

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

<b>1.0</b>	<b>PHA Information</b> PHA Name: <u>Winnebago County Housing Authority</u> PHA Code: <u>IL083</u> PHA Type: <input type="checkbox"/> Small <input type="checkbox"/> High Performing <input checked="" type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>04/2011</u>				
<b>2.0</b>	<b>Inventory</b> (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: <u>291</u> Number of HCV units: <u>516</u>				
<b>3.0</b>	<b>Submission Type</b> <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only				
<b>4.0</b>	<b>PHA Consortia</b> <input type="checkbox"/> 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:				
<b>5.0</b>	<b>5-Year Plan.</b> Complete items 5.1 and 5.2 only at 5-Year Plan update.				
<b>5.1</b>	<b>Mission.</b> State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:				
<b>5.2</b>	<b>Goals and Objectives.</b> Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.				
<b>6.0</b>	<b>PHA Plan Update</b> (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: Please see Attachment B. (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. Winnebago County Housing Authority Central Office, 3617 Delaware Street, Rockford, Illinois, 61102; Champion Park, 3617 Delaware Street, Rockford, Illinois, 61102; Collier Garden, 2901 Searles Avenue, Rockford, Illinois, 61101; Johnston Garden, 1615 Blackhawk Boulevard, South Beloit, Illinois, 61080; D'Agnolo Garden, 806 Kocher Street, Rockton, Illinois, 61080.				
<b>7.0</b>	<b>Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers.</b> <i>Include statements related to these programs as applicable.</i>  IL083000001 Champion Park, 430 Ashley Avenue, Rockford, Illinois, 61102 HOPE VI Grant No. IL06URD083I102 was closed 12/29/08 with the HOPE VI Grant Close-Out Submission Report, pending HUD approval, and which included the homeownership program and project-based voucher conversion completed under the prior annual and five year plan. Demolition of the 61 ACC public housing units took place under the prior annual and five year plan. Disposition of the Champion Park IL083-01 land remains, with a disposition draft submitted in PIC to SAC in 2006 and final disposition expected in CY2010 or CY2011.  IL083000002 Collier Garden, 2901 Searles Avenue, Rockford, Illinois, 61101, 150 units (144-1-bedroom and 6-2 bedroom) has received Low Income Housing Tax Credits and Public Transformation CFRC ARRA grant. HUD completed all necessary approvals, which included 40 PBS8 unit conversions.  IL083000003, Johnston Garden Apartments (IL083-07), 1516 Blackhawk Boulevard, South Beloit, Illinois, 61072, 50-1 bedroom apartments. The housing authority has received a Low Income Housing Tax Credit award for this property, and will be providing a mixed finance proposal to HUD in CY2011 that will include LIHTC, CFFP, 29 project-base Section 8 conversion, and other programs as necessary.  The housing authority proposes to use its RHF grants either as presented in component 8.3 should a CFFP program be realized as described in this 7.0 component. Alternatively, the housing authority proposes to use its RHF grants to accumulate RHF funds for 2, 3, 4 or 5 consecutive years because the funds received in one year are insufficient to conduct meaningful development, as permitted in PIH 2010-21. The housing authority may also use the RHF grants for development of a family self-sustainability program in partnership with the YWCA and Shelter Plus, as such opportunity and program leveraging may prove feasible.				
<b>8.0</b>	<b>Capital Improvements.</b> Please complete Parts 8.1 through 8.3, as applicable.				

8.1	<b>Capital Fund Program Annual Statement/Performance and Evaluation Report.</b> As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing.
8.2	<b>Capital Fund Program Five-Year Action Plan.</b> As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , 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.
8.3	<b>Capital Fund Financing Program (CFFP).</b> <input checked="" type="checkbox"/> 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	<p><b>Housing Needs.</b> Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p> <p>The Winnebago County Housing Authority administrates Collier Gardens, a 150 unit apartment development with 143 1-bedroom and 7 2-bedrooms in Rockford, Illinois, with 110 ACC/LIHTC and 40 Project Based Section 8 units; has a current need of affordable housing for 40 families: 10 very low income, 30 low income; 7 elderly families, 17 families with disabilities, 16 non-minority head of household, 24 African-American, and 22 Hispanic Head of Households.</p> <p>The Winnebago County Housing Authority administrates Robert Johnston Gardens, a 50 1-bedroom unit apartment development in South Beloit, Illinois, has a current need of affordable housing for 50 families; 14 very low income, 32 low income; 38 elderly families, 14 families with disabilities, 46 non-minority head of household, 3 African-American and one Hispanic Head of Households.</p> <p>The Winnebago County Housing Authority administrates D'Agnolo Gardens, a 50 1-bedroom unit apartment development in Rockton, Illinois, has a current need of affordable housing for 20 families; 1 low income, 9 elderly and 10 disabled households, 17 non-minority, 3 African-American Head of Households.</p> <p>The Winnebago County Housing Authority administrates a budget authority 62 Housing Choice Vouchers (pro-rated by complete program funding) in the county of Stephenson, Illinois, which currently has an affordable housing need for 61 families of very low income, 1 elderly, 10 disabled, 12 non-minority and 12 African American Head of Households.</p> <p>The Winnebago County Housing Authority administrates 454 Tenant-based, Family Unification Program, and Disaster Housing Assistance Program Housing Choice Vouchers in Winnebago, Ogle and DuPage counties, with a current need for 302 families ; 13 extremely low income, 50 very low income, 35 low income, 8 elderly, 36 disabled, 48 non-minority, 246 African-American, 2 Asian/Pacific Islander and 9 Hispanic Head of Households.</p> <p>The Winnebago County Housing Authority administrates 41 ACC/LIHTC multi-bedroom homes and 11 Project-Based Section 8 multi-family homes in Rockford, Illinois, with a current need of 198 families; 1 extremely low income, 12 very low income, 9 very low income, 5 elderly, 21 disabled, 15 non-minority, 177 African-American and 6 Hispanic Head of Households.</p>
9.1	<b>Strategy for Addressing Housing Needs.</b> Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. <b>Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</b> The PHA will employ effective maintenance and management policies to minimize the number of public housing units off-line, reduce turnover time for vacated public housing units, reduce time to renovate public housing units, seek replacement of public housing units lost to the inventory through mixed finance development, seek replacement of public housing units lost to the inventory through Section 8 replacement housing resources, maintain or increase Section 8 lease-up rates by establishing payment standards that will enable families to ensure access to rent throughout the jurisdiction, undertake measures to ensure access to affordable housing among families assisted by the PHA regardless of unit size required, maintain or increase Section 8 lease-up rates by marketing the program to owners—particularly those outside of areas of minority and poverty concentration, maintain or increase Section 8 lease up rates by effectively screening Section 8 applicants to increase owner acceptance of the program, participant in the Consolidated Plan development process to ensure coordination with broader community strategies.
10.0	<p><b>Additional Information.</b> Describe the following, as well as any additional information HUD has requested.</p> <p>(a) <b>Progress in Meeting Mission and Goals.</b> Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan. The housing authority has already met 54.2% of the 5-year plan, as presented in the FY2010 Annual Plan and FY2010-2013 Five Year Plan.</p> <p>(b) <b>Significant Amendment and Substantial Deviation/Modification.</b> Provide the PHA's definition of "significant amendment" and "substantial deviation/modification" In accordance with PIH Notice 99-51 (HA) issued December 14, 1999, PHAs must define "substantial deviation" of Annual Plans under the 5-Year Plan and "significant amendment or modification" of the Annual Plan. The Housing Quality and Work Responsibility Act of 1998 requires that PHAs explain "substantial deviation" from the 5-Year Plan in their Annual Plans. The Act also provides that, while PHAs may change or modify their plans or policies described in them, any "significant amendment or modification" to the plan would require PHAs to submit a revised PHA plan that has met full public process requirements. The PHAs definition of "substantial deviation" of Annual Plans from the 5-Year Plan and "significant amendment or modification" of the Annual Plan will consider the following to be significant amendments or modifications: (1) Changes to rent or admissions policies or organization of the waiting list, (2) additions of non-emergency work items when the dollar amount exceeds 25 percent of the Capital Fund Budget or the amount of replacement reserve funds that exceed 25 percent of the annual Capital Fund Budget, and (3) any change with regard to demolition or disposition, designation, homeownership programs, or conversion activities.</p>

<b>11.0</b>	<p><b>Required Submission for HUD Field Office Review.</b> In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. <b>Note:</b> Faxed copies of these documents will not be accepted by the Field Office.</p> <ul style="list-style-type: none"> <li>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</li> <li>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</li> <li>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</li> <li>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</li> <li>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</li> <li>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</li> <li>(g) Challenged Elements</li> <li>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</li> <li>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</li> </ul>
-------------	---

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

## Instructions form HUD-50075

**Applicability.** This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

### 1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

### 2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

### 3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

### 4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

### 5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

**5.1 Mission.** A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

**5.2 Goals and Objectives.** Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

**6.0 PHA Plan Update.** In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

#### PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: **1)** 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; **2)** 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; and **3)** 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.

**7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers**

- (a) **Hope VI or Mixed Finance Modernization or Development.** **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: **(1)** A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and **(2)** A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm)  
**Note:** This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: **1)** A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; **2)** An analysis of the projects or buildings required to be converted; and **3)** A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

**8.0 Capital Improvements.** This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

**8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report.** PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

**8.2 Capital Fund Program Five-Year Action Plan**

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

**8.3 Capital Fund Financing Program (CFFP).** Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

**9.0 Housing Needs.** Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

**9.1 Strategy for Addressing Housing Needs.** Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

**10.0 Additional Information.** Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

**11.0 Required Submission for HUD Field Office Review.** In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

## Attachment B

### Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

*Instructions:*

*For each Element below that **HAS** changed since the last PHA Plan, using the HUD 50075 instructions, enter the “changed” text in column 3.*

*For each Element below that **HAS NOT** changed since the last PHA Plan, enter “No Change” in column 3.*

Housing Authority #	Housing Authority Name	Fiscal Year Begin Date
IL083	Winnebago County Housing Authority	04/01/2011

	Plan Element	Column #3
1.	Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.	<p><b>Admissions and Continued Occupancy Policy</b></p> <p><b>Chapter 4</b></p> <p><b>APPLICATIONS, WAITING LIST AND TENANT SELECTION</b></p> <p><b>INTRODUCTION</b></p> <p>When a family wishes to reside in public housing, the family must submit an application that provides the PHA with the information needed to determine the family’s eligibility. HUD requires the PHA to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.</p> <p>The PHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA to receive preferential treatment.</p> <p>HUD regulations require that the PHA comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.</p> <p>This chapter describes HUD and PHA policies for taking applications, managing the waiting list and selecting families from the waiting list. The PHAs policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the PHA’s Tenant Selection and Assignment Plan (TSAP).</p> <p>The policies outlined in this chapter are organized into three sections, as follows:</p> <p><u>Part I: The Application Process.</u> This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.</p> <p><u>Part II: Managing the Waiting List.</u> This part presents the policies that govern how the PHA’s waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process the PHA will use to keep the waiting list current.</p> <p><u>Part III: Tenant Selection.</u> This part describes the policies that guide the PHA in</p>

