received under the Job Training Partnership Act;

(e). Amount of scholarships awarded under Title IV including Work-Study;

(f). Payments received under the Older Americans Act of 1965;

(g). Payments from Agent Orange Settlement;

(h). The value of child care under the Child Care and Development

Block Grant Act of 1990;

(i). Earned income tax credit refund payments;

(j). Payments for living expenses under the AmeriCorps Program;

(k). **Earned Income Disallowance**: Disallowance of income for disabled persons who are working (effective 4/20/01). *(1) Initial 12-month exclusion*: During the cumulative 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, CHA must exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member. *(2) Second 12-month exclusion and phase-in*: During the second cumulative 12-month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, CHA must exclude from annual income of a qualified family 50% of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment. *(3) Maximum 4-year disallowance*: The disallowance of income of an individual family member who is a person with disabilities is limited to a lifetime 48-month period. The disallowance of increases in income as a result of employment of persons with disabilities does not apply for purposes of admission to the program.

3. 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. Allowance for disability assistance expenses that are anticipated for attendant care and auxiliary apparatus for a disabled family member and that is necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are not paid to a family member or reimbursed by an outside source. The amount to be deducted cannot exceed the amount earned by a family member 18 years old or older who is enabled to work because of the disability assistance. For non-elderly families, the disability assistance allowance is the lessor of: (1) the amount by which total expenses for disability assistance

exceeds 3 percent of annual income or (2) what a family is able to earn because the disability assistance allowance is available.

For elderly families, the 3 percent of annual income must first be deducted from disability assistance expenses and then any remainder deducted from medical expenses.

If a family has both medical and disability assistance expenses, first deduct 3 percent of annual income from the disability assistance expenses; any remainder is then deducted from total medical expenses.

d. Medical expenses, for households whose head or spouse is at least 62 yearsof age or disabled, that are not covered by insurance and are in excess of 3 percent of annual income:

(1). That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3 percent of annual income;

(2). That has disability expenses greater than or equal to 3 percent 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 percent of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3 percent of annual income.

Medical expenses include the costs of diagnosis, cure, mitigation, treatment, or the prevention of disease, and the costs for treatments affecting any part or function of the body. They include the costs of equipments, supplies and diagnostic devices needed for these purposes. They also include dental expenses. Medical expenses include the premiums paid for insurance that covers the expenses of medical care and the amounts paid for transportation to get medical care. Medical expenses also include amounts paid for qualified long-term care services and limited amounts paid for any qualified long-term care insurance contract.

e. Child care expenses (for which the family is not reimbursed) for the care of children less than 13 years of age to the extent necessary to enable a family member to be gainfully employed or to further their education. The amount deducted shall reflect reasonable charges for child care, and when child care is necessary to permit employment, the child care deduction shall not exceed the amount derived from that employment income.

4. Cooperating with Welfare Agencies

CHA and the local welfare agency agree:

To target public assistance, benefits, and services to families receiving assistance in the public housing program and the Section 8 tenant-based assistance program to achieve self-sufficiency;

XX. Inspection Policies and Housing Quality Standards

Housing leased in the HCVP (Section 8) for the CHA will meet the standards and acceptability criteria set forth in 24 CFR 982.401, as amended. The Landlord will at a minimum, maintain the unit(s) in compliance with those requirements during the Housing Assistance Payments Contract. Annual inspection will be made of all units on the program to ensure compliance with HUD's requirements. The Landlord and Family will be notified of the repairs necessary for compliance.

CHA will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the Section 8 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.

CHA must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. The family and owner will be notified of the inspection appointment by first-class mail. If the family is not at home for the scheduled inspection appointment and they do not contact the housing authority for a reschedule before the date of inspection, it is considered a Fail 98, a $25 missed appointment fee is accessed to the family and the assistance may be terminated.

If the family calls to dispute the termination, one more chance will be given and the family will be obligated to sign a statement of understanding stating if they ever miss another appointment for inspection, the $25 missed appointment fee will be accessed and they may lose their assistance.

Owners and families are obligated to sign the "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards" at each initial lease signing.

A. Types of Inspections

CHA will perform six types of inspections:

1. Initial Inspection

Before approving a lease, CHA will ensure the dwelling unit is inspected for compliance according to CHA procedure. All HQS inspections of units shall be conducted within seven days of the date the unit is ready using a HUD approved inspection form. A copy of the inspection will be mailed to both the Landlord and

Family. A report for every inspection will be prepared and maintained in the Family's file in the Housing Choice Voucher Program (Section 8) 0ffice. Each report will specify the defects or deficiencies, if any, which must be corrected by the Landlord before the contract can be executed.

a. Unit Failure

If, as a result of the initial inspection, CHA determines violations exist, CHA will notify the Landlord and the Family in writing, and require the defects be corrected within fifteen days (15) of the failure. A copy of this notification will be retained in the Family's file in the Housing Choice Voucher Program (Section 8) office. If CHA determines, as a result of the re-inspection, that the Landlord has satisfactorily corrected all defects or deficiencies, CHA will execute the HAP Contract.

b. Correcting Deficiencies and Approval

If the Landlord fails to make the required repairs within fifteen (15) days, the Landlord and Family will be notified that the RFTA has been denied. The Family may then be issued new paperwork to search for alternate housing provided there is time left on the Voucher to search for housing.

2. Annual Inspection

Regular annual inspections will be made of each unit prior to the anniversary date of the last passed initial or annual inspection. If the unit passes the inspection, CHA will continue payments. If the unit fails inspection, corrective action will be taken.

3. Complaint Inspection

The CHA will respond to all Families reporting violations of Housing Quality Standards in their units. Requests for complaint inspections are made to Landlord Services. Families may call the HQS Hotline or submit a written request.

Once the complaint is received, CHA will notify the Landlord of the complaint and give the Landlord a reasonable amount of time to address the complaint and make necessary repairs. If the compliant is not addressed appropriately within the time frame specified, CHA will perform an inspection of the unit and staff will take the steps outlined for such situations according to the terms of the HAP contract.

A "reasonable time" will be determined by the severity of the condition.

a. Any hazard that represents an immediate threat to the health and safety of

the Family must be corrected within 24 hours.

b. Any hazards that represent a potential threat to the health and safety of the Family must be corrected with three days.

c. Any violations that pose no threat to the health and safety of the Family must be corrected within 21 days unless the Director of Assisted Housing grants an extension.

4. Special Inspection

An inspection caused by a third party, i.e., HUD, needing to view the unit.

5. Emergency

Emergency Inspections will be conducted when there are deficiencies in a unit that are considered to be life-threatening. The deficiencies must be corrected within 24 to 72 hours of the inspection date.

6. Quality Control Inspection

Quality Control inspections will be conducted in compliance with SEMAP regulation 985.2, public housing agency quality control sample. The records will be drawn in an unbiased manner and reviewed by a CHA supervisor. The supervisor's re-inspected sample will be drawn from recently completed HQS inspections (performed during the last three months preceding re-inspection) and will be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors.

B. Owner and Family Responsibility

1. Owner Responsibility for HQS

a. The owner must maintain the unit according to HQS.

b. If the owner fails to maintain the dwelling unit according to HQS, CHA will take prompt and vigorous action to enforce the owner's obligations. CHA's remedies for such breach of the HQS include termination, suspension, or reduction of housing assistance payments and termination of the HAP contract.

c. CHA 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 CHA and CHA 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 CHA-approved extension). Owners and tenants must request extensions in writing or extensions will not be granted. CHA will accept written verification of compliance in lieu of re-inspection in cases of minor, non-life threatening HQS violations. Written verification must be attested to by both the Landlord and the Family and must be submitted to CHA prior to the expiration of the allowed compliance period for failed items.

d. 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, CHA may terminate assistance to a family because of the HQS breach caused by the family.

e. Move Tenant

Once abatement has occurred, a letter will be generated informing the Landlord of the abatement and the fifteen (15) day compliance time. If the Landlord does not bring the unit into compliance after fifteen (15) days of abatement, CHA will begin the process of relocating the Family. CHA will cancel the HAP Contract when the family moves from the unit or sixty (60) days after CHA after the abatement date, whichever comes first.

f. Continued Occupancy

After the Move Tenant notice is given, the Family must move from the unit or execute a Continued Occupancy document with the Landlord and present it to the Housing Choice Voucher Program (Section 8) staff. The Landlord must correct all deficiencies and pass the inspection before the HAP terminates. CHA will reestablish the HAP payments when the unit passes inspection, but will not make any retroactive payments for any period the unit did not meet HQS.

g. HAP Cancellation

If the unit does not pass inspection prior to the HAP termination date, and the Family decides not to move, but to instead enter into a separate lease with the Landlord, CHA will terminate the assistance to the Family in accordance with the HAP Contract.

Any overpayment of the HAP will be deducted from the Landlord's other assisted properties, or from the first HAP for any property leased under the program.

2. Family Responsibility for HQS

a. The family is responsible for a breach of the HQS that is caused by any of the following:

(1). The family fails to pay for any utilities that the owner is not required to pay, but which are to be paid by the tenant;

(2). 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

(3). Any member of the household, or a guest, damages the dwelling unit or premises (damage beyond ordinary wear and tear).

b. 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 CHA-approved extension).

c. If the family has caused a breach of the HQS, CHA will take prompt and vigorous action to enforce the family obligations. CHA may terminate assistance for the family according to 24 CFR 982.552.

d. Family Termination

The Section 8 Voucher Program Representative will send the Family a thirty (30) day notice of termination, and a copy to the Landlord. The Family will be allowed fifteen (15) days from the letter date to request an informal hearing to dispute the termination; or the Family may correct the deficiencies and request a reinspection.

If the Landlord has no pending deficiencies, the HAP payment will continue through the termination date if the tenant remains in the unit.

e. Continued Occupancy

During the waiting period, the Landlord has the option to assist the family to correct the deficiencies if they agree to continue the tenancy. If agreed upon, the Landlord and family must complete and sign the Notice of Continued Occupancy and return it to Housing Choice Voucher Program (Section 8) office so that a reinspection may be made. The termination will be suspended if the unit passes inspection before the pending termination date.

f. Informal Hearing

If the Family is terminated for HQS violations, and requests a hearing, an informal hearing will be held prior to the pending termination date.

C. Exceptions to the HQS Acceptability Criteria

CHA has the following HQS requirements in addition to the minimum standards set by HUD:

1. In units that do not have central air conditioning, the required openable windows must contain screens. This applies to the bathroom, if no mechanical exhaust is present; and one window in each sleeping room;

2. Bathrooms must have a door with properly operating knob and locks. Bedrooms must have a door with properly operating hardware, including door knob;

3. Thumb latch dead bolt locks are required on entry doors. Keyed locks are prohibited;

4. The heating system must be capable of maintaining a minimum of 68° F at a distance 3 feet above floor level, under minimum winter conditions;

5. Storm door, if present, must be in good condition (closer, handles, glass, screen);

6. Security bars on the openable window must be of the type that opens or is removed without the use of a key;

7. Bedroom shall contain a minimum of 70 square feet (7x10) of floor space;

8. Required handrails shall be not less than 30 inches nor more than 40 inches high measured vertically above the nosing of the treads. Guardrails shall be not less than 30 inches high above the floor of the porch, landing or balcony. Every handrail and guardrail shall be firmly fastened and capable of bearing normally imposed loads and shall be maintained in good condition;

9. The dwelling unit must not contain un-vented room heaters that burn gas, oil, or kerosene. Electric area heaters are acceptable as a secondary source of heat only;

10. Gutters, if present must be maintained free of obstructions and in proper working condition;

11. Unpainted interior and/or exterior wood surfaces must be protected by an appropriate surface coating or treatment unless specifically designed for use

without protection;

12. All doors and windows must be appropriately weather stripped to prevent the entrance of wind, rain and/or vermin infestation;

13. Fences, when present, shall be in good condition, property installed and maintained and should not pose a hazard. Barbed wire, razor wire, electric wire and other hazardous fence material are not permitted;

D. Time Frames and Corrections of HQS Fail Items

1. Correcting Initial HQS Fail Items

CHA will conduct an initial inspection of the unit within a reasonable period after the family submits a *Request for Tenancy Approval* and the owner and family indicate the unit is ready for inspection. The owner and participant will be notified of the results of the inspection. If the unit fails HQS, the owner and the participant will be advised to notify CHA (or the independent agency if applicable) to reschedule a re-inspection when the repairs have been properly completed. Once the unit passes the inspection, CHA (or the independent agency) will notify the owner and participant of the results.