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.</p> <p style="text-align: center;"><b>PART I: THE APPLICATION PROCESS</b></p> <p><b>4-I.A. OVERVIEW</b></p> <p>This part describes the policies that guide the PHA’s efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the PHA’s obligation to ensure the accessibility of the application process.</p> <p><b>4-I.B. APPLYING FOR ASSISTANCE</b></p> <p>Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the PHA to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA’s application [Notice PIH 2009-36].</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p>Depending upon the length of time that applicants may need to wait to be housed, the PHA may use a one- or two-step application process.</p> <p>A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and the amount of rent the family will pay.</p> <p>A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family’s eligibility, and to determine the family’s placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.</p> <p>Families may obtain application forms from the PHA’s office during normal business hours. Families may also request – by telephone or by mail – that a form be sent to the family via first class mail.</p> <p>Completed applications must be returned to the PHA by mail, by fax, or submitted in person during normal business hours. Applications must be complete in order to be accepted by the PHA for processing. If an application is incomplete, the PHA will notify the family of the additional information required.</p> <p><b>4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS</b></p> <p>The PHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard PHA application process.</p> <p><b>Disabled Populations [24 CFR 8; PH Occ GB, p. 68]</b></p> <p>The PHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the PHA must provide an alternate approach that provides equal access to the application process. Chapter 2 provides a full discussion of the PHA’s policies related to providing reasonable accommodations for people with disabilities.</p> <p><b>Limited English Proficiency</b></p> <p>PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA’s policies related to ensuring access to people with limited English proficiency (LEP).</p> <p><b>4-I.D. PLACEMENT ON THE WAITING LIST</b></p> <p>The PHA must review each completed application received and make a preliminary assessment of the family’s eligibility. The PHA must place on the waiting list families for whom the list is open</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>unless the PHA determines the family to be ineligible. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.</p> <p>No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.</p> <p><b>Ineligible for Placement on the Waiting List</b></p> <p><u>PHA Policy</u></p> <p>If the PHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of receiving a completed application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).</p> <p><b>Eligible for Placement on the Waiting List</b></p> <p><u>PHA Policy</u></p> <p>The PHA will send written notification of the preliminary eligibility determination within 10 business days of receiving a completed application. If applicable, the notice will also indicate the waiting list preference(s) for which the family appears to qualify.</p> <p>Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. A final determination of eligibility and qualification for preferences will be made when the family is selected from the waiting list.</p> <p>Applicants will be placed on the waiting list according to PHA preference(s) and the date and time their complete application is received by the PHA.</p> <p>The PHA will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to PHA standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition.</p> <p style="text-align: center;"><b>PART II: MANAGING THE WAITING LIST</b></p> <p><b>4-II.A. OVERVIEW</b></p> <p>The PHA must have policies regarding the type of waiting list it will utilize as well as the various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.</p> <p>In addition, HUD imposes requirements on how the PHA may structure its waiting list and how families must be treated if they apply for public housing at a PHA that administers more than one assisted housing program.</p> <p><b>4-II.B. ORGANIZATION OF THE WAITING LIST</b></p> <p>The PHA’s public housing waiting list must be organized in such a manner to allow the PHA to accurately identify and select families in the proper order, according to the admissions policies described in this ACOP.</p> <p><u>PHA Policy</u></p> <p>The waiting list will contain the following information for each applicant listed:</p> <ul style="list-style-type: none"><li>Name and social security number of head of household</li><li>Unit size required (number of family members)</li><li>Amount and source of annual income</li><li>Accessibility requirement, if any</li></ul>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>Date and time of application or application number</p> <p>Household type (family, elderly, disabled)</p> <p>Admission preference, if any</p> <p>Race and ethnicity of the head of household</p> <p>The specific sites selected</p> <p>The PHA may adopt one community-wide waiting list or site-based waiting lists. The PHA must obtain approval from HUD through submission of its Annual Plan before it may offer site-based waiting lists. Site-based waiting lists allow families to select the development where they wish to reside and must be consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].</p> <p><u>PHA Policy</u></p> <p>The PHA will maintain site-based waiting lists.</p> <p>HUD directs that a family that applies to reside in public housing must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher or moderate rehabilitation program that the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)].</p> <p>HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].</p> <p><u>PHA Policy</u></p> <p>The PHA may merge the waiting list for PBV assistance with the PHA waiting list for admission to another assisted housing program [24 CFR 983.251 (c) (4)].</p> <p><b>4-II.C. OPENING AND CLOSING THE WAITING LIST</b></p> <p><b>Closing the Waiting List</b></p> <p>The PHA is permitted to close the waiting list, in whole or in part, if it has an adequate pool of families to fill its developments. The PHA may close the waiting list completely, or restrict intake by preference, type of project, or by size and type of dwelling unit. [PH Occ GB, p. 31].</p> <p><u>PHA Policy</u></p> <p>The PHA will close the waiting list when the estimated waiting period for housing applicants on the list reaches 24 months for the most current applicants. Where the PHA has particular preferences or other criteria that require a specific category of family, the PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.</p> <p><b>Reopening the Waiting List</b></p> <p>If the waiting list has been closed, it may be reopened at any time. The PHA should publish a notice in local newspapers of general circulation, minority media, and other suitable media outlets that the PHA is reopening the waiting list. Such notice must comply with HUD fair housing requirements. The PHA should specify who may apply, and where and when applications will be received.</p> <p><u>PHA Policy</u></p> <p>The PHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how applications are to be received.</p> <p>The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:</p> <p><i>Rockford Register Star newspaper</i></p> <p><b>4-II.D. FAMILY OUTREACH [24 CFR 903.2(d); 24 CFR 903.7(a) and (b)]</b></p> <p>The PHA should conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to fill anticipated vacancies and to assure that the PHA is affirmatively furthering fair housing and complying with the Fair Housing Act.</p> <p>Because HUD requires the PHA to serve a specified percentage of extremely low income families,</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for public housing.</p> <p>PHA outreach efforts must comply with fair housing requirements. This includes:</p> <ul style="list-style-type: none"><li>• Analyzing the housing market area and the populations currently being served to identify underserved populations</li><li>• Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program</li><li>• Avoiding outreach efforts that prefer or exclude people who are members of a protected class</li></ul> <p>PHA outreach efforts must be designed to inform qualified families about the availability of units under the program. These efforts may include, as needed, any of the following activities:</p> <ul style="list-style-type: none"><li>• Submitting press releases to local newspapers, including minority newspapers</li><li>• Developing informational materials and flyers to distribute to other agencies</li><li>• Providing application forms to other public and private agencies that serve the low income population</li><li>• Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities</li></ul> <p><u>PHA Policy</u></p> <p>The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA’s jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.</p> <p><b>4-IL.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES</b></p> <p><u>PHA Policy</u></p> <p>While the family is on the waiting list, the family must inform the PHA, within 10 business days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.</p> <p>Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.</p> <p><b>4-IL.F. UPDATING THE WAITING LIST</b></p> <p>HUD requires the PHA to establish policies to use when removing applicant names from the waiting list [24 CFR 960.202(a)(2)(iv)].</p> <p><b>Purging the Waiting List</b></p> <p>The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to the PHA’s request for information or updates because of the family member’s disability, the PHA must, upon the family’s request, reinstate the applicant family to their former position on the waiting list as a reasonable accommodation [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.</p> <p><u>PHA Policy</u></p> <p>The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.</p> <p>To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant’s name being removed from the waiting list.</p> <p>The family’s response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the PHA not later than 10</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>business days from the date of the PHA letter.</p> <p>If the family fails to respond within 10 business days, the family will be removed from the waiting list without further notice.</p> <p>If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.</p> <p>If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 10 business days to respond from the date the letter was re-sent. If the family fails to respond within this time frame, the family will be removed from the waiting list without further notice.</p> <p>When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent the PHA from making an eligibility determination; therefore no informal hearing is required.</p> <p>If a family is removed from the waiting list for failure to respond, the Executive Director may reinstate the family if s/he determines the lack of response was due to PHA error, or to circumstances beyond the family's control.</p> <p><b>Removal from the Waiting List</b></p> <p><u>PHA Policy</u></p> <p>The PHA will remove applicants from the waiting list if they have requested that their name be removed. In such cases no informal hearing is required.</p> <p>If the PHA determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.</p> <p>If a family is removed from the waiting list because the PHA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the PHA's decision (see Chapter 14) [24 CFR 960.208(a)].</p> <p style="text-align: center;"><b>PART III: TENANT SELECTION</b></p> <p><b>4-III.A. OVERVIEW</b></p> <p>The PHA must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The PHA must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The PHA must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].</p> <p>The order in which families will be selected from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.</p> <p>The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 960.206(e)(2)]. The PHA's policies must be posted any place where the PHA receives applications. The PHA must provide a copy of its tenant selection policies upon request to any applicant or tenant. The PHA may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].</p> <p><u>PHA Policy</u></p> <p>When an applicant or resident family requests a copy of the PHA's tenant selection policies, the PHA will provide copies at a cost of \$5.00.</p> <p><b>4-III.B. SELECTION METHOD</b></p> <p>PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use.</p> <p>Applicants will be placed on the waiting list according to the date and time their complete application is received by the PHA, with further application of the local</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>preferences.</p> <p><b>Local Preferences [24 CFR 960.206]</b></p> <p>PHAs are permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].</p> <p><u>PHA Policy</u></p> <p>The PHA will use the following local preference:</p> <p>The PHA will offer a preference for families who live in Winnebago County for the immediate and consecutive past ninety calendar days. <b>1 Point</b></p> <p>The PHA will offer a preference to an applicant whose head or spouse are age 62 or older, or an applicant whose head or spouse meet the HUD/Social Security definition of disability. <b>10 Points</b></p> <p>The PHA will offer a preference for veterans or surviving spouses of veterans. <b>1 Point</b></p> <p>The PHA will offer a working preference (24 CFR 5.415) for families where the head, spouse or sole member is employed. This includes families who are graduates of or participants in educational and training programs designed to prepare the individual for the job market. <b>1 Point</b></p> <p>The PHA will offer a preference to victims of the Violence Against Women’s Reauthorization Act of 2002, as defined within this Policy (see Chapter 3-III.G). <b>1 Point</b></p> <p>The PHA will offer a preference to Nursing Home Residents who have resided in a state-licensed nursing home for the immediate and consecutive past ninety calendar days and have been determined by the state-licensed nursing home as eligible for discharge. <b>1 Point</b></p> <p>The PHA will offer a preference to applicants involuntarily displaced if they have vacated or must vacate their unit for any of the following reasons:</p> <p style="padding-left: 40px;">Disaster (e.g., flood, fire, earthquake)</p> <p style="padding-left: 40px;">Governmental action (e.g., code enforcement, neighborhood redevelopment)</p> <p><b>1 Point</b></p> <p><b>Income Targeting Requirement [24 CFR 960.202(b)]</b></p> <p>HUD requires that extremely low-income (ELI) families make up at least 40% of the families admitted to public housing during the PHA’s fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, the PHA may skip non-ELI families on the waiting list in order to select an ELI family.</p> <p>If a PHA also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the PHA’s HCV program during a PHA fiscal year that exceed the 75% minimum target requirement for the voucher program, shall be credited against the PHA’s basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the PHA fiscal year; (2) ten percent of waiting list admissions to the PHA’s housing choice voucher program during the PHA fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of PHA public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.</p> <p><u>PHA Policy</u></p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>The PHA will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.</p> <p><b>Mixed Population Developments [24 CFR 960.407]</b></p> <p>A mixed population development is a public housing development or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character) or the PHA at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, cohead, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403]. The PHA must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The PHA may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the PHA must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The PHA may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).</p> <p><b>Units Designated for Elderly or Disabled Families [24 CFR 945]</b></p> <p>The PHA may designate projects or portions of a public housing project specifically for elderly or disabled families. The PHA must have a HUD-approved allocation plan before the designation may take place.</p> <p>Among the designated developments, the PHA must also apply any preferences that it has established. If there are not enough elderly families to occupy the units in a designated elderly development, the PHA may allow near-elderly families to occupy the units [24 CFR 945.303(c)(1)]. Near-elderly family means a family whose head, spouse, or cohead is at least 50 years old, but is less than 62 [24 CFR 5.403].</p> <p>If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the PHA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].</p> <p>The decision of any disabled family or elderly family not to occupy or accept occupancy in designated housing shall not have an adverse affect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].</p> <p>This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].</p> <p><u>PHA Policy</u></p> <p>The PHA does not have designated elderly or designated disabled housing at this time.</p> <p><b>Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]</b></p> <p>The PHA's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the PHA's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].</p> <p>The PHA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].</p> <p>Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments operated by a PHA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a PHA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p><i>Steps for Implementation [24 CFR 903.2(c)(1)]</i></p> <p>To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the PHA must comply with the following steps:</p> <p>Step 1. The PHA must determine the average income of all families residing in all the PHA's covered developments. The PHA may use the median income, instead of average income, provided that the PHA includes a written explanation in its annual plan justifying the use of median income.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">The PHA will determine the average income of all families in all covered developments on an annual basis.</p> <p>Step 2. The PHA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the PHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">The PHA will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.</p> <p>Step 3. The PHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low income family (30% of median income).</p> <p>Step 4. The PHA with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.</p> <p>Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the PHA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.</p> <p>Depending on local circumstances the PHA's deconcentration policy may include, but is not limited to the following:</p> <ul style="list-style-type: none"> <li>• Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities</li> <li>• Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments</li> <li>• Establishing a preference for admission of working families in developments below the EIR</li> <li>• Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration</li> <li>• Providing other strategies permitted by statute and determined by the PHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives</li> </ul> <p>A family has the sole discretion whether to accept an offer of a unit made under the PHA's deconcentration policy. The PHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the PHA's deconcentration policy [24 CFR 903.2(c)(4)].</p> <p>If, at annual review, the average incomes at all general occupancy developments are within the EIR, the PHA will be considered to be in compliance with the deconcentration requirement and no further action is required.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">For developments outside the EIR the PHA will take the following actions to provide for deconcentration of poverty and income mixing:</p> <ul style="list-style-type: none"> <li>• Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities</li> <li>• Skipping a family on the waiting list to reach another family in an effort to further the goals</li> </ul>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>of deconcentration</p> <ul style="list-style-type: none"><li>• Providing other strategies permitted by statute and determined by the PHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives</li></ul> <p><b>Order of Selection [24 CFR 960.206(e)]</b></p> <p>The PHA system of preferences may select families either according to the date and time of application or by a random selection process.</p> <p><u>PHA Policy</u></p> <p>Families will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA.</p> <p>When selecting applicants from the waiting list the PHA will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. The PHA will offer the unit to the highest ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.</p> <p>By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.</p> <p>Factors such as deconcentration or income mixing and income targeting will also be considered in accordance with HUD requirements and PHA policy.</p> <p><b>4-III.C. NOTIFICATION OF SELECTION</b></p> <p>When the family has been selected from the waiting list, the PHA must notify the family.</p> <p><u>PHA Policy</u></p> <p>The PHA will notify the family by first class mail when it is selected from the waiting list.</p> <p>The notice will inform the family of the following:</p> <ul style="list-style-type: none"><li>Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview</li><li>Who is required to attend the interview</li><li>Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation</li><li>Documents that must be provided at the interview to document eligibility for a preference, if applicable</li><li>Other documents and information that should be brought to the interview</li></ul> <p>If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the PHA from making an eligibility determination; therefore no informal hearing will be offered.</p> <p><b>4-III.D. THE APPLICATION INTERVIEW</b></p> <p>HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.</p> <p>Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2010-3].</p> <p>Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].</p> <p><u>PHA Policy</u></p> <p>Families selected from the waiting list are required to participate in an eligibility</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>interview.</p> <p>The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the PHA.</p> <p>The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.</p> <p>Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for <i>[insert amount of time reasonable for PHA]</i>. If not all household members have disclosed their SSNs at the next time a unit becomes available, the PHA will offer a unit to the next eligible applicant family on the waiting list.</p> <p>If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the PHA will proceed with the interview. If the PHA determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.</p> <p>The family must provide the information necessary to establish the family’s eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.</p> <p>Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).</p> <p>An advocate, interpreter, or other assistant may assist the family with the application and the interview process.</p> <p>Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA’s LEP plan.</p> <p>If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PHA approval will have their applications made inactive based on the family’s failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the PHA from making an eligibility determination, therefore the PHA will not offer an informal hearing.</p> <p><b>4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]</b></p> <p>The PHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including PHA suitability standards, the PHA must make a final determination of eligibility (see Chapter 3).</p> <p>When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].</p> <p><u>PHA Policy</u></p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>The PHA will notify a family in writing of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.</p> <p>The PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].</p> <p><u>PHA Policy</u></p> <p>If the PHA determines that the family is ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).</p> <p>If the PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. See Section 3-III.G for the PHA’s policy regarding such circumstances.</p> <p><b>4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]</b></p> <p>The PHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including PHA suitability standards, the PHA must make a final determination of eligibility (see Chapter 3).</p> <p>When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].</p> <p><u>PHA Policy</u></p> <p>The PHA will notify a family in writing of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.</p> <p>The PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].</p> <p><u>PHA Policy</u></p> <p>If the PHA determines that the family is ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).</p> <p>If the PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. See Section 3-III.G for the PHA’s policy regarding such circumstances.</p> <p><b>12-IV.E. DECONCENTRATION</b></p> <p><u>PHA Policy</u></p> <p>If subject to deconcentration requirements, the PHA will consider its deconcentration goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the PHA’s deconcentration goals. A deconcentration offer will be considered a “bonus” offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.</p> <p style="text-align: center;"><b>Housing Choice Voucher Administrative Plan</b></p> <p style="text-align: center;"><b>Chapter 4</b></p> <p style="text-align: center;"><b>APPLICATIONS, WAITING LIST AND TENANT SELECTION</b></p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p><b>INTRODUCTION</b></p> <p>When a family wishes to receive Section 8 HCV assistance, the family must submit an application that provides the PHA with the information needed to determine the family’s eligibility. HUD requires the PHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in the administrative plan and the annual plan.</p> <p>The PHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA to receive preferential treatment. Funding earmarked exclusively for families with particular characteristics may also alter the order in which families are served.</p> <p>HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the PHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.</p> <p>This chapter describes HUD and PHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:</p> <p><u>Part I: The Application Process.</u> This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.</p> <p><u>Part II: Managing the Waiting List.</u> This part presents the policies that govern how the PHA’s waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process the PHA will use to keep the waiting list current.</p> <p><u>Part III: Selection for HCV Assistance.</u> This part describes the policies that guide the PHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.</p> <p style="text-align: center;"><b>PART I: THE APPLICATION PROCESS</b></p> <p><b>4-I.A. OVERVIEW</b></p> <p>This part describes the policies that guide the PHA’s efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the PHA’s obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).</p> <p><b>4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]</b></p> <p>Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA’s application.</p> <p><u>PHA Policy</u></p> <p>Depending upon the length of time that applicants may need to wait to receive assistance, the PHA may use a one- or two-step application process.</p> <p>A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance.</p> <p>A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family’s eligibility, and to determine the family’s placement on the waiting list. The family will be required to</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.</p> <p>Families may obtain application forms from the PHA's office during normal business hours. Families may also request – by telephone or by mail – that a form be sent to the family via first class mail.</p> <p>Completed applications must be returned to the PHA by mail, by fax, or submitted in person during normal business hours. Applications must be complete in order to be accepted by the PHA for processing. If an application is incomplete, the PHA will notify the family of the additional information required.</p> <p><b>4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS</b></p> <p><b>Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]</b></p> <p>The PHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard PHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The PHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the PHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.</p> <p><b>Limited English Proficiency</b></p> <p>PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA's policies related to ensuring access to people with limited English proficiency (LEP).</p> <p><b>4-I.D. PLACEMENT ON THE WAITING LIST</b></p> <p>The PHA must review each complete application received and make a preliminary assessment of the family's eligibility. The PHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.</p> <p>No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].</p> <p><b>Ineligible for Placement on the Waiting List</b></p> <p><u>PHA Policy</u></p> <p>If the PHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination within 90 business days of receiving a complete application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).</p> <p><b>Eligible for Placement on the Waiting List</b></p> <p><u>PHA Policy</u></p> <p>The PHA will send written notification of the preliminary eligibility determination within 10 business days of receiving a complete application.</p> <p>Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.</p> <p>Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by the PHA.</p> <p style="text-align: center;"><b>PART II: MANAGING THE WAITING LIST</b></p> <p><b>4-II.A. OVERVIEW</b></p> <p>The PHA must have policies regarding various aspects of organizing and managing the waiting list</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.</p> <p>In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.</p> <p><b>4-IL.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]</b></p> <p>The PHA’s HCV waiting list must be organized in such a manner to allow the PHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.</p> <p>The waiting list must contain the following information for each applicant listed:</p> <ul style="list-style-type: none"><li>• Applicant name;</li><li>• Family unit size;</li><li>• Date and time of application;</li><li>• Qualification for any local preference;</li><li>• Racial or ethnic designation of the head of household.</li></ul> <p>HUD requires the PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.</p> <p><u>PHA Policy</u></p> <p>The PHA will maintain a single waiting list for the Winnebago County funded HCV program, and a separate single waiting list for the Stephenson County funded HCV program.</p> <p>HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program the PHA operates if 1) the other programs’ waiting lists are open, and 2) the family is qualified for the other programs.</p> <p>HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.</p> <p>A family’s decision to apply for, receive, or refuse other housing assistance must not affect the family’s placement on the HCV waiting list, or any preferences for which the family may qualify.</p> <p><u>PHA Policy</u></p> <p>The PHA will not merge the HCV waiting list with the waiting list for any other program the PHA operates, which includes not merging the Winnebago County funded HCV waiting list with the Stephenson County funded HCV waiting list. However, the PHA may merge the waiting list for PBV assistance with the PHA waiting list for admission to another assisted housing program [24 CFR 983.251 (c) (4)].</p> <p><b>4-IL.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]</b></p> <p><b>Closing the Waiting List</b></p> <p>A PHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the PHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.</p> <p><u>PHA Policy</u></p> <p>The PHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Where the PHA has particular preferences or funding criteria that require a specific category of family, the PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.</p> <p><b>Reopening the Waiting List</b></p> <p>If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><u>PHA Policy</u></p> <p>The PHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.</p> <p>The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:</p> <p style="text-align: center;"><i>The Rockford Register Star newspaper.</i></p> <p><b>4-IL.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]</b></p> <p>The PHA must conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.</p> <p>Because HUD requires the PHA to serve a specified percentage of extremely low income families (see Chapter 4, Part III), the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].</p> <p>PHA outreach efforts must comply with fair housing requirements. This includes:</p> <ul style="list-style-type: none"><li>• Analyzing the housing market area and the populations currently being served to identify underserved populations</li><li>• Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program</li><li>• Avoiding outreach efforts that prefer or exclude people who are members of a protected class</li></ul> <p>PHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:</p> <ul style="list-style-type: none"><li>• Submitting press releases to local newspapers, including minority newspapers</li><li>• Developing informational materials and flyers to distribute to other agencies</li><li>• Providing application forms to other public and private agencies that serve the low income population</li><li>• Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities</li></ul> <p><u>PHA Policy</u></p> <p>The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA’s jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.</p> <p><b>4-IL.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES</b></p> <p><u>PHA Policy</u></p> <p>While the family is on the waiting list, the family must immediately inform the PHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.</p> <p><b>4-IL.F. UPDATING THE WAITING LIST [24 CFR 982.204]</b></p> <p>HUD requires the PHA to establish policies to use when removing applicant names from the waiting list.</p> <p><b>Purging the Waiting List</b></p> <p>The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates because of the family member’s disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].</p> <p><u>PHA Policy</u></p> <p>The waiting list will be updated annually to ensure that all applicants and applicant information is current and timely.</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.</p> <p>The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the PHA not later than 10 business days from the date of the PHA letter.</p> <p>If the family fails to respond within 10 business days, the family will be removed from the waiting list without further notice.</p> <p>If a family is removed from the waiting list for failure to respond, the Executive Director or his designee may reinstate the family if s/he determines the lack of response was due to PHA error, or to circumstances beyond the family's control.</p> <p><b>Removal from the Waiting List</b></p> <p><u>PHA Policy</u></p> <p>If at any time an applicant family is on the waiting list, the PHA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.</p> <p>If a family is removed from the waiting list because the PHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the PHA's decision (see Chapter 16) [24 CFR 982.201(f)].</p> <p style="text-align: center;"><b>PART III: SELECTION FOR HCV ASSISTANCE</b></p> <p><b>4-III.A. OVERVIEW</b></p> <p>As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.</p> <p>The order in which families receive assistance from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences that the family qualifies for. The source of HCV funding also may affect the order in which families are selected from the waiting list.</p> <p>The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 982.204(b) and 982.207(e)].</p> <p><b>4-III.B. SELECTION AND HCV FUNDING SOURCES</b></p> <p><b>Special Admissions [24 CFR 982.203]</b></p> <p>HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, the PHA may admit families that are not on the waiting list, or without considering the family's position on the waiting list. The PHA must maintain records showing that such families were admitted with special program funding.</p> <p><b>Targeted Funding [24 CFR 982.204(e)]</b></p> <p>HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.</p> <p><u>PHA Policy</u></p> <p>The PHA administers the following types of targeted funding:</p> <p style="text-align: center;"><i>Winnebago County</i> <i>Stephenson County</i></p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p style="text-align: center;"><i>Family Unification Program</i></p> <p><b>Regular HCV Funding</b></p> <p>Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.</p> <p><b>4-III.C. SELECTION METHOD</b></p> <p>PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].</p> <p><b>Local Preferences [24 CFR 982.207; HCV p. 4-16]</b></p> <p>PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p><b>1 Point</b> The PHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. The applicant must provide documentation that the loss of assistance has taken place within the past 5 years.</p> <p><b>1 Point</b> The PHA will offer a preference for families who live in Winnebago County, for the HCV funding assigned for Winnebago County. The family must have lived continuously in Winnebago County for the immediate and consecutive past ninety calendar days. This preference is not used or available for families applying to the Stephenson County HCV wait list. Residency must be verified by the following methods:</p> <ul style="list-style-type: none"><li>• Three current/consecutive utility bills (including gas, electric, water, sewer, or garbage).</li><li>• An executed, legally binding lease.</li><li>• Three current/consecutive bank statements</li><li>• Other verifications accepted at the PHA’s discretion.</li></ul> <p><b>1 Point</b> The PHA will offer a preference for families who live in Stephenson County, for the HCV funding assigned for Stephenson County. The family must have lived continuously in Stephenson County for the immediate and consecutive past ninety calendar days. This preference is not used or available for families applying to the Winnebago County HCV wait list. . Residency must be verified by the following methods:</p> <ul style="list-style-type: none"><li>• Three current/consecutive utility bills (including gas, electric, water, sewer, or garbage).</li><li>• An executed, legally binding lease.</li><li>• Three current/consecutive bank statements</li><li>• Other verifications accepted at the PHA’s discretion.</li></ul> <p>Families may not receive both preferences for residency in Winnebago County and Stephenson County, but may receive the preference applicable to the residency in Winnebago County for the Winnebago County HCV wait list, or the preference applicable to the residency in Stephenson County for the Stephenson County HCV wait list.</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><b>1 Point</b> The PHA will offer a preference for veterans or surviving spouses of veterans.</p> <p><b>1 Point</b> The PHA will offer a working preference (24 CFR 5.415) for families where the head, spouse or sole member is employed at the time that they are selected from the HCV waiting list. This preference is extended equally to an applicant whose head or spouse are age 62 or older, or an applicant whose head or spouse meet the HUD/Social Security definition of disability.</p> <p style="padding-left: 40px;">This includes families who are graduates of or participants in educational and training programs designed to prepare the individual for the job market.</p> <p><b>1 Point</b> The PHA will offer a preference to victims of the Violence Against Women’s Reauthorization Act of 2002, as defined within this Administrative Plan, which states that the applicant must provide documentation that the incident(s) have taken place within the past 90 days (see Chapter 3-III.G).</p> <p><b>1 Point</b> The PHA will offer a preference to Nursing Home Residents who have resided in a state-licensed nursing home for the immediate and consecutive past ninety calendar days and have been determined by the state-licensed nursing home as eligible for discharge.</p> <p><b>1 Point</b> The PHA will offer a preference to applicants that are involuntarily displaced if they have vacated or must vacate their unit for any of the following reasons:</p> <p style="padding-left: 40px;">Disaster (e.g., flood, fire, earthquake)</p> <p style="padding-left: 40px;">Governmental action (e.g., code enforcement, neighborhood redevelopment)</p> <p>Applicants must provide documentation that the displacement has taken place within the past 90 days to earn the preference.</p> <p><b>1 Point</b> The PHA will offer a preference to families that are referred to the PHA by the Department of Children and Family Services for the Family Unification Program (FUP).</p> <p><b>Income Targeting Requirement [24 CFR 982.201(b)(2)]</b></p> <p>HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during the PHA’s fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.</p> <p>Low income families admitted to the program that are “continuously assisted” under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].</p> <p><u>PHA Policy</u></p> <p>The PHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.</p> <p><b>Order of Selection</b></p> <p>The PHA system of preferences may select families either according to the date and time of application, or by a random selection process [24 CFR 982.207(c)]. When selecting families from the waiting list PHAs are required to use targeted funding to assist only those families who meet the specified criteria, and PHAs are not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].</p> <p><u>PHA Policy</u></p> <p>Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the PHA’s hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>complete application is received by the PHA. Documentation will be maintained by the PHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the PHA does not have to ask higher placed families each time targeted selections are made.</p> <p><b>4-III.D. NOTIFICATION OF SELECTION</b></p> <p>When a family has been selected from the waiting list, the PHA must notify the family.</p> <p><u>PHA Policy</u></p> <p>The PHA will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family of the following:</p> <ul style="list-style-type: none"><li>Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview</li><li>Who is required to attend the interview</li><li>Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation</li><li>Other documents and information that should be brought to the interview</li></ul> <p>If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family’s address of record, as well as to any known alternate address.</p> <p><b>4-III.E. THE APPLICATION INTERVIEW</b></p> <p>HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.</p> <p>Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2010-3].</p> <p>Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.</p> <p><u>PHA Policy</u></p> <p>Families selected from the waiting list are required to participate in an eligibility interview.</p> <p>The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the PHA.</p> <p>The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.</p> <p>Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 15 business days. If not all household members have disclosed their SSNs at the next time the PHA is issuing vouchers, the PHA will issue a voucher to the next eligible applicant family on the waiting list.</p> <p>The family must provide the information necessary to establish the family’s eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.</p> <p>Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7</p>
--	--	---