If the Landlord fails to make the required repairs within 15 days, the landlord and Family will be notified that the RFTA has been denied and the Family will be issued new paperwork.

2. 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 unit fails HQS, the owner and the participant will be advised to notify CHA (or independent agency) to reschedule a re-inspection when the repairs have been properly completed.

If the owner fails to correct the items that failed HQS after proper notification has been given, CHA will abate payment and terminate the contract according to 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, CHA will terminate assistance for the family according to Sections 12.2(B) and 17.0(B)(3).

If the unit does not pass inspection prior to the HAP termination date, and the

Family decides not to move, but to instead enter into a separate lease with the Landlord, CHA will terminate the assistance to the Family in accordance with the HAP Contract.

Any overpayment of the HAP will be deducted from the Landlord's other assisted properties, or from the first HAP for any property leased under the program.

3. Timeframes for Corrections

   a. Emergency repair items must be abated within 24 hours.

   b. Non-emergency items must be completed within thirty (30) days of the initial inspection.

4. Extensions

   At the sole discretion of CHA, 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, CHA 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. Owners and tenants must request extensions in writing or extensions will not be granted.

E. Emergency Fail Items

The following items are to be considered examples of emergency items that need to be abated within 24 hours:

1. No hot or cold water

2. Owner-provided utilities

3. Inability to maintain adequate heat

4. Major plumbing leak

5. Natural gas leak

6. Broken lock(s) on first floor doors or windows

7. Broken windows that unduly allow weather elements into the unit

8. Electrical outlet smoking or sparking

9. Exposed electrical wires that could result in shock or fire

10. Unusable toilet when only one toilet is present in the unit

11. Security risks such as broken doors or windows that would allow intrusion

12. Other conditions that pose an immediate threat to health or safety

13. When there is not at least one working smoke alarm on each floor.

F. Abatements

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 the required timeframe, the rent for the dwelling unit will be abated.

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, CHA 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.

Section XXI. Rent Increase Requests

The Voucher Contract requires the Landlord to notify the CHA in writing, at least sixty (60) days prior to renewal, of a proposed rent increase and the date the increase will go into effect. All proposed rent increases must be approved by CHA as reasonable and cannot exceed rents charged for comparable unassisted units in the same complex.

CHA will conduct a rent reasonable survey using the computer databank of unassisted units to select comparable units. If the requested increase is determined reasonable, the approved increase will become effective the first day of the month following the 60 day notice.

Section XXII. Term of Lease

The initial lease term must be for at least one (1) year. However, CHA may at any time approve a shorter period if both of the following apply:

A. It is the prevailing market practice; and

B. It will improve housing opportunities.

The Landlord's lease must provide renewal terms.

Section XXIII. Term of the HAP Contract

The initial term of the HAP contract shall coincide with the lease. After such time, the HAP contract shall extend automatically to coincide with the term of the lease. Any changes to the lease must be approved by CHA, and the Landlord must provide CHA with a copy of such changes in writing.

For HAP contracts on Project-Based Voucher units, the HAP contract will be from 1 to 10 years, with the possibility of one or more five-year extensions if CHA determines that such extension is appropriate to promote decent affordable housing in its service area.

Section XXIV. Owner Claims for damages and unpaid rent and participant's ensuing responsibilities

This Section applies only to voucher HAP contracts in effect before October 2, 1995. Vouchers have a provision for damages and unpaid rent. No vacancy loss will be paid on vouchers. No damage claims will be processed unless CHA has performed a move-out inspection. Either the tenant or the owner can request the move-out inspection. Ultimately, it is the owner's responsibility to request the move-out inspection if he/she believes there may be a claim.

Damage claims are limited in the following manner:

- In the voucher program, owners are allowed to claim up to one (1) month contract rent minus the greater of the security deposit collected or the security deposit that should have been collected under the lease. There will be no payment for vacancy losses under the voucher program.
- No damage claims will be paid under the voucher program for contracts effective on or after October 2, 1995.

A. Owner Claims for Pre-October2, 1995 Units

According to the Voucher HAP contract, owners can make special claims for damages and unpaid rent, (vacancy loss cannot be claimed for vouchers) after the tenant has vacated or proper eviction proceedings have been conducted.

Owner claims for damages and unpaid rent are reviewed for accuracy and completeness. Claims are then compared to the move-in and move-out inspections to determine if an actual claim is warranted. No claim will be paid for normal wear and tear. Unpaid utility bills are not an eligible claim item.

CHA will make payments to owners for approved claims. It should be noted that the tenant is ultimately responsible for any damages or unpaid rent paid to the owner and will be held responsible for repaying CHA to remain eligible for the Section 8 Housing

Choice Voucher Program.

Actual bills and receipts for repairs, materials, and labor must support claims for damages if they exceed a cost estimate of damage claim by inspector. CHA has a list or reasonable costs and charges for items routinely included on damage claims. This list is used as a guide.

Owners can claim unpaid rent owed by the tenant up to the date of HAP termination if they evict for nonpayment of rent.

All claims and supporting documentation under this Section must be submitted to CHA within forty-five (45) days of the move-out inspection. Any reimbursement shall be applied first toward any unpaid rent. No reimbursement may be claimed for unpaid rent for the period after the family vacates.

B. Participant Responsibilities

If a damage claim or unpaid rent claim has been paid to an owner, the participant is responsible for repaying the amount to CHA. This shall be done either by paying the full amount due immediately upon CHA requesting it or through a Repayment Agreement that is approved by CHA.

If the participant is not current on any Repayment Agreements or has unpaid claims on more than one unit, the participant shall be terminated from the program. The participant retains the right to request an informal hearing.

Within twelve (12) months of the Family's last examination, the Housing Choice Voucher Program (Section 8) division will schedule an appointment to conduct a reexamination of Family income, assets, composition, and the extent of medical expenses for Elderly and Disabled Families, or other unusual expenses incurred by the Family. Participants will be offered up to 2 annual reexamination appointments and/or times. Participant failure to keep their annual reexamination appointment may be subject to termination from the program. CHA will conduct a criminal background check on any Family member that there is reason to believe may have a criminal history, in addition to conducting criminal background checks on all new Family members sixteen (16) years or older. Any matter found that is a ground for termination of assistance will be reviewed and appropriate action taken to terminate assistance.

CHA will also review and collect all delinquent balances owed to CHA by the Family. Such balances include but are not limited to:

1. Payments made under a special claim to a Section 8 Voucher Program Landlord on behalf of the Family.

2. Back-rent agreements made by the Family during participation in any of CHA's programs.

3. Charges incurred by the Family when they moved from a unit owned or operated by CHA.

Section XXV. Re-certification

A. Changes in Lease or Rent

If the participant and owner agree to any changes in the lease after the initial lease term (1 year), the owner must notify CHA and the tenant within sixty (60) days of the effective date of the proposed lease. The lease, including any changes, must be according to this Administrative Plan. Owners must notify CHA and the tenant of any changes in the amount of the rent at least sixty (60) days before the changes go into effect. If the rent increase is requested sixty (60) days after recertification, the owner may be required to wait until the next recertification date to increase the rent. Any such changes are subject to CHA determining them to be reasonable. CHA reserves the right to deny rent increases to landlords based on funding availability. Assistance shall not be continued unless CHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner if any of the following changes are made:

1. Requirements governing participant or owner responsibilities for utilities or appliances;

2. In the lease terms governing the term of the lease;

3. If the participant moves to a new unit, even if the unit is in the same building or complex.

B. Annual Re-examination

At least annually, CHA 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.

CHA will send a notification letter to the family letting them know that it is time for their annual reexamination and scheduling an appointment. Participants will be offered up to 2 annual reexamination appointments and/or times. Failure to keep their annual reexamination appointment may be subject to termination from the program.

CHA will conduct a criminal background check on any Family member that there is reason to believe may have a criminal history, in addition to conducting criminal background checks on all new Family members sixteen (16) years or older.

During the interview, 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.

Upon receipt of verification, CHA will determine the family's annual income and will calculate their family share.

CHA will also review and collect all delinquent balances owed to CHA by the Family. Such balances include but are not limited to:

1. Payments made under a special claim to a Section 8 Voucher Program Landlord on behalf of the Family.
2. Back-rent agreements made by the Family during participation in any of CHA's programs.
3. Charges incurred by the Family when they moved from a unit owned or operated by CHA.

C. Effective Date of Rent Changes for Annual Reexaminations

The revised 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, 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 revised 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.

D. Missed Appointments

If the family misses the scheduled recertification appointment and fails to reschedule the appointment, CHA will consider the family to have violated a Family Obligation and their assistance may be terminated. If the family contacts CHA to dispute the termination, one more chance will be given and the family will be obligated to sign a statement of understanding stating if they miss another appointment for recertification, they may lose their assistance.

E. Interim Re-Examinations

Interim reexamination of the tenant's portion of rent will be made at the request of the tenant due to changes in family income or other relative circumstances. Families may request an interim based on a decrease in income for any reason, except for a decrease

that lasts less than 30 days. All changes occurring prior to the next annual recertification must be reported to CHA within ten (10) days of occurrence. CHA will adjust the Housing Assistance Payments according to these verified changes.

Tenants are required to report all changes in family composition at the time of occurrence, even if the tenant portion of rent is not affected. When warranted, adjustments will be according to regulations. If the unit size is affected by the change in family composition, a voucher for the appropriate size unit will be issued at the time of the annual recertification.

During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified. CHA will not re-verify the income of other family members.

Families are required to report the following changes to CHA between regular reexaminations. These changes will trigger an interim reexamination.

1. A member has been added to the family through birth or adoption or court-awarded custody.

2. A household member is leaving or has left the family unit.

3. Family breakup

In circumstances of a family break-up, CHA will make a determination of which family member will retain the voucher, taking into consideration the following factors:

a. To whom the voucher was issued.

b. The interest of minor children or of ill, elderly, or disabled family members.

c. In regards to custody of the child when there is a family split, CHA can use a notarized statement if court documentation is not attainable to determine the household size of the voucher holder. The tenant must try every means possible to obtain the court documentation. A child residing in the unit at least 50% of the time will be considered when determining voucher size.

d. Whether the assistance should remain with the family members remaining in the unit.

e. Whether family members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement of judicial decree, CHA will be bound by the court's determination of which family members continue to receive assistance in the program.

Because of the number of possible different circumstances in which a determination will have to be made, CHA will make determinations on a case-by-case basis.

CHA will issue a determination within ten (10) business days of the request for a determination. The family member requesting the determination may request an informal hearing in compliance with the informal hearings in Section 16.3.

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. CHA will determine the eligibility of the new member before allowing the person(s) 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, CHA 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 according to paragraph below 14.2.2.

4. Earned Income Disallowance families: Tenants whose disabled family member's income is being disallowed under the Earned Income Disallowance provision must attend an interim recertification at the end of the 12 cumulative month's 100% disallowance and again at the end of the next 12 cumulative month's 50% disallowance.

F. 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, CHA may schedule special reexaminations every 60 days until the income stabilizes and an annual income can be determined.

G. Effective Date of Rent Changes Due to Interim or Special Reexaminations

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family

circumstances. Families may request an interim based on a decrease in income for any reason, except for a decrease that lasts less than 30 days. Upon such request, CHA will take timely action to process the interim reexamination and recalculate the family share.