## Attachment B

### Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).</p> <p>An advocate, interpreter, or other assistant may assist the family with the application and the interview process.</p> <p>Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA’s LEP plan.</p> <p>If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PHA approval will be denied assistance based on the family’s failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.</p> <p><b>4-III.F. COMPLETING THE APPLICATION PROCESS</b></p> <p>The PHA must verify all information provided by the family (see Chapter 7). Based on verified information, the PHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p>If the PHA determines that the family is ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).</p> <p>If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. The PHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.</p> <p>If the PHA determines that the family is eligible to receive assistance, the PHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.</p>																					
2.	<b>Financial Resources.</b>	<p>The PHA anticipates the following resources</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 25%;">Federal</td> <td style="width: 50%;">FY2010 Public Housing Operating Fund</td> <td style="width: 25%; text-align: right;">\$533,572</td> </tr> <tr> <td>Federal</td> <td>FY2009 Annual Contributions for Section 8 Assistance</td> <td style="text-align: right;">\$2,545,000</td> </tr> <tr> <td>Federal</td> <td>FY2009 Family Self-Sufficiency</td> <td style="text-align: right;">\$62,973</td> </tr> <tr> <td>Federal</td> <td>FY2009 Replacement Housing Fund</td> <td style="text-align: right;">\$15,585</td> </tr> <tr> <td>Non-Federal</td> <td>Interest Income</td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Federal</td> <td>Park Towers Section 8 Contract Administration</td> <td style="text-align: right;">\$67,860</td> </tr> <tr> <td>Non-Federal</td> <td>Boone County Housing Authority Contract</td> <td style="text-align: right;">\$40,800</td> </tr> </table>	Federal	FY2010 Public Housing Operating Fund	\$533,572	Federal	FY2009 Annual Contributions for Section 8 Assistance	\$2,545,000	Federal	FY2009 Family Self-Sufficiency	\$62,973	Federal	FY2009 Replacement Housing Fund	\$15,585	Non-Federal	Interest Income	\$2,000	Federal	Park Towers Section 8 Contract Administration	\$67,860	Non-Federal	Boone County Housing Authority Contract	\$40,800
Federal	FY2010 Public Housing Operating Fund	\$533,572																					
Federal	FY2009 Annual Contributions for Section 8 Assistance	\$2,545,000																					
Federal	FY2009 Family Self-Sufficiency	\$62,973																					
Federal	FY2009 Replacement Housing Fund	\$15,585																					
Non-Federal	Interest Income	\$2,000																					
Federal	Park Towers Section 8 Contract Administration	\$67,860																					
Non-Federal	Boone County Housing Authority Contract	\$40,800																					

## Attachment B

### Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

			Administration		
		Non-Federal	Champion Park Management Fee	\$13,000	
		Non-Federal	Rental Housing Support Program	\$12,210	
		Federal	FY2010 Public Housing Capital Fund	\$445,887	
		Federal	FY2009 Replacement Housing Fund	\$23,021	
		Federal	FY2010 Replacement Housing Fund	\$38,300	
		Federal	FY2010 Replacement Housing Fund	\$24,033	
		Non-Federal	Collier Garden Management Fee	\$64,800	
3.	Rent Determination.	<p><b>Admissions and Continued Occupancy Policies</b></p> <p><b>Chapter 6</b></p> <p><b>INCOME AND RENT DETERMINATIONS</b> [24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]</p> <p><b>INTRODUCTION</b></p> <p>A family's income determines eligibility for assistance and is also used to calculate the family's rent payment. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:</p> <p style="margin-left: 40px;"><u>Part I: Annual Income.</u> HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.</p> <p style="margin-left: 40px;"><u>Part II: Adjusted Income.</u> Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.</p> <p style="margin-left: 40px;"><u>Part III: Calculating Rent.</u> This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.</p> <p style="text-align: center;"><b>PART I: ANNUAL INCOME</b></p> <p><b>6-1.A. OVERVIEW</b></p> <p>The general regulatory definition of <i>annual income</i> shown below is from 24 CFR 5.609.</p> <p>5.609 Annual income.</p> <p>(a) Annual income means all amounts, monetary or not, which:</p> <p>(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or</p> <p>(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</p> <p>(3) Which are not specifically excluded in paragraph [5.609(c)].</p> <p>(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.</p> <p>In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at</p>			

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>the end of this chapter as follows:</p> <ul style="list-style-type: none"> <li>• Annual Income Inclusions (Exhibit 6-1)</li> <li>• Annual Income Exclusions (Exhibit 6-2)</li> <li>• Treatment of Family Assets (Exhibit 6-3)</li> <li>• Earned Income Disallowance (Exhibit 6-4)</li> <li>• The Effect of Welfare Benefit Reduction (Exhibit 6-5)</li> </ul> <p>Sections 6-1.B and 6-1.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-1.D). Verification requirements for annual income are discussed in Chapter 7.</p> <p><b>6-1.B. HOUSEHOLD COMPOSITION AND INCOME</b></p> <p>Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th colspan="2" style="text-align: center;">Summary of Income Included and Excluded by Person</th> </tr> </thead> <tbody> <tr> <td style="width: 50%;">Live-in aides</td> <td>Income from all sources is excluded [24 CFR 5.609(b)]</td> </tr> <tr> <td>Foster child or foster adult</td> <td>Income from all sources is excluded [24 CFR 5.609(b)]</td> </tr> <tr> <td>Head, spouse, or cohead</td> <td>All sources of income not specifically excluded</td> </tr> <tr> <td>Other adult family members</td> <td>All sources of income not specifically excluded</td> </tr> <tr> <td>Children under 18 years of age</td> <td>Employment income is excluded [24 CFR 5.609(b)]. All other sources of income, except those specifically excluded, are included.</td> </tr> <tr> <td>Full-time students 18 years of age or older (not head, spouse, or cohead)</td> <td>Employment income above \$480/year is excluded [24 CFR 5.609(b)]. All other sources of income, except those specifically excluded, are included.</td> </tr> </tbody> </table> <p><b>Temporarily Absent Family Members</b></p> <p>The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].</p> <p><u>PHA Policy</u></p> <p>Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.</p> <p><b>Absent Students</b></p> <p><u>PHA Policy</u></p> <p>When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household.</p> <p><b>Absences Due to Placement in Foster Care</b></p> <p>Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].</p> <p><u>PHA Policy</u></p> <p>If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.</p> <p><b>Absent Head, Spouse, or Cohead</b></p> <p><u>PHA Policy</u></p> <p>An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.</p> <p><b>Individuals Confined for Medical Reasons</b></p> <p><u>PHA Policy</u></p> <p>An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.</p> <p>If there is a question about the status of a family member, the PHA will request verification from a responsible medical professional and will use this determination. If</p>	Summary of Income Included and Excluded by Person		Live-in aides	Income from all sources is excluded [24 CFR 5.609(b)]	Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(b)]	Head, spouse, or cohead	All sources of income not specifically excluded	Other adult family members	All sources of income not specifically excluded	Children under 18 years of age	Employment income is excluded [24 CFR 5.609(b)]. All other sources of income, except those specifically excluded, are included.	Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(b)]. All other sources of income, except those specifically excluded, are included.
Summary of Income Included and Excluded by Person																
Live-in aides	Income from all sources is excluded [24 CFR 5.609(b)]															
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(b)]															
Head, spouse, or cohead	All sources of income not specifically excluded															
Other adult family members	All sources of income not specifically excluded															
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(b)]. All other sources of income, except those specifically excluded, are included.															
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(b)]. All other sources of income, except those specifically excluded, are included.															

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.</p> <p><b>Joint Custody of Children</b> <u>PHA Policy</u></p> <p>Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 50 percent or more of the time.</p> <p>When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.</p> <p><b>Caretakers for a Child</b> <u>PHA Policy</u></p> <p>If neither a parent nor a designated guardian remains in a household receiving assistance, the PHA will take the following actions.</p> <p>If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.</p> <p>If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the PHA will extend the caretaker's status as an eligible visitor.</p> <p>At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household. During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.</p> <p><b>6-I.C. ANTICIPATING ANNUAL INCOME</b></p> <p>The PHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.</p> <p><b>Basis of Annual Income Projection</b></p> <p>The PHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA to use other than current circumstances to anticipate income when:</p> <ul style="list-style-type: none"><li>• An imminent change in circumstances is expected [HCV GB, p. 5-17]</li><li>• It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]</li><li>• The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]</li></ul> <p>PHAs are required to use HUD's Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)]. HUD allows PHAs to use pay-stubs to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.</p> <p><u>PHA Policy</u></p> <p>When EIV is obtained and the family does not dispute the EIV employer data, the PHA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the PHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.</p> <p>The PHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:</p> <ul style="list-style-type: none"><li>If EIV or other UIV data is not available,</li><li>If the family disputes the accuracy of the EIV employer data, and/or</li><li>If the PHA determines additional information is needed.</li></ul> <p>In such cases, the PHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>for the decision, and a clear audit trail will be left as to how the PHA annualized projected income.</p> <p>When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.</p> <p>Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family’s anticipated income.</p> <p><b>Known Changes in Income</b></p> <p>If the PHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.</p> <div style="border: 1px solid black; padding: 2px; margin: 5px 0;"> <p><b>Example:</b> An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the PHA would calculate annual income as follows: <math>(\\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})</math>.</p> </div> <p>The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the PHA’s policy on reexaminations does not require interim reexaminations for other types of changes.</p> <p>When tenant-provided third-party documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.</p> <p style="padding-left: 40px;">EIV quarterly wages will not be used to project annual income at an annual or interim reexamination.</p> <p><b>Projecting Income</b></p> <p>In HUD’s EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.</p> <p><b>6-I.D. EARNED INCOME</b></p> <p><b>Types of Earned Income Included in Annual Income</b></p> <p><b>Wages and Related Compensation [24 CFR 5.609(b)(1)]</b></p> <p>The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income.</p> <p style="padding-left: 20px;"><u>PHA Policy</u></p> <p style="padding-left: 20px;">For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.</p> <p><b>Some Types of Military Pay</b></p> <p>All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] <u>except</u> for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].</p> <p><b>Types of Earned Income Not Counted in Annual Income</b></p> <p><b>Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]</b></p> <p>This type of income (including gifts) is not included in annual income.</p> <p style="padding-left: 20px;"><u>PHA Policy</u></p> <p style="padding-left: 20px;">Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.</p> <p><b>Children’s Earnings [24 CFR 5.609(c)(1)]</b></p> <p>Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of <i>foster children</i>.)</p> <p><b>Certain Earned Income of Full-Time Students</b></p> <p>Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].</p> <p><b>Income of a Live-in Aide</b></p> <p>Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>[24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.) <b>Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]</b> Income from some federal programs is specifically excluded from consideration as income, including:</p> <ul style="list-style-type: none"><li>• Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)</li><li>• Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))</li><li>• Awards under the federal work-study program (20 U.S.C. 1087 uu)</li><li>• Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))</li><li>• Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))</li><li>• Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)</li></ul> <p><b>Resident Service Stipend [24 CFR 5.600(c)(8)(iv)]</b> Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.</p> <p><b>State and Local Employment Training Program</b> Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].</p> <p><b>PHA Policy</b> The PHA defines <i>training program</i> as "a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education" [expired Notice PIH 98-2, p. 3]. The PHA defines <i>incremental earnings and benefits</i> as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3-4]. In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058. End of participation in a training program must be reported in accordance with the PHA's interim reporting requirements (see chapter on reexaminations).</p> <p><b>HUD-Funded Training Programs</b> Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.</p> <p><b>PHA Policy</b> To qualify as a training program, the program must meet the definition of <i>training program</i> provided above for state and local employment training programs.</p> <p><b>Earned Income Tax Credit.</b> Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.</p> <p><b>Earned Income Disallowance.</b> The earned income disallowance is discussed in section 6-1.E below.</p> <p><b>6-1.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255]</b></p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.</p> <p><b>Eligibility</b></p> <p>This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:</p> <ul style="list-style-type: none"><li>• Employment of a family member who was previously unemployed for one or more years prior to employment. <i>Previously unemployed</i> includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.</li><li>• Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].</li><li>• New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.</li></ul> <p><b>Calculation of the Disallowance</b></p> <p>Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."</p> <p><u>PHA Policy</u></p> <p>The PHA defines <i>prior income</i>, or <i>prequalifying income</i>, as the family member's last certified income prior to qualifying for the EID.</p> <p>The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.</p> <p><b>Initial 12-Month Exclusion</b></p> <p>During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.</p> <p><u>PHA Policy</u></p> <p>The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.</p> <p><b>Second 12-Month Exclusion and Phase-In</b></p> <p>During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.</p> <p><b>Lifetime Limitation</b></p> <p>The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.</p> <p><u>PHA Policy</u></p> <p>During the 48-month eligibility period, the PHA will conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).</p> <p><b>Individual Savings Accounts [24 CFR 960.255(d)]</b></p> <p><u>PHA Policy</u></p> <p>The PHA chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.</p> <p>The following rules pertaining to ISAs do not apply to this public housing program. A qualified family paying income-based rent may choose an ISA instead of being given the EID. The PHA must advise the family that the ISA option is available. Families who choose the ISA will pay the higher rent and the PHA will deposit the difference between the higher rent and the EID rent in the savings account.</p> <p>Amounts deposited to ISAs may only be withdrawn for the following reasons:</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<ul style="list-style-type: none"><li>• Because the family is purchasing a home</li><li>• To pay education costs of family members</li><li>• Because the family is moving out of public or assisted housing</li><li>• To pay any other expenses the PHA authorizes to promote economic self-sufficiency</li></ul> <p>The PHA is required to maintain ISAs in interest bearing accounts, for which the family is credited with interest earned. The PHA may not charge the family a fee for maintaining the account. At least once each year the PHA must provide the family with a statement of the balance in their account, including any interest earned, if required by state law. If the family moves out of public housing, the PHA must return the balance in the family’s ISA, less any amounts the family owes the PHA.</p> <p><b>6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]</b></p> <p>Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].</p> <p><b>Business Expenses</b></p> <p>Net income is “gross income less business expense” [HCV GB, p. 5-19].</p> <p><u>PHA Policy</u></p> <p>To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.</p> <p><b>Business Expansion</b></p> <p>HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.</p> <p><u>PHA Policy</u></p> <p><i>Business expansion</i> is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.</p> <p><b>Capital Indebtedness</b></p> <p>HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.</p> <p><u>PHA Policy</u></p> <p><i>Capital indebtedness</i> is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.</p> <p><b>Negative Business Income</b></p> <p>If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.</p> <p><b>Withdrawal of Cash or Assets from a Business</b></p> <p>HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.</p> <p><u>PHA Policy</u></p> <p>Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of \$2,000 to help a business get started, the PHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.</p> <p><b>Co-owned Businesses</b></p> <p><u>PHA Policy</u></p> <p>If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family’s share of the income is lower than its share of ownership, the family must document the reasons for the difference.</p> <p><b>6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]</b></p> <p><b>Overview</b></p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>There is no asset limitation for participation in the public housing program. However, HUD requires that the PHA include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:</p> <ul style="list-style-type: none"><li>• How the value of the asset will be determined</li><li>• How income from the asset will be calculated</li></ul> <p>Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of <i>net family assets</i>. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.</p> <p><b>General Policies</b></p> <p><b>Income from Assets</b></p> <p>The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.</p> <p><u>PHA Policy</u></p> <p>Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family’s anticipated asset income.</p> <p><b>Valuing Assets</b></p> <p>The calculation of asset income sometimes requires the PHA to make a distinction between an asset’s market value and its cash value.</p> <ul style="list-style-type: none"><li>• The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).</li><li>• The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.</li></ul> <p><u>PHA Policy</u></p> <p>Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, p. 121].</p> <p><b>Lump-Sum Receipts</b></p> <p>Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.L.)</p> <p><b>Imputing Income from Assets [24 CFR 5.609(b)(3)]</b></p> <p>When net family assets are \$5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.</p> <p><b>Determining Actual Anticipated Income from Assets</b></p> <p>It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property’s market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.</p> <p><b>Withdrawal of Cash or Liquidation of Investments</b></p> <p>Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>retirement fund.</p> <p><b>Jointly Owned Assets</b> The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”</p> <p><u>PHA Policy</u> If an asset is owned by more than one person and any family member has unrestricted access to the asset, the PHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners. If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the PHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the PHA will prorate the asset evenly among all owners.</p> <p><b>Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]</b> HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.</p> <p><u>Minimum Threshold</u> The PHA may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].</p> <p><u>PHA Policy</u> The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000. When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s). Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.</p> <p><u>Separation or Divorce</u> The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.</p> <p><u>PHA Policy</u> All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.</p> <p><u>Foreclosure or Bankruptcy</u> Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.</p> <p><u>Family Declaration</u> <u>PHA Policy</u> Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PHA may verify the value of the assets disposed of if other information available to the PHA does not appear to agree with the information reported by the family.</p> <p><b>Types of Assets</b></p> <p><b>Checking and Savings Accounts</b> For regular checking accounts and savings accounts, <i>cash value</i> has the same meaning as <i>market value</i>. If a checking account does not bear interest, the anticipated income from the account is zero.</p> <p><u>PHA Policy</u> In determining the value of a checking account, the PHA will use the average monthly balance for the last six months. In determining the value of a savings account, the PHA will use the current balance. In determining the anticipated income from an interest-bearing checking or savings account, the PHA will multiply the value of the account by the current rate of interest paid on the account.</p> <p><b>Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds</b> Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.</p> <p><u>PHA Policy</u> In determining the market value of an investment account, the PHA will use the value</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>of the account on the most recent investment report. How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the PHA will calculate asset income based on the earnings for the most recent reporting period.</p> <p><b>Equity in Real Property or Other Capital Investments</b> Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121]. Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:</p> <ul style="list-style-type: none"><li>• Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]</li><li>• Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.</li><li>• Interests in Indian Trust lands [24 CFR 5.603(b)]</li><li>• Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]</li></ul> <p>A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.</p> <p>In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.</p> <p><u>PHA Policy</u> In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the PHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.</p> <p><b>Trusts</b> A <i>trust</i> is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).</p> <p><b>Revocable Trusts</b> If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.</p> <p><b>Nonrevocable Trusts</b> In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)</p> <p><b>Retirement Accounts</b> <i>Company Retirement/Pension Accounts</i> In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26]. While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26]. After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.</p> <p><i>IRA, Keogh, and Similar Retirement Savings Accounts</i> IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].</p> <p><b>Personal Property</b> Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><u>PHA Policy</u> In determining the value of personal property held as an investment, the PHA will use the family's estimate of the value. The PHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal. Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.</p> <p>Necessary items of personal property are not considered assets [24 CFR 5.603(b)].</p> <p><u>PHA Policy</u> Necessary personal property consists of only those items not held as an investment. It may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.</p> <p><b>Life Insurance</b> The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.</p> <p><b>6-I.H. PERIODIC PAYMENTS</b> Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.</p> <p><b>Periodic Payments Included in Annual Income</b></p> <ul style="list-style-type: none"><li>• Periodic payments from sources such as <u>social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions</u>. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].</li><li>• <u>Disability or death benefits and lottery receipts</u> paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]</li></ul> <p><b>Lump-Sum Payments for the Delayed Start of a Periodic Payment</b> Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)]. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [FR Notice 11/24/08].</p> <p><u>PHA Policy</u> When a delayed-start payment is received and reported during the period in which the PHA is processing an annual reexamination, the PHA will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the PHA. See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.</p> <p><b>Treatment of Overpayment Deductions from Social Security Benefits</b> The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2010-3].</p> <p><b>Periodic Payments Excluded from Annual Income</b></p> <ul style="list-style-type: none"><li>• Payments received for the <u>care of foster children or foster adults</u> (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship care payments are considered equivalent to foster care payments and are also excluded from annual income [Notice PIH 2008-40].</li></ul> <p><u>PHA Policy</u> The PHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<ul style="list-style-type: none"><li>• Amounts paid by a state agency to a family with a <u>member who has a developmental disability and is living at home</u> to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]</li><li>• Amounts received under the <u>Low-Income Home Energy Assistance Program</u> (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]</li><li>• Amounts received under the <u>Child Care and Development Block Grant Act of 1990</u> (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]</li><li>• <u>Earned Income Tax Credit (EITC)</u> refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. <i>Note:</i> EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.</li><li>• Lump sums received as a result of <u>delays in processing Social Security and SSI payments</u> (see section 6-I.J.) [24 CFR 5.609(b)(4)].</li></ul> <p><b>6-I.I. PAYMENTS IN LIEU OF EARNINGS</b> Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)</p> <p><b>6-I.J. WELFARE ASSISTANCE</b> <b>Overview</b> Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].</p> <p><b>Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]</b> The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was a public housing resident at the time the sanction was imposed.</p> <p><b>Covered Families</b> The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]</p> <p><b>Imputed Income</b> When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the PHA must include in annual income “imputed” welfare income. The PHA must request that the welfare agency inform the PHA when the benefits of a public housing resident are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.</p> <p>This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].</p> <p>For special procedures related to grievance hearings based upon the PHA’s denial of a family’s request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.</p> <p><b>Offsets</b> The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].</p> <p><b>6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]</b> Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.</p> <p><b>Alimony and Child Support</b></p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.</p> <p><u>PHA Policy</u> The PHA will count court-awarded amounts for alimony and child support unless the PHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47]. Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.</p> <p><b>Regular Contributions or Gifts</b> The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].</p> <p><u>PHA Policy</u> Examples of regular contributions include: (1) regular payment of a family’s bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) “in-kind” contributions such as groceries and clothing provided to a family on a regular basis. Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the PHA. For contributions that may vary from month to month (e.g., utility payments), the PHA will include an average amount based upon past history.</p> <p><b>6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME</b> Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:</p> <ul style="list-style-type: none"><li>• Reimbursement of medical expenses [24 CFR 5.609(c)(4)]</li><li>• The full amount of <u>student financial assistance</u> paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)]. <u>PHA Policy</u> Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment <b>is not</b> considered student financial assistance and is included <b>in</b> annual income.</li><li>• Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]</li><li>• 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 <u>Plan to Attain Self-Sufficiency (PASS)</u> [(24 CFR 5.609(c)(8)(ii)]</li><li>• <u>Reparation payments</u> 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)]</li><li>• <u>Adoption assistance</u> payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]</li><li>• <u>Refunds or rebates on property taxes</u> paid on the dwelling unit [24 CFR 5.609(c)(15)]</li><li>• Amounts paid by a state agency to a family with a member who has a <u>developmental disability and is living at home</u> to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]</li><li>• Amounts specifically <u>excluded by any other federal statute</u> [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:<ul style="list-style-type: none"><li>(a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))</li><li>(b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)</li><li>(c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))</li><li>(d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)</li><li>(e) Payments or allowances made under the Department of Health and Human Services’ Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))</li><li>(f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)</li></ul></li></ul>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<ul style="list-style-type: none"> <li>(g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)</li> <li>(h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)</li> <li>(i) 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 U.S.C. 1087uu)</li> <li>(j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))</li> <li>(k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)</li> <li>(l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)</li> <li>(m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)</li> <li>(n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))</li> <li>(o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)</li> <li>(p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))</li> <li>(q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)</li> <li>(r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)</li> <li>(s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)</li> </ul>
		<p><b>PART II: ADJUSTED INCOME</b></p>
		<p><b>6-II.A. INTRODUCTION</b></p> <p><b>Overview</b></p> <p>HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.</p>
		<p>5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (PHA) must deduct the following amounts from annual income:</p> <ul style="list-style-type: none"> <li>(1) \$480 for each dependent;</li> <li>(2) \$400 for any elderly family or disabled family;</li> <li>(3) The sum of the following, to the extent the sum exceeds three percent of annual income:             <ul style="list-style-type: none"> <li>(i) Unreimbursed medical expenses of any elderly family or disabled family;</li> <li>(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and</li> </ul> </li> <li>(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.</li> </ul>
		<p>This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7, Verifications.</p> <p><b>Anticipating Expenses</b></p> <p><u>PHA Policy</u></p> <p>Generally, the PHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), the PHA will estimate costs based on historic data and known future costs.</p> <p>If a family has an accumulated debt for medical or disability assistance expenses, the PHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as</p>

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>expected in a preceding period. The PHA may require the family to provide documentation of payments made in the preceding year.</p> <p><b>6-II.B. DEPENDENT DEDUCTION</b>  A deduction of \$480 is taken for each dependent [24 CFR 5.611(a)(1)]. <i>Dependent</i> is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].</p> <p><b>6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION</b>  A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An <i>elderly family</i> is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a <i>disabled family</i> is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].</p> <p><b>6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]</b>  Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income. The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].</p> <p><b>Definition of Medical Expenses</b>  HUD regulations define <i>medical expenses</i> at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”</p> <p style="padding-left: 20px;"><u>PHA Policy</u>  The most current IRS Publication 502, <i>Medical and Dental Expenses</i>, will be used to determine the costs that qualify as medical expenses.</p> <p style="padding-left: 20px;"><u>PHA Policy</u>  The most current IRS Publication 502, <i>Medical and Dental Expenses</i>, will be used to determine the costs that qualify as medical expenses.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: center;">Summary of Allowable Medical Expenses from IRS Pu</th> </tr> </thead> <tbody> <tr> <td style="width: 70%;">Services of medical professionals</td> <td>Substance abuse treat</td> </tr> <tr> <td>Surgery and medical procedures that are necessary, legal, noncosmetic</td> <td>Psychiatric treatment</td> </tr> <tr> <td>Services of medical facilities</td> <td>Ambulance services to medical expenses</td> </tr> <tr> <td>Hospitalization, long-term care, and in-home nursing services</td> <td>The cost and care of medical condition (e</td> </tr> <tr> <td>Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</td> <td>crutches, and artificial</td> </tr> <tr> <td>Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)</td> <td>Cost and continuing Medical insurance p maintenance organiz</td> </tr> </tbody> </table> <p><b>Note:</b> This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance.</p> <p><b>Families That Qualify for Both Medical and Disability Assistance Expenses</b>  <u>PHA Policy</u>  This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.  When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p> <p><b>6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]</b>  Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.</p> <p><b>Earned Income Limit on the Disability Assistance Expense Deduction</b>  A family can qualify for the disability assistance expense deduction only if at least one family</p>	Summary of Allowable Medical Expenses from IRS Pu		Services of medical professionals	Substance abuse treat	Surgery and medical procedures that are necessary, legal, noncosmetic	Psychiatric treatment	Services of medical facilities	Ambulance services to medical expenses	Hospitalization, long-term care, and in-home nursing services	The cost and care of medical condition (e	Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	crutches, and artificial	Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Cost and continuing Medical insurance p maintenance organiz
Summary of Allowable Medical Expenses from IRS Pu																
Services of medical professionals	Substance abuse treat															
Surgery and medical procedures that are necessary, legal, noncosmetic	Psychiatric treatment															
Services of medical facilities	Ambulance services to medical expenses															
Hospitalization, long-term care, and in-home nursing services	The cost and care of medical condition (e															
Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	crutches, and artificial															
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Cost and continuing Medical insurance p maintenance organiz															