The CHA requires a reasonable amount of time to process interim reexaminations. Changes in family composition or income that result in a decrease in the Family's share of the rent will require fifteen (15) days to review, verify and initiate the new payments to the Landlord. The new HAP payment will take effect the first of the month following this 15-day time frame. The Family is responsible for all rent payment to the Landlord until such time as the new rent takes effect. New income that increases the Family's share of the rent will become effective the first of the month following a 30-day notice to the Family and the Landlord.

If the family causes a delay, 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 timely, the change will be effective the first of the month after the rent amount is determined.

H. Retroactive Charges

I.

Retroactive charges will be assessed in all cases where the proper rent or monthly payment has not been charged for whatever reason, except CHA error. Retroactive charges shall be assessed for the total amount that should have been paid had the proper information been received by CHA and/or the proper rent or monthly payment charges made. The tenant may be terminated from the program in cases of misrepresentation. If the amount of the retroactive charge is more than $1,999, a repayment agreement will not be executed and the tenant may be terminated. In cases of termination, a tenant will have a right to an informal hearing. At this time, the case will be forwarded to the Grand Jury. Anyone with charges of $1,999 or less may be allowed to enter into an agreement to pay and, depending upon the amount owed, may have up to 12 months to pay. Failure to enter into the agreement will result in termination of assistance.

Section XXVI. Termination of Assistance to Family by CHA

CHA may at any time terminate program assistance for a participant because of any of the following actions or inactions 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 CHA determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens 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 Section 8 for a period of 24 months from the date of termination;

D. If any family member has ever been evicted from public housing;

E. If CHA has ever terminated assistance under the Certificate or Voucher Program for any family member;

F. If any family member or guest of the resident as well as any person under the resident's control commits drug-related or violent criminal activity on or near the premises; has weapons or illegal drugs seized by a law enforcement officer; or manufactures methamphetamine on the premises;

G. If any family member commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

H. If the family currently owes rent or other amounts to CHA or to another housing agency in connection with Section 8 or public housing assistance under the 1937 Act;

I. If the family has not reimbursed any housing agency 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;

J. If the family breaches an agreement with CHA to pay amounts owed to a housing agency or amounts paid to an owner by a housing agency. (CHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a housing agency or amounts paid to an owner by a housing agency. CHA may impose the terms of the agreement as defined in 14.2.3.);

K. If a family participating in the Family Self-Sufficiency (FSS) program fails to comply, without good cause, with the family's FSS contract of participation;

L. If the family has engaged in or threatened abusive or violent behavior toward housing agency personnel;

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 (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by CHA to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents;

O. A family will be terminated if the family commits any serious or repeated violation of the lease. A family who causes $500 in damages to a unit or commits any serious or repeated violations of the lease will be terminated from the Section 8 Housing Choice Voucher Program and will be ineligible for CHA assisted housing for three years from the date of termination. After three years, the family must demonstrate they have lived in the community without damaging property or without eviction for any serious or repeated violations of a lease to establish eligibility for CHA assisted housing. The proof of the $500 in damages will be derived from an itemized list of damages that coincide with paid receipts, pictures and/or court documentation provided by the property owner. The damage documentation must be provided to CHA within 60 days of move-out. During court negotiations, the family's assistance will not be terminated. If the final outcome determines the family owes more than $500 in damages, the family assistance will be terminated.

If the family receives an agreement through court proceedings to repay the owner for damages, the family assistance will not be terminated. If the family defaults on the repay agreement through the courts and the owner provides documentation of the default, the assistance will be terminated at that time.

If no court negotiations are necessary to determine damages and the family and owner negotiate a repay agreement, the family assistance will not be terminated; however, if the family defaults on the repay agreement and the owner can provide documentation of the default, the family assistance will terminate at that time.

A family who is evicted for nonpayment of rent or any other serious or repeated violations more than once may be terminated from the program. However, if the family pays the owner for the back rent within thirty (30) days of the eviction notice, the assistance will not be terminated. The family will be ineligible for CHA assisted housing for three years from the date of termination. After three years, to establish eligibility for CHA assisted housing, the family must demonstrate they have lived in the community without eviction for non-payment of rent or other serious or repeated violations of the lease.

P. If the family misses the scheduled inspection and fails to reschedule the inspection, CHA will consider the family to have violated a Family Obligation and their assistance may be terminated. If the family calls to dispute the termination, one more chance will be given and the family will be obligated to

sign a statement of understanding stating if they ever miss another appointment for inspection, they may lose their assistance.

Q. **Misrepresentation:** If, at any time, CHA learns that a tenant made any misrepresentation to be eligible for assistance, the tenant's assistance may be terminated even though the tenant's current status may be eligible. A tenant's misrepresentation that results in a lower portion of tenant rent than should have been paid, will result in the tenant being required to pay the difference between that amount and the amount that should have been paid. In justifiable cases, CHA may take such action as it deems reasonable.

Section XXVII. Complaints, Informal Review for Applicants, Informal Hearings for Participants

A. Complaints

CHA will investigate and respond to complaints by participant families, owners, and the public. CHA may require that complaints other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

If a family has an HQS complaint, they must call the owner. For non-emergencies, the family should send the complaint in writing to the owner and CHA.

B. Informal Review for Applicants

1. Informal Review for the Applicant

CHA will give an applicant for participation in the Section 8 Existing Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for CHA's decision. The notice will state that the applicant may request an informal review within ten (10) business days of the denial and will describe how to obtain the informal review.

2. When an Informal Review is Not Required

CHA will not provide the applicant an opportunity for an informal review for any of the following reasons:

a. A determination of the family unit size under CHA subsidy standards.

b. A CHA determination not to approve an extension or suspension of a voucher term.

c. A CHA determination not to grant approval to lease a unit under

the program or to approve a proposed lease.

d. A CHA determination that a unit selected by the applicant is not in compliance with HQS.

e. A CHA determination that the unit is not according to HQS because of family size or composition.

f. General policy issues or class grievances.

g. Discretionary administrative determinations by CHA.

3. Informal Review Process

CHA will give an applicant an opportunity for an informal review of CHA decision denying assistance to the applicant. The procedure is as follows:

a. The review will be conducted by any person or persons designated by CHA other than the person who made or approved the decision under review or a subordinate of this person.

b. The applicant will be given an opportunity to present written or oral objections to CHA's decision.

c. CHA will notify the applicant of CHA's decision after the informal review within 14 calendar days. The notification will include a brief statement of the reasons for the final decision.

4. Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The applicant family may request that CHA 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 30 days of receipt of the *Notice of Denial or Termination of Assistance* or of the INS appeal decision to request the review.

5. Informal Review Procedures for Denial of Assistance on the Basis of Drug Activity. In determining whether to provide assistance, CHA will consider verifiable evidence of whether the household member(s):

a. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;

b. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or

c. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

C. Informal Hearing for Participants

1. When a Hearing is Required

a. CHA will give a participant family an opportunity for an informal hearing to consider whether the following CHA decisions relating to the individual circumstances of a participant family are according to the law, HUD regulations, and CHA policies:

(1). A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment;

(2). A determination of the appropriate utility allowance (if any) for tenant-paid utilities from CHA's utility allowance schedule;

(3). A determination of the family unit size under CHA subsidy standards;

(4). A determination that a Housing Choice Voucher Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under CHA subsidy standards, or CHA determination to deny the family's request for an exception from the standards;

(5). A determination to terminate assistance for a participant family because of the family's action or failure to act;

(6). A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under CHA policy and HUD rules.

b. In cases described in paragraphs 16.3(A)(1)(d), (e), and (f), of this Section, CHA will give the opportunity for an informal hearing before CHA terminates HAPs for the family under an outstanding HAP contract.

2. When a Hearing is Not Required

CHA will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

a. Discretionary administrative determinations by CHA;

b. General policy issues or class grievances;

c. Establishment of CHA's schedule of utility allowances for families in the program;

d. A CHA determination not to approve an extension or suspension of a voucher term;

e. A CHA determination not to approve a unit or lease;

f. A CHA determination that an assisted unit is not in compliance with HQS. (However, CHA will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.);

g. A CHA determination that the unit is not according to HQS because of the family size;

h. A determination by CHA to exercise or not exercise any right or remedy against the owner under a HAP contract.

3. Notice to the Family

a. In the cases described in paragraphs 16.3(A)(1)(a), (b), and (c) of this Section, CHA will notify the family that the family may ask for an explanation of the basis of CHA's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

b. In the cases described in paragraphs 16.3(A)(1)(d), (e), and (f) of this Section, CHA will give the family prompt written notice that the family may request a hearing within ten (10) business days of the notification. The notice will:

(1). Contain a brief statement of the reasons for the decision; and

(2). State if the family does not agree with the decision, the family may request an informal hearing on the decision within ten (10) business days of the notification.

4. Hearing Procedures

CHA and participants will adhere to the following procedures:

a. Discovery

(1). The family will be given the opportunity to examine before the hearing any CHA documents that are directly relevant to the hearing. The family will be allowed to copy any such document at the family's expense. If CHA does not make the document(s) available for examination on request of the family, CHA may not rely on the document at the hearing.

(2). CHA will be given the opportunity to examine, at CHA's offices before the hearing, any family documents that are directly relevant to the hearing. CHA will be allowed to copy any such document at CHA's expense. If the family does not make the document(s) available for examination on request of CHA, the family may not rely on the document(s) at the hearing.

Note: The term **document** includes records and regulations.

b. Representation of the Family

At its own expense, a lawyer or other representative may represent the family.

c. Hearing Officer

(1). The hearing will be conducted by any person or persons designated by CHA, other than a person who made or approved the decision under review or a subordinate of this person.

(2). The person who conducts the hearing will regulate the conduct of the hearing according to CHA hearing procedures.

d. Evidence

CHA and the family must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

e. Issuance of Decision

The person who conducts the hearing must issue a written decision within 14 calendar days from the date of the hearing, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing.

f. Effect of the Decision

CHA is not bound by a hearing decision:

(1). Concerning a matter for which CHA is not required to provide an opportunity for an informal hearing under this Section or that otherwise exceeds the authority of the person conducting the hearing under CHA hearing procedures.

(2). Contrary to HUD regulations or requirements or otherwise contrary to federal, state, or local law.

(3). If CHA determines that it is not bound by a hearing decision, CHA will notify the family within 14 calendar days of the determination and of the reasons for the determination.

5. Considering Circumstances

In deciding whether to terminate assistance because of action or inaction by members of the family, CHA may consider all 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.

CHA 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. CHA may permit the other members of a participant family to continue receiving assistance.

If CHA seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that CHA provides notice to the family of CHA's decision to deny or terminate assistance. In determining whether to terminate assistance for these reasons CHA will consider evidence of whether the household member:

a. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;

b. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or

c. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

6. Informal Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The participant family may request that CHA provide for an informal hearing 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 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.

For the participant families, the Informal Hearing Process above will be utilized with the exception that the participant family will have up to 30 days of receipt of the *Notice of Denial or Termination of Assistance* or of the INS appeal decision.

Section XXVIII. Termination of 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 CHA. Under some circumstances the contract automatically terminates.

CHA may terminate the HAP contract if it is determined there is insufficient funding. CHA may terminate a HAP contract with a 30-day notice to the landlord and the tenant prior to recertification date that it is determined there is insufficient funding to continue the HAP contract. The following will be excluded: elderly families, disabled families, Family Self-Sufficiency families, and Section 8 homeowner families. CHA will add the families being terminated to the top of the waiting list and when funding is resumed, the family will receive a voucher for their rental assistance.

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 CHA after the initial lease term. The length of the notice that is required is stated in the lease (generally 30 days).