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)]. The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.</p> <p><u>PHA Policy</u> The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the PHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work. When the PHA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members’ incomes [PH Occ GB, p. 124].</p> <p><b>Eligible Disability Expenses</b> Examples of auxiliary apparatus are provided in the <i>PH Occupancy Guidebook</i> as follows: “Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member with a disability, or service animals” [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30]. HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].</p> <p><b>Eligible Auxiliary Apparatus</b> <u>PHA Policy</u> Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.</p> <p><b>Eligible Attendant Care</b> The family determines the type of attendant care that is appropriate for the person with disabilities. <u>PHA Policy</u> Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities. Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible. If the care attendant also provides other services to the family, the PHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.</p> <p><b>Payments to Family Members</b> No disability expenses may be deducted for payments to a member of a tenant family [23 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the tenant family may be deducted if they are reimbursed by an outside source.</p> <p><b>Necessary and Reasonable Expenses</b> The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source. <u>PHA Policy</u> The PHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the PHA will consider, the family’s justification for costs that exceed typical costs in the area.</p> <p><b>Families That Qualify for Both Medical and Disability Assistance Expenses</b> <u>PHA Policy</u> This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities. When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p><b>6-II.F. CHILD CARE EXPENSE DEDUCTION</b></p> <p>HUD defines <i>child care expenses</i> at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”</p> <p>Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household, are included when determining the family’s child care expenses.</p> <p><b>Qualifying for the Deduction</b></p> <p><b><i>Determining Who Is Enabled to Pursue an Eligible Activity</i></b></p> <p><u>PHA Policy</u></p> <p>The family must identify the family member(s) enabled to pursue an eligible activity. The term <i>eligible activity</i> in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).</p> <p>In evaluating the family’s request, the PHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.</p> <p><b><i>Seeking Work</i></b></p> <p><u>PHA Policy</u></p> <p>If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member’s efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member’s job search efforts are not commensurate with the child care expense being allowed by the PHA.</p> <p><b><i>Furthering Education</i></b></p> <p><u>PHA Policy</u></p> <p>If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.</p> <p><b><i>Being Gainfully Employed</i></b></p> <p><u>PHA Policy</u></p> <p>If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member’s employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.</p> <p><b>Earned Income Limit on Child Care Expense Deduction</b></p> <p>When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)]. The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.</p> <p>When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person’s earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.</p> <p>The PHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].</p> <p><u>PHA Policy</u></p> <p>When the child care expense being claimed is to enable a family member to work, only one family member’s income will be considered for a given period of time. When more than one family member works during a given period, the PHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.</p> <p><b>Eligible Child Care Expenses</b></p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>The type of care to be provided is determined by the tenant family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].</p> <p><b>Allowable Child Care Activities</b></p> <p><u>PHA Policy</u> For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care. The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family’s unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible. If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the PHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.</p> <p><b>Necessary and Reasonable Costs</b> Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.</p> <p><u>PHA Policy</u> Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.</p> <p><b>6-II.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]</b> Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. The <i>Form HUD-50058 Instruction Booklet</i> states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.</p> <p><u>PHA Policy</u> The PHA has opted not to use permissive deductions.</p> <p style="text-align: center;"><b>PART III: CALCULATING RENT</b></p> <p><b>6-III.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS</b> The first step in calculating income-based rent is to determine each family’s total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the PHA.</p> <p><b>TTP Formula [24 CFR 5.628]</b> HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:</p> <ul style="list-style-type: none"><li>• 30 percent of the family’s monthly adjusted income (adjusted income is defined in Part II)</li><li>• 10 percent of the family’s monthly gross income (annual income, as defined in Part I, divided by 12)</li><li>• The welfare rent (in as-paid states only)</li><li>• A minimum rent between \$0 and \$50 that is established by the PHA</li></ul> <p>The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.</p> <p><b>Welfare Rent [24 CFR 5.628]</b></p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><u>PHA Policy</u> Welfare rent does not apply in this locality.</p> <p><b>Minimum Rent [24 CFR 5.630]</b> <u>PHA Policy</u> The minimum rent for this locality is \$50.00.</p> <p><b>Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]</b> PHAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the PHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents. The PHA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to PHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents. The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.</p> <p><u>PHA Policy</u> The PHA chooses not to adopt optional changes to income-based rents.</p> <p><b>Ceiling Rents [24 CFR 960.253 (c)(2) and (d)]</b> Ceiling rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent (ceiling rent/TTP minus utility allowance). Increases in income do not affect the family since the rent is capped. The use of ceiling rents fosters upward mobility and income mixing. Because of the mandatory use of flat rents, the primary function of ceiling rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent. Ceiling rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities) [PH Occ GB, p. 135].</p> <p><u>PHA Policy</u> The PHA chooses not to use ceiling rents.</p> <p><b>Utility Reimbursement [24 CFR 960.253(c)(3)]</b> Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.</p> <p><u>PHA Policy</u> The PHA will make utility reimbursements to the family.</p> <p><b>6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]</b> <b>Overview</b> If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship. The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.</p> <p><b>HUD-Defined Financial Hardship</b> Financial hardship includes the following situations:</p> <ol style="list-style-type: none"><li>(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996. <u>PHA Policy</u> A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.</li><li>(2) The family would be evicted because it is unable to pay the minimum rent. <u>PHA Policy</u> For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.</li><li>(3) Family income has decreased because of changed family circumstances, including the loss of employment.</li><li>(4) A death has occurred in the family.</li></ol> <p><u>PHA Policy</u></p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).</p> <p>(5) The family has experienced other circumstances determined by the PHA.</p> <p style="padding-left: 20px;"><u>PHA Policy</u> The PHA has not established any additional hardship criteria.</p> <p><b>Implementation of Hardship Exemption</b></p> <p><b>Determination of Hardship</b></p> <p>When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request. The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.</p> <p style="padding-left: 20px;"><u>PHA Policy</u> The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days. The PHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a hardship exemption. When the minimum rent is suspended, the TTP reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.</p>
<p><b>Example: Impact of Minimum Rent Exemption</b> Assume the PHA has established a minimum rent of \$35.</p>		
<b>TTP – No Hardship</b>		<b>TTP – With Hardship</b>
10% of monthly adjusted income		\$0 30% of monthly adjusted income
10% of monthly gross income		\$15 10% of monthly gross income
Welfare rent		N/A Welfare rent
Minimum rent		\$35 Minimum rent
Minimum rent applies. TTP = \$35		Hardship exemption granted. TTP = \$15
<p style="padding-left: 20px;"><u>PHA Policy</u> To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent. The PHA will make the determination of hardship within 30 calendar days.</p> <p><b>No Financial Hardship</b></p> <p>If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended. For procedures pertaining to grievance hearing requests based upon the PHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.</p> <p style="padding-left: 20px;"><u>PHA Policy</u> The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.</p> <p><b>Temporary Hardship</b></p> <p>If the PHA determines that a qualifying financial hardship is temporary, the PHA must reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption. The family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship. For procedures pertaining to grievance hearing requests based upon the PHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.</p> <p style="padding-left: 20px;"><u>PHA Policy</u> The PHA will enter into a repayment agreement in accordance with the PHA's repayment agreement policy (see Chapter 16).</p> <p><b>Long-Term Hardship</b></p> <p>If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.</p> <p style="padding-left: 20px;"><u>PHA Policy</u> The hardship period ends when any of the following circumstances apply:</p> <ol style="list-style-type: none"> <li>(1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.</li> <li>(2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a</li> </ol>		

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.</p> <p>(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.</p> <p><b>6-III.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]</b> <b>Overview</b> Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family’s income-based rent, the PHA must use the utility allowance applicable to the type of dwelling unit leased by the family. For policies on establishing and updating utility allowances, see Chapter 16. <b>Reasonable Accommodation [24 CFR 8]</b> On request from a family, PHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [PH Occ GB, p. 172]. Residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172]. See Chapter 2 for policies related to reasonable accommodations. <b>Utility Allowance Revisions [24 CFR 965.507]</b> The PHA must review its schedule of utility allowances each year. Between annual reviews, the PHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171]. The tenant rent calculations must reflect any changes in the PHA’s utility allowance schedule [24 CFR 960.253(c)(3)]. <u>PHA Policy</u> Unless the PHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family’s rent calculations at the first annual reexamination after the allowance is adopted.</p> <p><b>6-III.D. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]</b> HUD regulations prohibit assistance to ineligible family members. A <i>mixed family</i> is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PHA must: (1) Subtract the TTP from a maximum rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible. (2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy). (3) Multiply the member maximum subsidy by the number of eligible family members. (4) Subtract the subsidy calculated in the last step from the maximum rent. This is the prorated TTP. (5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family. <u>PHA Policy</u> Revised public housing maximum rents will be applied to a family’s rent calculation at the first annual reexamination after the revision is adopted. For policies related to the establishment of the public housing maximum rent see Chapter 16.</p> <p><b>6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]</b> <b>Flat Rents [24 CFR 960.253(b)]</b> The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient. There is no utility allowance or reimbursement with flat rents. When the family elects to pay the flat rent, the flat rent amount quoted to the family by the PHA is the amount the family pays. Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula. Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and review of flat rents are contained in Chapter 16. <b>Family Choice in Rents [24 CFR 960.253(a) and (e)]</b> Once each year, the PHA must offer families the choice between a flat rent and an income-based rent. The family may not be offered this choice more than once a year. The PHA must document that flat rents were offered to families under the methods used to determine flat rents for the PHA. <u>PHA Policy</u></p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>The annual PHA offer to a family of the choice between flat and income-based rent will be conducted upon admission and upon each subsequent annual reexamination. The PHA will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.</p> <p>The PHA must provide sufficient information for families to make an informed choice. This information must include the PHA's policy on switching from flat rent to income-based rent due to financial hardship and the dollar amount of the rent under each option. However, if the family chose the flat rent for the previous year the PHA is required to provide an income-based rent amount only in the year that a reexamination of income is conducted or if the family specifically requests it and submits updated income information.</p> <p><b>Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]</b> A family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the PHA determines that a financial hardship exists, the PHA must immediately allow the family to switch from flat rent to the income-based rent.</p> <p><u>PHA Policy</u> Upon determination by the PHA that a financial hardship exists, the PHA will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.</p> <p>Reasons for financial hardship include:</p> <ul style="list-style-type: none"><li>• The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance</li><li>• The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items</li><li>• Such other situations determined by the PHA to be appropriate</li></ul> <p><u>PHA Policy</u> The PHA considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent [PH Occ GB, p. 137].</p> <p><b>Change in Flat Rents</b> <u>PHA Policy</u> Changes to flat rents, up or down, will not affect families paying flat rent until their next annual flat rent offer, at which time the family will be given the choice of switching back to income-based rent or of remaining on flat rent at the current (most recently adjusted) flat rent for their unit [PH Occ GB, pp. 137-138].</p> <p><b>Flat Rents and Earned Income Disallowance [A&amp;O FAQs]</b> Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurred. A family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their 48 month period would have the 12 cumulative months of full (100 percent) and phase-in (50 percent) exclusion continue while paying flat rent as long as the employment that is the subject of the exclusion continues, and the 48-month lifetime limit would continue uninterrupted. A family paying flat rent could therefore see a family member's 48-month lifetime limit expire while the family is paying flat rent.</p> <p><b>Flat Rents and Mixed Families [A&amp;O FAQs]</b> Mixed families electing to pay flat rent must first have a flat rent worksheet completed to see if the flat rent must be prorated. The worksheet is located in Appendix III of the <i>Form HUD-50058 Instruction Booklet</i>. If the flat rent is greater than or equal to the public housing maximum rent, there is no proration of flat rent and the family pays the flat rent for the unit. If the flat rent is less than the maximum rent, the worksheet will calculate a prorated flat rent. The mixed family will pay the prorated flat rent.</p> <p><b>Housing Choice Voucher Administrative Plan</b></p> <p style="text-align: center;"><b>Chapter 6</b></p> <p style="text-align: center;"><b>INCOME AND SUBSIDY DETERMINATIONS</b> [24 CFR Part 5, Subparts E and F; 24 CFR 982]</p> <p><b>INTRODUCTION</b> A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA will use the policies and methods described in this</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:</p> <ul style="list-style-type: none"> <li>• <u>Part I: Annual Income.</u> HUD regulations specify the sources of income to include and exclude to arrive at a family’s annual income. These requirements and PHA policies for calculating annual income are found in Part I.</li> <li>• <u>Part II: Adjusted Income.</u> Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.</li> <li>• <u>Part III: Calculating Family Share and PHA Subsidy.</u> This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining PHA subsidy and required family payment.</li> </ul> <p style="text-align: center;"><b>PART I: ANNUAL INCOME</b></p> <p><b>6-I.A. OVERVIEW</b> The general regulatory definition of <i>annual income</i> shown below is from 24 CFR 5.609.</p> <p>5.609 Annual income. (a) Annual income means all amounts, monetary or not, which: (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and (3) Which are not specifically excluded in paragraph [5.609(c)]. (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.</p> <p>In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:</p> <ul style="list-style-type: none"> <li>• Annual Income Inclusions (Exhibit 6-1)</li> <li>• Annual Income Exclusions (Exhibit 6-2)</li> <li>• Treatment of Family Assets (Exhibit 6-3)</li> <li>• Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)</li> <li>• The Effect of Welfare Benefit Reduction (Exhibit 6-5)</li> </ul> <p>Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.</p> <p><b>6-I.B. HOUSEHOLD COMPOSITION AND INCOME</b> Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: center;">Summary of Income Included and Excluded by Person</th> </tr> </thead> <tbody> <tr> <td style="width: 50%;">Live-in aides</td> <td>Income from all sources is excluded [24 CFR 5.609(c)(1)(ii)]</td> </tr> <tr> <td>Foster child or foster adult</td> <td>Income from all sources is excluded [24 CFR 5.609(c)(1)(ii)]</td> </tr> <tr> <td>Head, spouse, or cohead</td> <td>All sources of income not specifically excluded</td> </tr> <tr> <td>Other adult family members</td> <td>All sources of income not specifically excluded</td> </tr> <tr> <td>Children under 18 years of age</td> <td>Employment income is excluded [24 CFR 5.609(c)(1)(ii)] All other sources of income, except those specifically excluded, are included.</td> </tr> <tr> <td>Full-time students 18 years of age or older (not head, spouse, or cohead)</td> <td>Employment income above \$480/year is excluded [24 CFR 5.609(c)(1)(ii)] All other sources of income, except those specifically excluded, are included.</td> </tr> </tbody> </table> <p><b>Temporarily Absent Family Members</b></p>	Summary of Income Included and Excluded by Person		Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(1)(ii)]	Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(1)(ii)]	Head, spouse, or cohead	All sources of income not specifically excluded	Other adult family members	All sources of income not specifically excluded	Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)(ii)] All other sources of income, except those specifically excluded, are included.	Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(1)(ii)] All other sources of income, except those specifically excluded, are included.
Summary of Income Included and Excluded by Person															
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(1)(ii)]														
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(1)(ii)]														
Head, spouse, or cohead	All sources of income not specifically excluded														
Other adult family members	All sources of income not specifically excluded														
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)(ii)] All other sources of income, except those specifically excluded, are included.														
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(1)(ii)] All other sources of income, except those specifically excluded, are included.														

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].</p> <p><u>PHA Policy</u> Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.</p> <p><b>Absent Students</b></p> <p><u>PHA Policy</u> When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household. Full time college students residing in university/college housing will be considered family members unless they are not claimed on their parent or legal guardian's tax return.</p> <p><b>Absences Due to Placement in Foster Care</b> Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].</p> <p><u>PHA Policy</u> If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.</p> <p><b>Absent Head, Spouse, or Cohead</b></p> <p><u>PHA Policy</u> An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.</p> <p><b>Family Members Permanently Confined for Medical Reasons</b> If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].</p> <p><u>PHA Policy</u> The PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member. When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.</p> <p><b>Joint Custody of Dependents</b></p> <p><u>PHA Policy</u> Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time. When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.</p> <p><b>Caretakers for a Child</b></p> <p><u>PHA Policy</u> If neither a parent nor a designated guardian remains in a household receiving HCV assistance, the PHA will take the following actions.</p> <ol style="list-style-type: none"><li>(1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.</li><li>(2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the PHA will</li></ol>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>extend the caretaker’s status as an eligible visitor.</p> <p>(3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.</p> <p>(4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.</p> <p><b>6-I.C. ANTICIPATING ANNUAL INCOME</b></p> <p>The PHA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.</p> <p><b>Basis of Annual Income Projection</b></p> <p>The PHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA to use other than current circumstances to anticipate income when:</p> <ul style="list-style-type: none"> <li>• An imminent change in circumstances is expected [HCV GB, p. 5-17]</li> <li>• It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]</li> <li>• The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]</li> </ul> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">The PHA will count all income reported for a period of 90 days after lease-up.</p> <p>PHAs are required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)]. HUD allows PHAs to use pay-stubs to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.</p> <p style="padding-left: 40px;"><u>PHA Policy</u></p> <p style="padding-left: 40px;">When EIV is obtained and the family does not dispute the EIV employer data, the PHA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the PHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.</p> <p style="padding-left: 40px;">The PHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:</p> <p style="padding-left: 80px;">If EIV or other UIV data is not available,</p> <p style="padding-left: 80px;">If the family disputes the accuracy of the EIV employer data, and/or</p> <p style="padding-left: 80px;">If the PHA determines additional information is needed.</p> <p style="padding-left: 40px;">In such cases, the PHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the PHA annualized projected income.</p> <p style="padding-left: 40px;">When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.</p> <p>Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family’s anticipated income.</p> <p><b><i>Known Changes in Income</i></b></p> <p>If the PHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p><b>Example:</b> An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the PHA would calculate annual income as follows: <math>(\\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})</math>.</p> </div> <p>The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the PHA’s policy on reexaminations does not require interim reexaminations for other types of changes.</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>When tenant-provided documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date. EIV quarterly wages will not be used to project annual income at an annual or interim reexamination.</p> <p><b>Projecting Income</b> In HUD’s EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.</p> <p><b>6-I.D. EARNED INCOME</b> <b>Types of Earned Income Included in Annual Income</b> <b>Wages and Related Compensation</b> The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].</p> <p><u>PHA Policy</u> For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.</p> <p><b>Some Types of Military Pay</b> All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] <i>except</i> for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].</p> <p><b>Types of Earned Income Not Counted in Annual Income</b> <b>Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]</b> This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2009-19].</p> <p><u>PHA Policy</u> Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.</p> <p><b>Children’s Earnings</b> Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of <i>foster children</i>.)</p> <p><b>Certain Earned Income of Full-Time Students</b> Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].</p> <p><b>Income of a Live-in Aide</b> Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)</p> <p><b>Income Earned under Certain Federal Programs</b> Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:</p> <ul style="list-style-type: none"><li>• Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)</li><li>• Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))</li><li>• Awards under the federal work-study program (20 U.S.C. 1087 uu)</li><li>• Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))</li><li>• Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))</li><li>• Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)</li></ul> <p><b>Resident Service Stipend</b> Amounts received under a resident service stipend are not included in annual income. A resident</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].</p> <p><b>State and Local Employment Training Programs</b> Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].</p> <p><b>PHA Policy</b> The PHA defines <i>training program</i> as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3]. The PHA defines <i>incremental earnings and benefits</i> as the difference between: (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program, and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4]. In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058. End of participation in a training program must be reported in accordance with the PHA's interim reporting requirements.</p> <p><b>HUD-Funded Training Programs</b> Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.</p> <p><b>PHA Policy</b> To qualify as a training program, the program must meet the definition of <i>training program</i> provided above for state and local employment training programs.</p> <p><b>Earned Income Tax Credit</b> Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.</p> <p><b>Earned Income Disallowance</b> The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.</p> <p><b>6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]</b> The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.</p> <p><b>Eligibility</b> This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:</p> <ul style="list-style-type: none"><li>• Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. <i>Previously unemployed</i> includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.</li><li>• Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].</li></ul>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<ul style="list-style-type: none"><li>• New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.</li></ul> <p><b>Calculation of the Disallowance</b> Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member’s current income with his or her “prior income.”</p> <p><u>PHA Policy</u> The PHA defines <i>prior income</i>, or <i>prequalifying income</i>, as the family member’s last certified income prior to qualifying for the EID.</p> <p>The family member’s prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.</p> <p><b>Initial 12-Month Exclusion</b> During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.</p> <p><u>PHA Policy</u> The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.</p> <p><b>Second 12-Month Exclusion and Phase-In</b> During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.</p> <p><b>Lifetime Limitation</b> The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.</p> <p><u>PHA Policy</u> During the 48-month eligibility period, the PHA will schedule and conduct an interim reexamination each time there is a change in the family member’s annual income that affects or is affected by the EID (e.g., when the family member’s income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).</p> <p><b>6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]</b> Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].</p> <p><b>Business Expenses</b> Net income is “gross income less business expense” [HCV GB, p. 5-19].</p> <p><u>PHA Policy</u> To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.</p> <p><b>Business Expansion</b> HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.</p> <p><u>PHA Policy</u> <i>Business expansion</i> is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.</p> <p><b>Capital Indebtedness</b> HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><u>PHA Policy</u> <i>Capital indebtedness</i> is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.</p> <p><b>Negative Business Income</b> If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.</p> <p><b>Withdrawal of Cash or Assets from a Business</b> HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.</p> <p><u>PHA Policy</u> Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the PHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.</p> <p><b>Co-owned Businesses</b> <u>PHA Policy</u> If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family’s share of the income is lower than its share of ownership, the family must document the reasons for the difference.</p> <p><b>6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]</b></p> <p><b>Overview</b> There is no asset limitation for participation in the HCV program. However, HUD requires that the PHA include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:</p> <ul style="list-style-type: none"><li>• How the value of the asset will be determined</li><li>• How income from the asset will be calculated</li></ul> <p>Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of <i>net family assets</i>. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.</p> <p><b>General Policies</b></p> <p><b>Income from Assets</b> The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.</p> <p><u>PHA Policy</u> Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family’s anticipated asset income.</p> <p><b>Valuing Assets</b> The calculation of asset income sometimes requires the PHA to make a distinction between an asset’s market value and its cash value.</p> <ul style="list-style-type: none"><li>• The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).</li><li>• The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.</li></ul> <p><u>PHA Policy</u> Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].</p> <p><b>Lump-Sum Receipts</b> Payments that are received in a single lump sum, such as inheritances, capital gains, lottery</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)</p> <p><b>Imputing Income from Assets [24 CFR 5.609(b)(3)]</b> When net family assets are \$5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.</p> <p><b>Determining Actual Anticipated Income from Assets</b> It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.</p> <p><b>Withdrawal of Cash or Liquidation of Investments</b> Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.</p> <p><b>Jointly Owned Assets</b> The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."</p> <p><b>PHA Policy</b> If an asset is owned by more than one person and any family member has unrestricted access to the asset, the PHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners. If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the PHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the PHA will prorate the asset evenly among all owners.</p> <p><b>Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]</b> HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.</p> <p><b>Minimum Threshold</b> The <i>HVC Guidebook</i> permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].</p> <p><b>PHA Policy</b> The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000. When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s). Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.</p> <p><b>Separation or Divorce</b> The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.</p> <p><b>PHA Policy</b> All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.</p> <p><b>Foreclosure or Bankruptcy</b> Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.</p> <p><b>Family Declaration</b></p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><u>PHA Policy</u> Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PHA may verify the value of the assets disposed of if other information available to the PHA does not appear to agree with the information reported by the family.</p> <p><b>Types of Assets</b></p> <p><b>Checking and Savings Accounts</b> For regular checking accounts and savings accounts, <i>cash value</i> has the same meaning as <i>market value</i>. If a checking account does not bear interest, the anticipated income from the account is zero.</p> <p><u>PHA Policy</u> In determining the value of a checking account, the PHA will use the average monthly balance for the last six months. In determining the value of a savings account, the PHA will use the current balance. In determining the anticipated income from an interest-bearing checking or savings account, the PHA will multiply the value of the account by the current rate of interest paid on the account.</p> <p><b>Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds</b> Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.</p> <p><u>PHA Policy</u> In determining the market value of an investment account, the PHA will use the value of the account on the most recent investment report. How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the PHA will calculate asset income based on the earnings for the most recent reporting period.</p> <p><b>Equity in Real Property or Other Capital Investments</b> Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25]. Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:</p> <ul style="list-style-type: none"> <li>• Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]</li> <li>• The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]</li> <li>• Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]</li> <li>• Equity in real property when a family member’s main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.</li> <li>• Interests in Indian Trust lands [24 CFR 5.603(b)]</li> <li>• Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]</li> </ul> <p>A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.</p> <p>In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.</p> <p><u>PHA Policy</u> In the case of capital investments owned jointly with others not living in a family’s unit, a prorated share of the property’s cash value will be counted as an asset unless the PHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.</p> <p><b>Trusts</b> A <i>trust</i> is a legal arrangement generally regulated by state law in which one party (the creator or</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).</p> <p><i>Revocable Trusts</i> If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.</p> <p><i>Nonrevocable Trusts</i> In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)</p> <p><i>Retirement Accounts</i> <i>Company Retirement/Pension Accounts</i> In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26]. While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26]. After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.</p> <p><i>IRA, Keogh, and Similar Retirement Savings Accounts</i> IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].</p> <p><i>Personal Property</i> Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].</p> <p><u>PHA Policy</u> In determining the value of personal property held as an investment, the PHA will use the family's estimate of the value. However, the PHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal. Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.</p> <p>Necessary items of personal property are not considered assets [24 CFR 5.603(b)].</p> <p><u>PHA Policy</u> Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.</p> <p><i>Life Insurance</i> The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.</p> <p><b>6-I.H. PERIODIC PAYMENTS</b> Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.</p> <p><b>Periodic Payments Included in Annual Income</b></p> <ul style="list-style-type: none"><li>• Periodic payments from sources such as <u>social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions</u>. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].</li><li>• <u>Disability or death benefits and lottery receipts</u> paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14].</li></ul> <p><b>Lump-Sum Payments for the Delayed Start of a Periodic Payment</b> Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)]. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>Affairs are to be excluded from annual income [FR Notice 11/24/08].</p> <p><u>PHA Policy</u> When a delayed-start payment is received and reported during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family share and PHA subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the PHA.</p> <p><b>Treatment of Overpayment Deductions from Social Security Benefits</b> The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2010-3].</p> <p><b>Periodic Payments Excluded from Annual Income</b></p> <ul style="list-style-type: none"><li>• Payments received for the <u>care of foster children or foster adults</u> (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income [Notice PIH 2008-30].</li></ul> <p><u>PHA Policy</u> The PHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].</p> <ul style="list-style-type: none"><li>• Amounts paid by a state agency to a family with a <u>member who has a developmental disability and is living at home</u> to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].</li><li>• Amounts received under the <u>Low-Income Home Energy Assistance Program</u> (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)].</li><li>• Amounts received under the <u>Child Care and Development Block Grant Act of 1990</u> (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)].</li><li>• <u>Earned Income Tax Credit (EITC)</u> refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. <i>Note:</i> EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.</li><li>• Lump-sums received as a result of <u>delays in processing Social Security and SSI payments</u> (see section 6-I.J.) [24 CFR 5.609(b)(4)].</li><li>• Lump-sums or prospective monthly amounts received as deferred <u>disability benefits from the Department of Veterans Affairs (VA)</u> [FR Notice 11/24/08].</li></ul> <p><b>6-I.I. PAYMENTS IN LIEU OF EARNINGS</b> Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)</p> <p><b>6-I.J. WELFARE ASSISTANCE</b></p> <p><b>Overview</b> Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].</p> <p><b>Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]</b> The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.</p> <p><b>Covered Families</b> The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]</p> <p><b>Imputed Income</b> When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the PHA must include in annual income "imputed" welfare income. The PHA must request that the welfare agency inform the PHA when the benefits of an HCV participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.</p> <p>This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].</p> <p><b>Offsets</b> The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].</p> <p><b>6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]</b> Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.</p> <p><b>Alimony and Child Support</b> The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.</p> <p><b>Regular Contributions or Gifts</b> The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].</p> <p><b>PHA Policy</b> Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis. Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the PHA. For contributions that may vary from month to month (e.g., utility payments), the PHA will include an average amount based upon past history.</p> <p><b>6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]</b> In 2005, Congress passed a law (for section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.</p> <p><b>Student Financial Assistance <u>Included</u> in Annual Income [24 CFR 5.609(b)(9) and FR 4/10/06]</b> The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:</p> <ul style="list-style-type: none"><li>• They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.</li><li>• They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.</li><li>• They are under 24 years of age <b>OR</b> they have no dependent children.</li></ul> <p>For students who satisfy these three conditions, any financial assistance in excess of tuition received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.</p> <p>To determine annual income in accordance with the above requirements, the PHA will use the definitions of <i>dependent child</i>, <i>institution of higher education</i>, and <i>parents</i> in Section 3-II.E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:</p> <ul style="list-style-type: none"><li>• <i>Assistance under the Higher Education Act of 1965</i> includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.</li></ul>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<ul style="list-style-type: none"> <li>• <i>Assistance from private sources</i> means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.</li> <li>• <i>Tuition</i> will have the meaning given this term by the institution of higher education in which the student is enrolled.</li> </ul> <p><b>Student Financial Assistance Excluded from Annual Income [24 CFR 5.609(c)(6)]</b>  Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:</p> <ul style="list-style-type: none"> <li>• Students residing with parents who are seeking or receiving Section 8 assistance</li> <li>• Students who are enrolled in an educational institution that does <b>not</b> meet the 1965 HEA definition of <i>institution of higher education</i></li> <li>• Students who are over 23 <b>AND</b> have at least one dependent child, as defined in Section 3-II.E</li> <li>• Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.</li> </ul> <p><b>6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME</b>  Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:</p> <ul style="list-style-type: none"> <li>• Reimbursement of medical expenses [24 CFR 5.609(c)(4)]</li> <li>• Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]</li> <li>• 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 <u>Plan to Attain Self-Sufficiency (PASS)</u> [(24 CFR 5.609(c)(8)(ii)]</li> <li>• <u>Reparation payments</u> 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)]</li> <li>• <u>Adoption assistance</u> payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]</li> <li>• <u>Refunds or rebates on property taxes</u> paid on the dwelling unit [24 CFR 5.609(c)(15)]</li> <li>• Amounts paid by a state agency to a family with a member who has a <u>developmental disability and is living at home</u> to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]</li> <li>• Amounts specifically <u>excluded by any other federal statute</u> [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes: <ul style="list-style-type: none"> <li>(a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))</li> <li>(b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)</li> <li>(c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))</li> <li>(d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)</li> <li>(e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))</li> <li>(f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)</li> <li>(g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)</li> <li>(h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)</li> <li>(i) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))</li> <li>(j) Payments received on or after January 1, 1989, from the Agent Orange Settlement</li> </ul> </li> </ul>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>Fund or any other fund established pursuant to the settlement in <i>In Re Agent-product liability litigation</i>, M.D.L. No. 381 (E.D.N.Y.)</p> <ul style="list-style-type: none"> <li>(k) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)</li> <li>(l) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)</li> <li>(m) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))</li> <li>(n) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)</li> <li>(o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))</li> <li>(p) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)</li> <li>(q) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)</li> <li>(r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)</li> </ul> <p style="text-align: center;"><b>PART II: ADJUSTED INCOME</b></p> <p><b>6-II.A. INTRODUCTION</b></p> <p><b>Overview</b></p> <p>HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.</p> <p>5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [PHA] must deduct the following amounts from annual income:</p> <ul style="list-style-type: none"> <li>(1) \$480 for each dependent;</li> <li>(2) \$400 for any elderly family or disabled family;</li> <li>(3) The sum of the following, to the extent the sum exceeds three percent of annual income:             <ul style="list-style-type: none"> <li>(i) Unreimbursed medical expenses of any elderly family or disabled family;</li> <li>(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and</li> </ul> </li> <li>(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.</li> </ul> <p>This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.</p> <p><b>Anticipating Expenses</b></p> <p><u>PHA Policy</u></p> <p>Generally, the PHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), the PHA will estimate costs based on historic data and known future costs.</p> <p>If a family has an accumulated debt for medical or disability assistance expenses, the PHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The PHA may require the family to provide documentation of payments made in the preceding year.</p> <p><b>6-II.B. DEPENDENT DEDUCTION</b></p> <p>A deduction of \$480 is taken for each dependent [ 24 CFR 5.611(a)(1)]. <i>Dependent</i> is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].</p> <p><b>6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION</b></p> <p>A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An <i>elderly family</i> is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a <i>disabled family</i> is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><b>6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]</b>          Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.          The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].</p> <p><b>Definition of Medical Expenses</b>          HUD regulations define <i>medical expenses</i> at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”</p> <p><u>PHA Policy</u>          The most current IRS Publication 502, <i>Medical and Dental Expenses</i>, will be used to determine the costs that qualify as medical expenses.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: center;">Summary of Allowable Medical Expenses from IRS Pu</th> </tr> </thead> <tbody> <tr> <td style="width: 70%;">Services of medical professionals</td> <td>Substance abuse treat</td> </tr> <tr> <td>Surgery and medical procedures that are necessary, legal, noncosmetic</td> <td>Psychiatric treatmen</td> </tr> <tr> <td>Services of medical facilities</td> <td>Ambulance services to medical expenses</td> </tr> <tr> <td>Hospitalization, long-term care, and in-home nursing services</td> <td>The cost and care of medical condition (e crutches, and artific</td> </tr> <tr> <td>Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</td> <td>Cost and continuing</td> </tr> <tr> <td>Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)</td> <td>Medical insurance p maintenance organiz</td> </tr> </tbody> </table> <p><b>Note:</b> This chart provides a summary of eligible medical expenses only. Detailed info 502. Medical expenses are considered only to the extent they are not reimbursed by in</p> <p><b>Families That Qualify for Both Medical and Disability Assistance Expenses</b>  <u>PHA Policy</u>          This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.          When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p> <p><b>6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]</b>          Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.</p> <p><b>Earned Income Limit on the Disability Assistance Expense Deduction</b>          A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)]. The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.</p> <p><u>PHA Policy</u>          The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the PHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.          When the PHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.</p> <p><b>Eligible Disability Expenses</b>          Examples of auxiliary apparatus are provided in the <i>HCV Guidebook</i> as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to</p>	Summary of Allowable Medical Expenses from IRS Pu		Services of medical professionals	Substance abuse treat	Surgery and medical procedures that are necessary, legal, noncosmetic	Psychiatric treatmen	Services of medical facilities	Ambulance services to medical expenses	Hospitalization, long-term care, and in-home nursing services	The cost and care of medical condition (e crutches, and artific	Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing	Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance p maintenance organiz
Summary of Allowable Medical Expenses from IRS Pu																
Services of medical professionals	Substance abuse treat															
Surgery and medical procedures that are necessary, legal, noncosmetic	Psychiatric treatmen															
Services of medical facilities	Ambulance services to medical expenses															
Hospitalization, long-term care, and in-home nursing services	The cost and care of medical condition (e crutches, and artific															
Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing															
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance p maintenance organiz															