For families residing in units which are assisted with project-based vouchers, if the family has elected to terminate the lease in this manner, CHA will offer the family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance. Before providing notice to terminate the lease, a family must contact CHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If voucher or other comparable tenant-based rental assistance is not immediately available upon termination of the family's lease of a project-based voucher unit, CHA will give the family priority to receive the next available opportunity for continued tenant-based rental assistance. If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

2. By the owner

a. The owner may terminate the lease during its term on the following grounds:

(1). Serious or repeated violations of the terms or conditions of the lease;

(2). Violation of federal, state, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and its premises;

(3). 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;

(4). Any drug-related or violent criminal activity on or near the premises;

(5). Other good cause. Other good cause may include, but is not limited to:

(a) Failure by the family to accept the offer of a new lease;

(b) Family history of disturbances of neighbors or destruction of property or living or housekeeping habits resulting in damage to the property or unit;

(c) 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 (not applicable for project-based Voucher units);

(d) A business or economic reason, such as sale of the property, renovation of the unit, desire to rent at a higher rental amount (not applicable for project-based voucher units).

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 after or simultaneously providing written notice to the participant specifying the grounds for termination. The owner must give CHA a copy of any owner eviction notice to the tenant at the same time 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. Families in units assisted by a project-based voucher will be provided with a tenant-based voucher upon the termination of the assistance to the unit which they occupy.

3. By mutual agreement

The family and the owner may at any time mutually agree to terminate for extraordinary circumstances. The extraordinary circumstances must be approved by a supervisor.

B. Termination of the Contract

1. Automatic termination of the contract

a. If CHA terminates assistance to the family, the contract terminates automatically.

b. If the family moves out of the unit, the contract terminates automatically.

c. 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 according to the lease and state and local law. For Project-Based Voucher HAP contracts, the owner may terminate the HAP contract, upon notice to CHA, if the amount of rent to owner for any contract unit, as adjusted in accordance with applicable regulations, is below the amount of the initial rent to owner. In this case, CHA will provide Tenant-Based Vouchers to the assisted family.

3. Termination of the HAP contract by CHA

CHA may terminate the HAP contract because:

a. CHA 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 unit is larger than appropriate for the family size or composition under the regular Housing Choice Voucher Program.

d. When the family breaks up and CHA determines that the family members who move from the unit will continue to receive the assistance.

e. The owner has breached the contract in any of the following ways:

(1). If the owner has violated any obligation under the HAP

contract for the dwelling unit, including the owner's obligation to maintain the unit according to HQS;

(2). If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Act;

(3). If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

(4). 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;

(5). If the owner has engaged in drug-related criminal activity trafficking or any violent criminal activity.

f. If a welfare-to-work family fails to fulfill its obligations under the welfare-to-work voucher program.

g. CHA may terminate the HAP contract if it is determined there is insufficient funding. CHA may terminate a HAP contract with a 30-day notice to the landlord and the tenant at the recertification date that it is determined there is insufficient funding to continue the HAP contract. If Payment Standards are lowered because of insufficient funding, the following will be excluded: elderly families, disabled families, Family Self-Sufficiency families, and Section 8 homeowner families. CHA will add the families being terminated to the top of the waiting list and when funding is resumed, the family will receive a voucher for their rental assistance.

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, CHA will continue to make payments until the owner obtains a judgment or the family moves out. The owner must file a detainer warrant within five (5) days of the move-out date stated in the eviction notice.

5. Abandonment:

If the tenant abandons the unit, the owner will keep the housing assistance payment for the month the tenant abandons. The family will not be responsible to repay the housing assistance payment for the month of abandonment. The tenant will receive a termination of assistance letter. If the tenant wants to reapply for housing, they must prove they have lived in a unit for two years without abandoning.

If the owner must post the unit abandoned due to family unexplained absence from the unit, CHA will pay through a thirty-(30) day abandonment.

Section XXIX. Payment of Monies Owed by the Family to CHA

A. Section 8 Voucher Applicants Living in CHA's Conventional Public Housing

Families transferring from Public Housing to the Section 8 Voucher Program must satisfy all outstanding debts under the Public Housing lease prior to transferring to the Section 8 Voucher Program. Families accessed a debt to CHA of $500.00 or less, after being issued a Voucher and prior to a Section 8 HAP contract being executed on their behalf, may be offered the opportunity to enter into an agreement to pay the amount owed. Under such an agreement, CHA may accept 25% of the debt and negotiate a promissory note to repay the remaining balance within twelve (12) months. Any amounts greater than $500.00 must be paid prior to execution of a Section 8 HAP contract.

B. Section 8 Voucher Applicants Living Outside of CHA's Conventional Public Housing

CHA will deny participation to any Applicant (including Family members) owing CHA money or to any Applicant (including Family Members) whose previous performance in any CHA program would disqualify them from further participation.

C. Additions to Families

CHA will allow the Family to enter into a repayment agreement in the event a spouse of the Head of Household is added to a Family and that adult has an outstanding debt to CHA. The total amount owed by the adult requesting to be added to the lease will be transferred to the Head of Household's account and payments will become the responsibility of the Head of Household and, if applicable, the Co-head. Failure to pay the repayment agreement may result in the Family's termination from the program.

D. Participants in the Housing Choice Voucher Program (Section 8)

Families must satisfy, in full, all outstanding balances to CHA resulting from previous tenancy in any housing program administered or managed by CHA. This includes debts for damages, fraud and move-out expenses from public housing or special claims paid to a Housing Choice Voucher Program (Section 8) Landlord. If the amount owed is $500.00 or less, CHA may accept 25% of the debt and negotiate a promissory note to repay the remaining balance within twelve (12) months. Failure to pay monies owed CHA may result in termination of assistance.

Section XXX. Charges Against the Administrative Fee Reserve

Occasionally, it is necessary for the CHA to spend money from its Housing Choice Voucher Program (Section 8) Administrative Fee Reserve to meet unseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

The CHA Board of Commissioners authorizes the Executive Director to expend without prior Board approval up to and including Ten Thousand Dollars ($10,000) for authorized expenditures.

Any item(s) exceeding Ten Thousand Dollars ($10,000) will require prior Board of Commissioner approval before any charge is made against the Housing Choice Voucher Program (Section 8) Administrative Fee Reserve**.**

Section XXXI. Verification and Privacy of Family Information

CHA will utilize all means, including electronic, to collect and verify information about participants and all household members. Certain of this data may be shared, on request, only with the individual to whom the information pertains. Heads of Household only may receive information on minors residing in the household. Information for other adults in the household may be provided, only to them, at their request only. There is no fee to provide this information during the annual reexamination interview, and/or when income information is disputed by any member of the household. Each adult member of the household shall sign the PDQ acknowledging these methods of data collection and their rights to access the information.

Section XXXII – Additional Requirements for Project-Based Vouchers

A. Owner Proposal Submission Procedures

1. General Requirements – Subject to HUD limitations on the number of Project-Based Vouchers (PBVs) that can be issued, and all other HUD requirements for the PBV program at 24 CFR Part 983, CHA may from time to time issue a Request for Proposals (RFP), soliciting Owners of rental property in the CHA service area to submit proposals to make use of PBVs. RFPs may solicit proposals from any Owners of rental property, or may specifically target one or more client demographic types (such as

chronically homeless individuals) or development types (such as core urban, suburban, rural, etc.) for that RFP.

2. Public Notice of RFP – The RFP will be publicized in the legal classified section of the newspaper of general circulation, as well as on CHA's web site. A due date for proposals will be indicated in the publication, as well as directions for obtaining an application packet, and CHA contact person for the RFP process.

B. Site Selection Standards

1. Generally – CHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site, unless CHA determines that:

a. PBV assistance at the site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities, as set out in CHA's Agency Plan. In determining the standards to apply in determining whether a proposed PBV development will be selected, the following must be considered:

- whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
- whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;
- whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
- whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area;
- If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, the PHA should consider whether in the past five years there has been an overall decline in the poverty rate;

- whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.

b. The site is suitable from the standpoint of facilitating and

furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d–2000d(4)) and HUD's implementing regulations at 24 CFR part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601–3629); and HUD's implementing regulations at 24 CFR parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959–1963 Comp., p. 652) and HUD's implementing regulations at 24 CFR part 107. The site must meet the section 504 site selection requirements described in 24 CFR 8.4(b)(5).

c. The site meets the HQS site standards at 24 CFR 982.401(l).

2. CHA Goals for Site Selection – To enhance the quality of life for participants in the voucher program, in addition to considering the factors listed above, CHA will also prioritize the following site- and location-related factors in selecting sites for Project Based Vouchers in its service area:

a. To promote the continuing viability and redevelopment of properties in inner-city and older developed areas, proposed sites in core City locations will be favored over outer suburban or exurban sites; however, some RFPs may focus specifically on suburban or rural sites;
b. To promote lower transportation costs for residents, CHA will favor sites with easy access to public transportation or bicycle routes, and will favor locations near areas with job, retail, school, healthcare, government and other commercial and community resources;
e. To promote equitable distribution of PBV throughout CHA's service area, CHA may limit the number of PBV units in any one development, and/or give additional weighting to projects located in areas where no PBVs are currently being utilized.
f. To promote maximum participation by Owners in the PBV program, CHA may limit the number of PBV units in any one development, and/or give additional weighting to proposals from Owners who have not participated in the program before.

3. Site Selection Standards for Existing and Rehabilitated Housing – To be selected for use of PBVs, sites must:
a. Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)
b. Promote greater choice of housing opportunities and avoid undue

concentration of assisted persons in areas containing a high proportion of low-income persons.

c. Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

d. Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

4. Site Selection Standards for Newly Constructed Housing – To be selected for use of PBVs, sites must:

a. Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.

b. Not be located in an area of minority concentration, except as permitted under below, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

c. A project may be located in an area of minority concentration only if:

- Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration; or
- The project is necessary to meet overriding housing needs that cannot be met in that housing market area.

d. The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

e. The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

f. The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

g. Except for new construction, housing designed for elderly persons, travel time, and cost via public transportation or private automobile

from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

C. Eligible Projects and Units

1. Housing Quality Standards (HQS)– PBV-assisted units must adhere to the same quality standards as other housing units in the HCV Program. All units must be inspected and pass HQS before execution of the Housing Assistance Payment contract. Once the unit is assisted, inspections must also be conducted on each unit turnover, and annually in compliance with 24 CFR 983.103.
2. Accessibility – PBV-assisted projects must comply with the program accessibility requirements in section 504 of the Rehabilitation Act of 1973 and the implementing HUD regulations at 24 CFR part 8. Project sites must provide 5% or more of assisted units meeting full mobility accessibility as defined by 24 CFR 8.32 and the applicable sections of the Uniform Federal Accessibility Standards. Additionally, for newly-constructed projects or projects with rehabilitation costs in excess of 75% of replacement costs, 2% of the assisted units must be accessible for persons with hearing or vision impairments.
3. Unit Caps – The percentage of PBV units in any building must not exceed 25%, except for buildings with four or fewer units, and except (upon special request to CHA) for units serving elderly or disabled families, or families receiving supportive services, where supportive services are those services necessary for the families to achieve housing stability. The supportive services must be provided by a qualified agency or nonprofit, and the services must be specifically tailored to need. Services may include mental health care, substance abuse treatment, job training, education assistance, recreational therapy, life skills, money management, case management, and other mainstream resources.

D. Ineligible Units – The following types of units or projects are not eligible for the PBV program:

1. Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
2. Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care. However, CHA may attach PBV assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing;
3. Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
4. Shared housing;
5. Manufactured homes;

6. Cooperative housing;
7. Transitional Housing;
8. High-rise elevator project for families with children;
9. Owner-occupied units;
10. Units receiving certain other types of federal, state or local subsidies (proposed projects will be subject to subsidy-layering analysis).

E. Requirements for New or Rehabilitated Housing

1. For projects selected under the RFP process for PBV, that will be constructed or renovated in anticipation of receiving PBVs, CHA will enter into an Agreement to enter into a HAP contract, wherein the Owner agrees to construct or renovate units that will meet applicable laws, standards (including HQS) and regulations, and CHA agrees to execute a binding HAP contract for the units when complete.
2. The Agreement will specify:
   a. Site;
   b. Location of contract units on site;
   c. Number of contract units by area (size) and number of bedrooms and bathrooms;
   d. Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner;
   e. Utilities available to the contract units, including a specification of utility services to be paid by owner (without charges in addition to rent) and utility services to be paid by the tenant;
   f. Indication of whether or not the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205 and the accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR 8.22 and 8.23 apply to units under the Agreement. If these requirements are applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement, as specified in paragraph (c)(i)(viii) of this section.
   g. Estimated initial rents to owner for the contract units;
   h. Description of the work to be performed under the Agreement. If the Agreement is for rehabilitation of units, the work description must include the rehabilitation work write up and, where determined necessary by CHA, specifications, and plans. If the Agreement is for new construction, the work description must include the working drawings and specifications;
   i. Completion Deadline for Construction or Rehabilitation;
   j. The term length (1-10 years) and initial rent to owner under the HAP contract to be executed.

3. Conduct of Development Work

a. Labor standards - In the case of an Agreement for development of nine or more contract units, the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in development of the housing. The owner and the owner's contractors and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, the Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. CHA will monitor compliance with labor standards.

b. Section 3 — Training, employment, and contracting opportunities. The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135.

c. Equal employment opportunity. The owner must comply with federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964–1965 Comp., p. 339), 11625 (3 CFR, 1971–1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198) and 12138 (3 CFR, 1977 Comp., p. 393).

d. Eligibility to participate in federal programs and activities. The Agreement and HAP contract shall include a certification by the owner that the owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a substantial interest in the project) are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

e. Disclosure of conflict of interest. The owner must disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

4. Completion of Housing

a. Owner must complete the work before the deadline set in the Agreement, as set out above.

b. Once the housing is complete, the Owner will submit the following evidence to CHA, in the manner prescribed by CHA:

- Owner certification that the work has been completed in accordance with the HQS and all requirements of the Agreement;

- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing;
- A certificate of occupancy from the local building code authority.

c. Once CHA determines that the housing has been completed in

accordance with the Agreement and all required Owner submissions have been received and approved, CHA will execute the HAP contract.

F. Environmental Review

All projects are subject to environmental review and approval by HUD prior to execution of contract, pursuant to 24 CFR Parts 58 and 983.58.

G. Project Selection

1. In addition to preference criteria for project site and location, set out above, CHA will also prioritize proposals furthering several non-site-related criteria:
   a. To promote the continuing economic viability, maintenance and redevelopment of existing housing stock, sites with existing housing will be favored over project proposing new housing;
   b. to promote the availability of larger, family-sized units, sites with those unit types will be favored over sites without;
   c. to promote the availability of permanent housing for households who have been homeless in Chattanooga, projects which propose serving those households with an integrated program of services and permanent housing may be targeted with RFPs specifically for those projects.

2. Each proposal received under the RFP process will be reviewed by CHA staff and evaluated to determine if it meets the minimum threshold criteria for site selection and location, unit type, and requirements for newly developed or existing housing, as set out above. Proposals meeting the threshold criteria will be prioritized according to the site- and non-site related criteria. CHA may make one or more awards of project-based vouchers for the highest-ranking proposals.

H. CHA-Owned Units

1. CHA and its affiliated entities may compete for PBVs on projects owned or operated by CHA and its affiliates; however, CHA must follow the same proposal procedures and selection criteria as other property owners, and such procedures and selection must be reviewed and approved by HUD before award.
2. Determination of the rent level for each unit must be performed by an independent party approved by HUD
3. Housing Quality Inspection for each unit must be performed by an independent party approved by HUD

Section XXXIII – Special Housing Type – Group Home

A. The following individuals residing in a group home are eligible for housing assistance under the Housing Choice Voucher Program:

1. An elderly person or a person with disabilities residing reside in a State-approved group home.
2. If approved by the PHA, a live-in aide may reside with a person with disabilities.
   a. The PHA must approve a live-in aide if needed as a reasonable accommodation
3. Except for a live-in aide, all residents of a group home, whether assisted or unassisted, must be elderly persons or persons with disabilities.
4. Persons residing in a group home must not require continual medical or nursing care.
5. Persons who are not assisted under the tenant-based program may reside in a group home.
6. No more than 12 persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

B. Rent and voucher housing assistance payment:

1. Meaning of pro-rata portion. For a group home, the term ``pro-rata portion'' means the ratio derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person, plus any PHA-approved live-in aide.
2. Rent to owner: Reasonable rent limit. (1) The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.
3. The reasonable rent for a group home is determined in accordance with Sec. 982.507. In determining reasonable rent for the group home, the PHA must consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private facilities.
4. Payment standard--(1) Family unit size.
   a. Unless there is a live-in aide, the family unit size is zero or one bedroom.
   b. If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

   c. The payment standard for a person who resides in a group home is the

lower of:

(i) The payment standard amount on the PHA payment standard schedule for the family unit size; or

(ii) The pro-rata portion of the payment standard amount on the PHA payment standard schedule for the group home size.

(ii) If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

C. Utility Allowance

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

D. Housing quality standards:

1. Compliance with HQS. The PHA may not give approval to reside in a group home unless the unit, including the portion of the unit available for use by the assisted person under the lease, meets the housing quality standards.
2. The entire unit must comply with the HQS.
3. Additional performance requirements. The following additional performance requirements apply to a group home:
   a. **Sanitary facilities**.
      (i) There must be a bathroom in the unit.
      (ii) The unit must contain, and an assisted resident must have ready access to:
         (A) A flush toilet that can be used in privacy;
         (B) A fixed basin with hot and cold running water; and
         (C) A shower or bathtub with hot and cold running water.
      (iii) All of these facilities must be in proper operating condition, and must be adequate for personal cleanliness and the disposal of human waste. The facilities must utilize an approvable public or private disposal system.
      (iv) The unit may contain private or common sanitary facilities. However, the facilities must be sufficient in number so that they need not be shared by more than four residents of the group home.
      (v) Sanitary facilities in the group home must be readily accessible to and usable by residents, including persons with disabilities.

   b. **Food preparation and service**
      (i) The unit must contain a kitchen and a dining area. There must be adequate space to store, prepare, and serve foods in a sanitary manner.
      (ii) Food preparation and service equipment must be in proper operating condition. The equipment must be adequate for the number of residents in the group home. The unit must contain the following equipment:
         (A) A stove or range, and oven;
         (B) A refrigerator; and

(C) A kitchen sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.

(iii) There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

(iv) The unit may contain private or common facilities for food preparation and service.

c. **Space and security**.

(i) The unit must provide adequate space and security for the assisted person.

(ii) The unit must contain a living room, kitchen, dining area, bathroom, and other appropriate social, recreational or community space.

(iii)The unit must contain at least one bedroom of appropriate size for each two persons.

(iv) Doors and windows that are accessible from outside the unit must be lockable.

d. **Structure and material**.

(i) The unit must be structurally sound to avoid any threat to the health and safety of the residents, and to protect the residents from the environment.

(ii) Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, loose surface materials, severe buckling or noticeable movement under walking stress, missing parts or other significant damage. The roof structure must be firm, and the roof must be weather tight. The exterior or wall structure and exterior wall surface may not have any serious defects such as serious leaning, buckling, sagging, cracks or large holes, loose siding, or other serious damage. The condition and equipment of interior and exterior stairways, halls, porches, walkways, etc., must not present a danger of tripping or falling. Elevators must be maintained in safe operating condition.

(iii) The group home must be accessible to and usable by a resident with disabilities.

e. **Site and neighborhood**. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other hazards to the health, safety, and general welfare of the residents. 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, sewage hazards or mud slides, abnormal air pollution, smoke or dust, excessive noise, vibrations or vehicular traffic, excessive accumulations of trash, vermin or rodent infestation, or fire hazards. The unit must be located in a residential setting.

Attachment H

Capital Fund/Replacement Housing

Annual Statement/Performance and Evaluation Reports

Annual Statem Performance and Evaluation Report
Capital Fund P. ram, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and U n Development
Office of Public . ndian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name:	**Grant Type and Number**	**FFY of Grant: 2010**
Chattanooga Housing Authority	Capital Fund Program Grant No: **TN37P00450110**	**FFY of Grant Approval:**
	Replacement Housing Factor Grant No:	
	Date of CFFP:	

Type of Grant

- [X] **Original Annual Statement**
- [ ] **Reserve for Disasters/Emergencies**
- [ ] **Revised Annual Statement (revision no:)**
- [ ] **Performance and Evaluation Report for Period Ending:**
- [ ] **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost[1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21)[3]	$845,070.00			
3	1408 Management Improvements	$222,500.00			
4	1410 Administration (may not exceed 10% of line 21)	$422,535.00			
5	1411 Audit	$5,000.00			
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition	$10,000.00			
9	1450 Site Improvement	$1,095,000.00			
10	1460 Dwelling Structures	$1,260,000.00			
11	1465.1 Dwelling Equipment - Nonexpendable	$10,000.00			
12	1470 Nondwelling Structures	$10,000.00			
13	1475 Nondwelling Equipment	$83,500.00			
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs	$25,000.00			
17	1499 Development Activities[4]	$236,747.00			

[1]To be completed for the Performance and Evaluation Report
[2]To be completed for the Performance and Evaluation Report or a Revised Annual Statement
[3]PHAs with under 250 units in management may use 100% of CFP Grants for operations
[4]RHF funds shall be included here

Annual State[illegible]/Performance and Evaluation Report
Capital Fund [illegible]ram, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and [illegible]an Development
Office of Public [illegible]ndian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name:	Grant Type and Number	FFY of Grant: 2010
Chattanooga Housing Authority	Capital Fund Program Grant No: TN37P00450110 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant Approval:

Type of Grant

- [X] **Original Annual Statement**
- [ ] **Reserve for Disasters/Emergencies**
- [ ] **Revised Annual Statement (revision no:)**
- [ ] **Performance and Evaluation Report for Period Ending:**
- [ ] **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost[1]	
		Original	Revised[2]	Obligated	Expended
18a	1501 Collaterization or Debt Service paid by the PHA				
18ba	9000 Collaterization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20				
20	Amount of Annual Grant: (sum of lines 2 - 19)	$4,225,352.00	$0.00		
21	Amount of line 20 Related to LBP Activities	$0.00	$0.00		
22	Amount of line 20 Related to Section 504 compliance	$0.00	$0.00		
23	Amount of line 20 Related to Security - Soft Costs	$185,000.00	$0.00		
24	Amount of line 20 Related to Security - Hard Costs	$15,000.00	$0.00		
25	Amount of line 20 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director	Date	Signature of Public Housing Director	Date
EdM McCaughs	10/05/09		

[1]To be completed for the Performance and Evaluation Report
[2]To be completed for the Performance and Evaluation Report or a Revised Annual Statement
[3]PHAs with under 250 units in management may use 100% of CFP Grants for operations
[4]RHF funds shall be included here

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: TN37P00450106 Replacement Housing Factor Grant No:	2006

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no: 1)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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	$913,130.20	$913,130.20	$913,130.20	$913,130.20
3	1408 Management Improvements	$471,486.60	$513,648.21	$513,648.21	$513,648.21
4	1410 Administration	$456,565.00	$456,565.00	$456,565.00	$456,565.00
5	1411 Audit	$5,000.00	$5,499.96	$5,499.96	$5,499.96
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$66,817.50	$1,996.15	$1,996.15	$1,990.33
8	1440 Site Acquisition	$0.00	$0.00	$0.00	
9	1450 Site Improvement	$196,052.68	$206,161.57	$206,161.57	$203,899.45
10	1460 Dwelling Structures	$882,248.71	$882,952.04	$882,952.04	$882,952.04
11	1465.1 Dwelling Equipment - Nonexpendable	$17,961.15	$17,961.15	$17,961.15	$17,961.15
12	1470 Nondwelling Structures	$331,804.10	$0.00	$0.00	$0.00
13	1475 Nondwelling Equipment	$88,559.95	$417,566.30	$417,566.30	$417,566.30
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs	$77,400.00	$0.00	$0.00	$0.00
18	1499 Development Activities	$1,058,625.11	$1,150,170.42	$1,150,170.42	$1,150,170.42
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	**$4,565,651.00**	**$4,565,651.00**	**$4,565,651.00**	**$4,563,383.06**
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$170,000.00	$162,760.89	$162,760.89	$162,760.89
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$89,679.00	$89,679.00	$89,679.00
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFM CCright 8/7/09

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

form HUD-52837 (1/96)
ref Handbook 7485.3

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

PHA Name: **Chattanooga Housing Authority**		Grant Type and Number Capital Fund Program Grant No: **TN37P00450106** Replacement Housing Factor Grant No:				Federal FY of Grant: **2006**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
TN 4-1 College Hill Courts	Site Improvements	1450		5,254.05	7,503.87			100% obligated, 100% expended
	Renovations	1460		25,579.53				100% obligated, 100% expended
				30,833.58		**33,083.40**	**33,083.40**	
TN 4-2 East Lake Courts	Site Improvements	1450		837.59	1,196.25			100% obligated, 100% expended
	Renovations	1460		6,242.26				100% obligated, 100% expended
	Renovate vacant units to HUD Mod standards/ codes - extraordinary maintenance (FA)	1460		30,517.20				100% obligated, 100% expended
				37,597.05		**37,955.71**	**37,955.71**	
TN 4-3 Harriet Tubman	Renovate vacant units to HUD Mod standards/ codes - extraordinary maintenance (FA)	1460	as needed	93,889.39				100% obligated, 100% expended
	Renovations	1460		221,663.03	228,842.34			100% obligated, 100% expended
	Site Improvements	1450		5,211.88	7,443.63			100% obligated, 100% expended
				320,764.30		**330,175.36**	**330,175.36**	
TN 4-7 Mary Walker	Extraordinary maintenance - interiors (FA)	1460	as needed	**2,132.06**		**2,132.06**	**2,132.06**	100% obligated, 100% expended
TN 4-8 Emma Wheeler Homes	Replace roofs	1460	as needed	0.00				Deleted
	Site Improvements	1450		2,843.40	4,060.96			100% obligated, 100% expended
	Development	1499		4,677.00				100% obligated, 100% expended
	Renovate vacant units to HUD Mod standards/ codes - extraordinary maintenance (FA)	1460		18,643.24				100% obligated, 100% expended
	Renovations	1460		162,251.77	165,233.58			100% obligated, 100% expended
				188,415.41		**192,614.78**	**192,614.78**	
TN 4-10 Boynton Terrace	Site Improvements	1450		234.17	334.44			100% obligated, 100% expended
	Development	1460		5,871.00				100% obligated, 100% expended
	Extraordinary maintenance - interiors (FA)	1460		425.61				100% obligated, 100% expended
				6,530.78		**6,631.05**	**6,631.05**	

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

PHA Name: **Chattanooga Housing Authority**		Grant Type and Number Capital Fund Program Grant No: **TN37P00450106** Replacement Housing Factor Grant No:				Federal FY of Grant: **2006**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
TN 4-12 Greenwood Terrace	~~Development~~	~~1460~~	~~as needed~~	0.00				Deleted
	Renovations			62,859.47				100% obligated, 100% expended
	Extraordinary maintenance - site (FA)	1450	as needed	84,253.75	125,291.34			100% obligated, 100% expended
				$147,113.22		**188,150.81**	**188,150.81**	
TN 4-13 Missionary Heights	Dwelling Equipment	1465		$8,981.40				100% obligated, 100% expended
	Site Improvements	1450		$5,704.34				100% obligated, 100% expended
				$14,685.74		**$14,685.74**	**$14,685.74**	
TN 4-14E Judson Lane	~~Extraordinary maintenance - exteriors (FA)~~	1460	as needed	0.00				Deleted
	~~Extraordinary maintenance - interiors (FA)~~	1460	as needed	0.00				Deleted
	Renovations	1460		4,598.71				100% obligated, 100% expended
	Dwelling Equipment	1465		8,979.75				100% obligated, 100% expended
	Extraordinary maintenance - site (FA)	1450	as needed	5,427.71				100% obligated, 100% expended
				$19,006.17		**19,006.17**	**19,006.17**	
TN 4-16 Steiner Apartments	Site Improvements	1450		348.18				100% obligated, 100% expended
	Renovations	1460		2,635.48				100% obligated, 100% expended
				2,983.66		**2,983.66**	**2,983.66**	
TN 4-19-1 Gurley Street	~~Extraordinary maintenance - exteriors (FA)~~	~~1460~~	~~as needed~~	0.00				Deleted
	~~Extraordinary maintenance - interiors (FA)~~	~~1460~~	~~as needed~~	0.00				Deleted
	Renovations	1460		223.15				100% obligated, 100% expended
	Extraordinary maintenance - site (FA)	1450	as needed	102.41				100% obligated, 100% expended
				$325.56		**325.56**	**325.56**	
TN 4-19-2 Fairmount	~~Extraordinary maintenance - exteriors (FA)~~	1460	as needed	0.00				Deleted
	~~Extraordinary maintenance - interiors (FA)~~	1460	as needed	0.00				Deleted

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

PHA Name: **Chattanooga Housing Authority**		Grant Type and Number Capital Fund Program Grant No: **TN37P00450106** Replacement Housing Factor Grant No:				Federal FY of Grant: **2006**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
TN 4-19-2 Fairmount Continued	~~Extraordinary maintenance - site (FA)~~	1450	as needed	$0.00 **$0.00**		**0.00**	**0.00**	Deleted
TN 4-19-3 Woodside	~~Extraordinary maintenance - interiors (FA)~~	1460	as needed	**$0.00**		**0.00**	**0.00**	Deleted
TN 4-21 Cromwell Hills	~~Replace roofs~~	1460	Site	0.00				Deleted
	Renovations	1460	25 d.u.	174,738.28	188,099.76			100% obligated, 100% expended
	Site Improvements	1450		25,652.02 **200,390.30**	46,745.23	**234,844.99**	**232,582.87**	100% obligated, 99% expended
TN 4-22 Gateway Tower	Renovations	1460		53,030.26				100% obligated, 100% expended
	Site Improvements	1450		1,402.59 **54,432.85**	2,003.21	**55,033.47**	**55,033.47**	100% obligated, 100% expended
TN 4-32 The Oaks at Camden	Development	1499		**936,166.32**		**936,166.32**	**936,166.32**	100% obligated, 100% expended
TN 4-33 Greenwood Apts.	Development	1499		**201,774.00**		**201,774.00**	**201,774.00**	100% obligated, 100% expended
HA-Wide	Operations	1406		**$913,130.20**		**913,130.20**	**913,130.20**	100% obligated, 100% expended
	Upgrade Computer Software	1408		111,861.59	116,561.59	116,561.59	116,561.59	100% obligated, 100% expended
	Maintain Marketing Program	1408		57,224.24	57,674.24	57,674.24	57,674.24	100% obligated, 100% expended
	Management Development/Training	1408		158,564.87	159,546.74	159,546.74	159,546.74	100% obligated, 100% expended
	Provide Security	1408		162,760.89		162,760.89	162,760.89	100% obligated, 100% expended
	~~Resident Greeter Coordinator~~	1408		0.00		0.00	0.00	Deleted
	~~Resident Greeters~~	1408		0.00		0.00	0.00	Deleted
	Resident Upward Mobility Program	1408		10,147.50		10,147.50	10,147.50	100% obligated, 100% expended

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: **TN37P00450106** Replacement Housing Factor Grant No:				Federal FY of Grant: **2006**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide (Continued)	Summer Youth Program	1408		6,957.25 **$507,516.34**		6,957.25 **513,648.21**	6,957.25 **513,648.21**	100% obligated, 100% expended
	Salaries	1410		342,491.84		342,491.84	342,491.84	100% obligated, 100% expended
	Employee Benefits	1410		114,073.16		114,073.16	114,073.16	100% obligated, 100% expended
	~~Environmental review~~	1410		$0.00				Deleted
	~~Legal services~~	1410		$0.00 **$456,565.00**		**456,565.00**	**456,565.00**	Deleted
	Audit	1411		**5,499.96**		**5,499.96**	**5,499.96**	100% obligated, 100% expended
	A/E Services	1430		**2,706.93**	**1,996.15**	**1,996.15**	**1,990.33**	100% obligated, 99% expended
	~~LBP Testing~~	1430		**0.00**		**0.00**		Deleted
	~~Mold Testing~~	1430		**0.00**		**0.00**		Deleted
	~~Lighting~~	1460		**0.00**		**0.00**		Deleted
	~~Land acquisition for future development~~	1440		**0.00**		**0.00**		Deleted
	~~Renovate vacant units to HUD Mod standards/ - codes - extraordinary maintenance (FA)~~	~~1460~~	~~as needed~~	**0.00**		**0.00**	**0.00**	Deleted
	~~Emergency site repairs~~	1450		**0.00**		**0.00**		Deleted
	Site Improvements	1450		**58,780.59**	**0.00**	**0.00**	**0.00**	Moved to sites
	~~Emergency dwelling repairs~~	1460		**0.00**		**0.00**		Deleted
	Renovations	1460		**44,169.80**	**0.00**	**0.00**	**0.00**	Moved to sites

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

PHA Name: **Chattanooga Housing Authority**		Grant Type and Number Capital Fund Program Grant No: **TN37P00450106** Replacement Housing Factor Grant No:				Federal FY of Grant: **2006**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide (Continued)	~~Renovate/relocate office space~~	1470		**239,645.10**	**0.00**	**0.00**	**0.00**	Deleted
	Office furniture & equipment	1475		**0.00**	**239,645.10**	**239,645.10**	**239,645.10**	100% obligated, 100% expended
	Security Cameras	1475		**89,679.00**		**89,679.00**	**89,679.00**	100% obligated, 100% expended
	Computer hardware	1475		**83,124.98**	**88,242.20**	**88,242.20**	**88,242.20**	100% obligated, 100% expended
	~~Relocation~~	~~1495~~		~~**0.00**~~		**0.00**	**0.00**	Deleted
	~~Dwelling equipment - bulk for rehab~~	1465		**0.00**		**0.00**		Deleted
	Development	1499		**1,682.10**		**1,682.10**	**1,682.10**	100% obligated, 100% expended
		Total		**$4,565,651.00**		**$4,565,651.00**	**$4,563,383.06**	

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: TN37P00450107 Replacement Housing Factor Grant No:	2007

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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	$842,011.00	$842,011.00	$842,011.00	$842,011.00
3	1408 Management Improvements	$279,464.16	$289,817.32	$289,817.32	$273,816.01
4	1410 Administration	$421,006.00	$390,866.05	$390,866.05	$390,866.05
5	1411 Audit	$5,000.00	$7,250.00	$7,250.00	$6,175.00
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$274,655.00	$275,667.52	$275,667.52	$229,084.75
8	1440 Site Acquisition	$0.00	$0.00	$0.00	$0.00
9	1450 Site Improvement	$69,675.51	$5,751.51	$5,751.51	$5,751.51
10	1460 Dwelling Structures	$484,975.30	$579,231.21	$579,231.21	$531,944.21
11	1465.1 Dwelling Equipment - Nonexpendable	$52,245.16	$52,245.16	$52,245.16	$52,245.16
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$33,370.43	$35,210.28	$35,210.28	$35,210.28
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs	$0.00	$0.00	$0.00	$0.00
18	1499 Development Activities	$1,747,653.44	$1,732,005.95	$1,732,005.95	$1,712,005.95
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	**$4,210,056.00**	**$4,210,056.00**	**$4,210,056.00**	**$4,079,109.92**
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$60,000.00	$183,710.75	$183,710.75	$177,742.68
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFMCCuight 8/7/09

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

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

PHA Name: **Chattanooga Housing Authority**		Grant Type and Number Capital Fund Program Grant No: **TN37P00450107** Replacement Housing Factor Grant No:				Federal FY of Grant: **2007**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
TN 4-1 College Hill Courts	Extraordinary maintenance - exteriors (FA)	1460	as needed	23,151.30				100%obligated, 100% expended
	Extraordinary maintenance - site (FA)	1450	as needed	2,600.00				100%obligated, 100% expended
				$25,751.30		**$25,751.30**	**$25,751.30**	
TN 4-2 Eastlake Courts	Extraordinary maintenance - exteriors (FA)	1460	as needed	38,123.01				100%obligated, 100% expended
	Dwelling Equipment	1465		17,570.16				100%obligated, 100% expended
	Extraordinary maintenance - site (FA)	1450	as needed	455.00				100%obligated, 100% expended
				$56,148.17		**$56,148.17**	**$56,148.17**	
TN 4-3 Harriet Tubman	Extraordinary maintenance - exteriors (FA)	1460	as needed	74,985.99				100%obligated, 100% expended
	Dwelling Equipment	1465		20,175.00				100%obligated, 100% expended
	~~Extraordinary maintenance - site (FA)~~	1450	as needed	0.00				Deleted
				$95,160.99		**$95,160.99**	**$95,160.99**	
TN 4-7 Mary Walker	Extraordinary maintenance - exteriors (FA)	1460	as needed	307.53	47,594.53			100%obligated, 1% expended
	Development	1499		2,050.00	2,092.00			100%obligated, 100% expended
	~~Extraordinary maintenance - site (FA)~~	1450	as needed	0.00	0.00			Deleted
				$2,357.53		**$49,686.53**	**$2,399.53**	
TN 4-8 Emma Wheeler	Extraordinary maintenance - exteriors (FA)	1460	as needed	70,921.15	99,393.99			100%obligated, 100% expended
	Extraordinary maintenance - site (FA)	1450	as needed	100.00				100%obligated, 100% expended
				$71,021.15		**$99,493.99**	**$99,493.99**	
TN 4-10 Boynton Terrace	~~Extraordinary maintenance - exteriors (FA)~~	1460	as needed	0.00	97,500.00			Deleted
	Development	1499		2,108.50	2,150.50			100%obligated, 100% expended
	~~Extraordinary maintenance - site (FA)~~	1450	as needed	0.00				Deleted
				$2,108.50		**$99,650.50**	**$99,650.50**	
TN 4-12 Greenwood Terrace	Extraordinary maintenance - site (FA)			8.94				100%obligated, 100% expended
	Rehab			122,026.14	123,239.10			100%obligated, 100% expended
				$122,035.08		**$123,248.04**	**$123,248.04**	

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: **TN37P00450107** Replacement Housing Factor Grant No:				**Federal FY of Grant:** **2007**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
TN 4-21 Cromwell Hills	Extraordinary maintenance - exteriors (FA)	1460	as needed	68,822.73				100%obligated, 100% expended
	Dwelling Equipment	1465		14,500.00				100%obligated, 100% expended
	Extraordinary maintenance - site (FA)	1450	as needed	2,587.57				100%obligated, 100% expended
				$85,910.30		**$85,910.30**	**$85,910.30**	
TN 4-22 Gateway Tower	Extraordinary maintenance - exteriors (FA)	1460	as needed	5,744.00				100%obligated, 100% expended
	~~Elevator Upgrade~~	1460		0.00				Deleted
				$5,744.00		**$5,744.00**	**$5,744.00**	
TN 4-33	Development	1499		1,707,978.47	1,702,543.45			100%obligated, 100% expended
	Extraordinary maintenance - exteriors (FA)	1460			676.56			
Greenwood Apts.				**1,707,978.47**		**1,703,220.01**	**1,703,220.01**	
HA-Wide	Operations	1406		**$842,011.00**		**842,011.00**	**842,011.00**	100%obligated, 100% expended
	Upgrade Computer Software	1408		27,258.59		27,258.59	27,258.59	100%obligated, 100% expended
	~~Maintain Marketing Program~~	1408		0.00				Deleted
	Management Development/Training	1408		48,585.12	38,355.64	38,355.64	38,355.64	100%obligated, 100% expended
	Provide Security	1408		162,344.45	183,710.75	183,710.75	177,742.68	100%obligated, 97% expended
	Resident Upward Mobility Program	1408		41,276.00	40,492.34	40,492.34	30,459.10	100%obligated, 75% expended
	~~Summer Youth Program~~	1408		0.00				Deleted
				$279,464.16		**$289,817.32**	**$273,816.01**	
	Salaries	1410		303,024.00	281,839.99	281,839.99	281,839.99	100%obligated, 100% expended
	Employee Benefits	1410		117,482.00	108,526.06	108,526.06	108,526.06	100%obligated, 100% expended

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

PHA Name: **Chattanooga Housing Authority**		Grant Type and Number Capital Fund Program Grant No: **TN37P00450107** Replacement Housing Factor Grant No:				Federal FY of Grant: **2007**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide (Continued)	Environmental review	1410		500.00		500.00	500.00	100%obligated, 100% expended
				$421,006.00		**$390,866.05**	**$390,866.05**	
	Audit	1411		**$5,000.00**	**7,250.00**	**$7,250.00**	**$6,175.00**	100%obligated, 85% expended
	A/E Services	1430		**274,655.00**	**275,667.52**	**$275,667.52**	**$229,084.75**	100%obligated, 83% expended
	~~Land acquisition for future development~~	1440		**0.00**				Deleted
	~~Site Improvements_Temp~~			**$63,924.00**	**$0.00**			Deleted
	Dwelling Structures - Temp			**$80,893.45**	**$0.00**	**$0.00**	**$0.00**	Moved to sites
	Computer hardware	1475		**33,370.43**	**35,210.28**	**$35,210.28**	**$35,210.28**	100%obligated, 100% expended
	~~Relocation~~	1495		**0.00**				Deleted
	Dwelling equipment - bulk for rehab	1465		**0.00**				Moved to sites
	Development	1499		**35,516.47**	**25,220.00**	**$25,220.00**	**$5,220.00**	100%obligated, 21% expended
		Total		**$4,210,056.00**		**$4,210,056.00**	**$4,079,109.92**	

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: TN37P00450108 Replacement Housing Factor Grant No:	2008

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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	$845,070.40	$845,070.40	$845,070.40	$845,070.40
3	1408 Management Improvements	$235,000.00	$235,000.00	$174,590.90	$174,590.90
4	1410 Administration	$422,535.20	$422,535.20	$422,535.20	$387,323.93
5	1411 Audit	$5,000.00	$5,000.00	$1,812.50	
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$165,000.00	$165,312.48	$156,568.23	$133,077.75
8	1440 Site Acquisition	$50,000.00	$50,000.00		
9	1450 Site Improvement	$32,500.00	$140,469.77	$105,643.83	$60,021.81
10	1460 Dwelling Structures	$645,846.40	$542,798.63	$36,354.70	$23,904.70
11	1465.1 Dwelling Equipment - Nonexpendable	$14,400.00	$14,400.00		
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$35,000.00	$35,000.00	$3,936.00	$3,936.00
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs	$25,000.00	$25,000.00		
18	1499 Development Activities	$1,750,000.00	$1,744,765.52		
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	**$4,225,352.00**	**$4,225,352.00**	**$1,746,511.76**	**$1,627,925.49**
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$150,000.00	$150,000.00	$150,000.00	$150,000.00
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFMcCaight 8/7/09

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

form **HUD-52837** (1/96)
ref Handbook 7485.3

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: **TN37P00450108** Replacement Housing Factor Grant No:				**Federal FY of Grant:** **2008**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
TN 4-1 College Hill Courts	Extraordinary maintenance - exteriors (FA)	1460	as needed	$35,000.00	$24,378.00			0% obligated, 0% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$2,500.00				0% obligated, 0% expended
				$37,500.00		**$0.00**	**$0.00**	
TN 4-2 Eastlake Courts	Extraordinary maintenance - exteriors (FA)	1460	as needed	$35,000.00	$25,000.00			0% obligated, 0% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$2,500.00				0% obligated, 0% expended
				$37,500.00		**$0.00**	**$0.00**	
TN 4-3 Harriet Tubman	Extraordinary maintenance - exteriors (FA)	1460	as needed	$40,846.40	$20,089.00			0% obligated, 0% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$2,500.00				0% obligated, 0% expended
				$43,346.40		**$0.00**	**$0.00**	
TN 4-7 Mary Walker	Extraordinary maintenance - exteriors (FA)	1460	as needed	$5,000.00				0% obligated, 0% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$2,500.00	$33,122.00			100% obligated, 0% expended
				$7,500.00		**$33,122.00**	**$0.00**	
TN 4-8 Emma Wheeler	Extraordinary maintenance - exteriors (FA)	1460	as needed	$5,000.00				0% obligated, 0% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$2,500.00				0% obligated, 0% expended
				$7,500.00		**$0.00**	**$0.00**	
TN 4-10 Boynton Terrace	Extraordinary maintenance - exteriors (FA)	1460	as needed	$25,000.00	$32,422.00			100% obligated, 62% expended
	Development	1499		$1,500,000.00	$1,495,078.00			0% obligated, 0% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$2,500.00	$0.00			0% obligated, 0% expended
				$1,527,500.00		**$32,422.00**	**$19,972.00**	
TN 4-12 Scattered Sites	Extraordinary maintenance - exteriors (FA)	1460	as needed	$20,000.00				20% obligated, 20% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$15,000.00	$7,168.30			0% obligated, 0% expended
	Rehab	1460	6 d.u.	$375,000.00	$385,757.40			0% obligated, 0% expended
				$410,000.00		**$3,932.70**	**$3,932.70**	

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: **TN37P00450108** Replacement Housing Factor Grant No:				**Federal FY of Grant:** **2008**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
TN 4-21 Cromwell Hills	Extraordinary maintenance - exteriors (FA)	1460	as needed	$100,000.00	$20,152.23			0% obligated, 0% expended
	Extraordinary maintenance - site (FA)	1450	as needed	$2,500.00	$82,347.77			79% obligated, 63% expended
				$102,500.00		**$64,690.13**	**$52,190.11**	
TN 4-22 Gateway Tower	Extraordinary maintenance - exteriors (FA)	1460	as needed	$5,000.00				0% obligated, 0% expended
				$5,000.00		**$0.00**	**$0.00**	
TN 4-33 Greenwood Terrace	Extraordinary maintenance - site (FA)	1450			**$7,831.70**	**$7,831.70**	**$7,831.70**	100% obligated, 100% expended
LIPH-Wide	Operations	1406		**$845,070.40**		**$845,070.40**	**$845,070.40**	100% obligated, 100% expended
	Upgrade Computer Software	1408		$15,000.00		$6,447.50	$6,447.50	43% obligated, 43% expended
	Maintain Marketing Program	1408		$5,000.00		$250.00	$250.00	5% obligated, 5% expended
	Management Development/Training	1408		$50,000.00		$17,893.40	$17,893.40	36% obligated, 36% expended
	Provide Security	1408		$150,000.00		$150,000.00	$150,000.00	100% obligated, 100% expended
	Summer Youth Program	1408		$15,000.00				0% obligated, 0% expended
				$235,000.00		**$174,590.90**	**$174,590.90**	
	Salaries	1410		$304,225.34		$304,225.34	$278,873.17	100% obligated, 92% expended
	Employee Benefits	1410		$118,309.86		$118,309.86	$108,450.76	100% obligated, 92% expended
				$422,535.20		**$422,535.20**	**$387,323.93**	
	Audit	1411		**$5,000.00**		**$1,812.50**		36% obligated, 0% expended
	A/E Services	1430		**$150,000.00**		**$141,255.75**	**$131,577.75**	94% obligated, 88% expended
	Strategic Planning	1430		**$15,000.00**	**$15,312.48**	**$15,312.48**	**$1,500.00**	100% obligated, 10% expended
	Land acquisition for future development	1440		**$50,000.00**				0% obligated, 0% expended

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: **TN37P00450108** Replacement Housing Factor Grant No:				**Federal FY of Grant:** **2008**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
LIPH-Wide (Continued)	Computer hardware	1475		**$35,000.00**		**$3,936.00**	**$3,936.00**	11% obligated, 11% expended
	Relocation	1495		**$25,000.00**				0% obligated, 0% expended
	Dwelling equipment - bulk for rehab	1465		**$14,400.00**				0% obligated, 0% expended
	Development	1499		**$250,000.00**	**$249,687.52**			0% obligated, 0% expended
		Total		**$4,225,352.00**		**$1,746,511.76**	**$1,627,925.49**	

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: TN37R004502-05	2005

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
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	$114,225.00	$114,225.00	$0.00	$0.00
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	$114,225.00	$114,225.00	$0.00	$0.00
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$0.00	$0.00		
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date: X E=McCright 11/2/2009

Signature of Public Housing Director/Office of Native American Programs Administrator & Date: X

form HUD-52837 (1/96)

ref Handbook 7485.3

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: Replacement Housing Factor Grant No: **TN37R004502-05**				**Federal FY of Grant:** **2005**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Development	1499	114225	$114,225				0 % obligated, 0 % expended

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: TN37R00450206	2006

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
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	$107,882.00	$107,882.00	$0.00	$0.00
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	$107,882.00	$107,882.00	$0.00	$0.00
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$0.00	$0.00		
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:

X EFMcCreight 11/2/2009

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:

X

form HUD-52837 (1/96)
ref Handbook 7485.3

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: Replacement Housing Factor Grant No: **TN37R004502-06**				**Federal FY of Grant:** **2006**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Development	1499		$107,882	$107,882			0 % obligated, 0 % expended

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: TN37R00450106	2006

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
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	$549,548.00	$549,548.00	$21,220.00	$11,220.00
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	$549,548.00	$549,548.00	$21,220.00	$11,220.00
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$0.00	$0.00		
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFMcCright 11/2/2009

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

form HUD-52837 (1/96)
ref Handbook 7485.3

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

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **TN37R004501-06**	**2006**

Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Development	1499		$549,548		$21,220	11,220.00	3.8 % oblgated, 2 % expended

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: TN37R004502-07	2007

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
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	$156,384.00	$156,384.00	$0.00	$0.00
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	$156,384.00	$156,384.00	$0.00	$0.00
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$0.00	$0.00		
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFMcCright 11/2/2009

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

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ref Handbook 7485.3

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

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **TN37R004502-07**	**2007**

Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Development	1499		$156,384		$0	0.00	0% Obligated, 0 % expended

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: TN37R004501-07	2007

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
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	$552,669.00	$552,669.00	$0.00	$0.00
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	$552,669.00	$552,669.00	$0.00	$0.00
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$0.00	$0.00		
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFMcCright 11/2/2009

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

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ref Handbook 7485.3

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

PHA Name: **Chattanooga Housing Authority**		**Grant Type and Number** Capital Fund Program Grant No: Replacement Housing Factor Grant No: **TN37R004501-07**				**Federal FY of Grant:** **2007**		
Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Development	1499		$552,669		$0	0.00	0% Obligated, 0 % expended

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: TN37R004502-08	2008

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
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	$153,430.00	$153,430.00	$0.00	$0.00
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	$153,430.00	$153,430.00	$0.00	$0.00
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$0.00	$0.00		
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFMcCright 11/2/2009

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

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ref Handbook 7485.3

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

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **TN37R004502-08**	**2008**

Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Development	1499		$153,430		$0	0.00	0% Obligated, 0 % expended

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: TN37R004501-08	2008

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/09 ☐ 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				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
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	$638,791.00	$638,791.00	$0.00	$0.00
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 - 20)	$638,791.00	$638,791.00	$0.00	$0.00
22	Amount of line 21 Related to LBP Activities	$0.00	$0.00		
23	Amount of line 21 Related to Section 504 compliance	$0.00	$0.00		
24	Amount of line 21 Related to Security - Soft Costs	$0.00	$0.00		
25	Amount of line 21 Related to Security - Hard Costs	$0.00	$0.00		
26	Amount of line 21 Related to Energy Conservation Measures	$0.00	$0.00		

Signature of Executive Director & Date:
X EFMcCright 11/2/2009

Signature of Public Housing Director/Office of Native American Programs Administrator & Date:
X

form HUD-52837 (1/96)
ref Handbook 7485.3

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

PHA Name:	Grant Type and Number	Federal FY of Grant:
Chattanooga Housing Authority	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **TN37R004501-08**	**2008**

Development Number/Name HA-Wide Activities	General Description of Major Work Catagories	Dev. Acct. No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Development	1499		$638,791		$0	0.00	0% Obligated, 0 % expended

Attachment I

Capital Fund Program 5-Year Action Plan

Part I: Summary

PHA Name/Number Chattanooga Housing Authority, TN-4			Locality (Chattanooga, TN)		☒**Original 5-Year Plan** ☐**Revision No:**	
A.	Development Number and Name	Work Statement for Year 1 FFY _2010_____	Work Statement for Year 2 FFY __2011_____	Work Statement for Year 3 FFY ____2012_____	Work Statement for Year 4 FFY ____2013_____	Work Statement for Year 5 FFY _2014_____
B.	Physical Improvements Subtotal	Annual Statement	2,150,000	2,000,000	2,100,000	2,100,000
C.	Management Improvements		222,500	222,500	222,500	222,500
D.	PHA-Wide Non-dwelling Structures and Equipment		95,000	95,000	95,000	95,000
E.	Administration		422,535	422,535	422,535	422,535
F.	Other		110,000	110,000	110,000	110,000
G.	Operations		845,070	845,070	845,070	845,070
H.	Demolition					
I.	Development		380,247	530,247	430,247	430,247
J.	Capital Fund Financing – Debt Service					
K.	Total CFP Funds		4,225,352	4,225,352	4,225,352	4,225,352
L.	Total Non-CFP Funds					
M.	Grand Total					

Part I: Summary (Continuation)

PHA Name/Number			Locality (City/county & State)		☒**Original 5-Year Plan** ☐**Revision No:**	
A.	Development Number and Name	Work Statement for Year 1 FFY _2010___	Work Statement for Year 2 FFY ____2011_____	Work Statement for Year 3 FFY _____2012_____	Work Statement for Year 4 FFY ____2013_____	Work Statement for Year 5 FFY _____2014_____
		Annual Statement				
	Emma Wheeler Homes, TN 4-8		1,050,000	1,400,000	1,000,000	1,000,000
	Boynton Terrace, TN 4-10		1,000,000	500,000	1,000,000	1,000,000
	HA-Wide					
	A/E Services		100,000	100,000	100,000	100,000
	Audit		5,000	5,000	5,000	5,000
	Site Acquisition		50,000	50,000	50,000	50,000
	HOPE VI pre-Dev		50,000	50,000	50,000	50,000
	Dwelling Equipment		5,000	5,000	5,000	5,000
	Computer equipment Non-dwelling structures		10,000 10,000	10,000 10,000	10,000 10,000	10,000 10,000
	Maintenance trucks		60,000	60,000	60,000	60,000
	Police car		15,000	15,000	15,000	15,000

Part II: Supporting Pages – Physical Needs Work Statement(s)

Work Statement for Year 1 FFY _2010_____	Work Statement for Year _2012_____ FFY __2011_____			Work Statement for Year: ____2013_____ FFY _____2012_____		
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
See Annual Statement						
	Emma Wheeler, TN 4-8 Sewer construction Elec. grid construction		650,000 400,000	Emma Wheeler, TN 4-8 Sewer construction Elec. grid construction Unit renovations		400,000 1,000,000
	Boynton Terrace, TN 4-10 Unit /bldg renovations		1,000,000	Boynton Terrace, TN 4-10 Unit /bldg renovations		500,000
	HA-Wide			HA-Wide		
	A/E Services		100,000	A/E Services		100,000
	Computer Equipment		10,000	Computer Equipment		10,000
	Maintenance trucks	3	60,000	Maintenance trucks	3	60,000
	Police car	1	15,000	Police car	1	15,000
	Dwelling Equipment		5,000	Dwelling Equipment		5,000
	Non-Dwelling Structures		10,000	Non-Dwelling Structures		10,000
	Subtotal of Estimated Cost		$ 2,250,000	Subtotal of Estimated Cost		$ 2,100,000

Part II: Supporting Pages – Physical Needs Work Statement(s)

Work Statement for Year 1 FFY _____	Work Statement for Year ___2014_____ FFY ____2013_____			Work Statement for Year: ____2015_____ FFY _____2014_____		
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
See	Emma Wheeler, TN 4-8 Sewer construction Elec. grid construction Unit renovations		1,000,000	Emma Wheeler, TN 4-8 Sewer construction Elec. grid construction Unit Renovations		1,000,000
Annual	Boynton Terrace, TN 4-10 Unit /bldg renovations		1,000,000	Boynton Terrace, TN 4-10 Unit /bldg renovations		1,000,000
Statement	HA-Wide			HA-Wide		
	A/E Services		100,000	A/E Services		100,000
	Computer Equipment		10,000	Computer Equipment		10,000
	Maintenance trucks	3	60,000	Maintenance trucks	3	60,000
	Police car	1	15,000	Police car	1	15,000
	Dwelling Equipment		5,000	Dwelling Equipment		5,000
	Non-Dwelling Structures		10,000	Non-Dwelling Structures		10,000
	Subtotal of Estimated Cost		$ 2,200,000	Subtotal of Estimated Cost		$ 2,200,000

Part III: Supporting Pages – Management Needs Work Statement(s)

Work Statement for Year 1 FFY _____	Work Statement for Year __2011_____ FFY _____		Work Statement for Year: __2012_____ FFY _____	
	Development Number/Name General Description of Major Work Categories	Estimated Cost	Development Number/Name General Description of Major Work Categories	Estimated Cost
See	HA-Wide		HA-Wide	
	Computer software	7,500	Computer software	7,500
Annual	Marketing	5,000	Marketing	5,000
Statement	Management Development & Training	10,000	Management Development & Training	10,000
	Security services	185,000	Security services	185,000
	Resident programs	15,000	Resident programs	15,000
	Audit	5,000	Audit	5,000
	HOPE-VI Pre-Development	50,000	HOPE-VI Pre-Development	50,000
	Site Acquisition	50,000	Site Acquisition	50,000
	Subtotal of Estimated Cost	$ 327,500	Subtotal of Estimated Cost	$ 327,500

Part III: Supporting Pages – Management Needs Work Statement(s)

Work Statement for Year 1 FFY _____	Work Statement for Year _____2013_____ FFY _____		Work Statement for Year: ___2014_____ FFY _____	
	Development Number/Name General Description of Major Work Categories	Estimated Cost	Development Number/Name General Description of Major Work Categories	Estimated Cost
See	HA-Wide		HA-Wide	
	Computer software	7,500	Computer software	7,500
Annual	Marketing	5,000	Marketing	5,000
Statement	Management Development & Training	10,000	Management Development & Training	10,000
	Security services	185,000	Security services	185,000
	Resident programs	15,000	Resident programs	15,000
	Audit	5,000	Audit	5,000
	HOPE-VI Pre-Development	50,000	HOPE-VI Pre-Development	50,000
	Site Acquisition	50,000	Site Acquisition	50,000
	Subtotal of Estimated Cost	$ 327,500	Subtotal of Estimated Cost	$ 327,500