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work” [HCV GB, p. 5-30]. HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].</p> <p><b>Eligible Auxiliary Apparatus</b> <u>PHA Policy</u> Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.</p> <p><b>Eligible Attendant Care</b> The family determines the type of attendant care that is appropriate for the person with disabilities. <u>PHA Policy</u> Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities. Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible. If the care attendant also provides other services to the family, the PHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.</p> <p><b>Payments to Family Members</b> No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.</p> <p><b>Necessary and Reasonable Expenses</b> The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source. <u>PHA Policy</u> The PHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the PHA will consider, the family’s justification for costs that exceed typical costs in the area.</p> <p><b>Families That Qualify for Both Medical and Disability Assistance Expenses</b> <u>PHA Policy</u> This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities. When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.</p> <p><b>6-II.F. CHILD CARE EXPENSE DEDUCTION</b> HUD defines <i>child care expenses</i> at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”</p> <p><b>Clarifying the Meaning of Child for This Deduction</b> Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household, are included when determining the family’s child care expenses [HCV GB, p. 5-29].</p> <p><b>Qualifying for the Deduction</b> <b>Determining Who Is Enabled to Pursue an Eligible Activity</b> <u>PHA Policy</u> The family must identify the family member(s) enabled to pursue an eligible activity. The term <i>eligible activity</i> in this section means any of the activities that may make the</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed). In evaluating the family's request, the PHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.</p> <p><b>Seeking Work</b> <u>PHA Policy</u> If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the PHA.</p> <p><b>Furthering Education</b> <u>PHA Policy</u> If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.</p> <p><b>Being Gainfully Employed</b> <u>PHA Policy</u> If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.</p> <p><b>Earned Income Limit on Child Care Expense Deduction</b> When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)]. The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied. When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000. The PHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30]. <u>PHA Policy</u> When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the PHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.</p> <p><b>Eligible Child Care Expenses</b> The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].</p> <p><b>Allowable Child Care Activities</b> <u>PHA Policy</u> For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care. The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible. If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the PHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated.</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.</p> <p><b>Necessary and Reasonable Costs</b> Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.</p> <p><u>PHA Policy</u> Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class. To establish the reasonableness of child care costs, the PHA will use the schedule of child care costs from the local welfare agency. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.</p> <p style="text-align: center;"><b>PART III: CALCULATING FAMILY SHARE AND PHA SUBSIDY</b></p> <p><b>6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS</b> <b>TTP Formula [24 CFR 5.628]</b> HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:</p> <ul style="list-style-type: none"><li>• 30 percent of the family’s monthly adjusted income (adjusted income is defined in Part II)</li><li>• 10 percent of the family’s monthly gross income (annual income, as defined in Part I, divided by 12)</li><li>• The welfare rent (in as-paid states only)</li><li>• A minimum rent between \$0 and \$50 that is established by the PHA</li></ul> <p>The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B. The amount that a family pays for rent and utilities (the family share) will never be less than the family’s TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.</p> <p><b>Welfare Rent [24 CFR 5.628]</b> <u>PHA Policy</u> Welfare rent does not apply in this locality.</p> <p><b>Minimum Rent [24 CFR 5.630]</b> <u>PHA Policy</u> The minimum rent for this locality is \$50.00.</p> <p><b>Family Share [24 CFR 982.305(a)(5)]</b> If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the PHA’s applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the PHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family’s monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family’s voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)</p> <p><b>PHA Subsidy [24 CFR 982.505(b)]</b> The PHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family’s TTP or (2) the gross rent for the family’s unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)</p> <p><b>Utility Reimbursement [24 CFR 982.514(b)]</b> When the PHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider. <u>PHA Policy</u> The PHA will make utility reimbursements to the family. Families are required to set up an account to receive payments electronically. No checks will be issued.</p> <p><b>6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]</b> <b>Overview</b> If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship. The financial hardship exemption applies only to families required to pay the minimum rent. If a family’s TTP is higher than the minimum rent, the family is not eligible for a hardship exemption.</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family’s calculated TTP.</p> <p><b>HUD-Defined Financial Hardship</b>  Financial hardship includes the following situations:</p> <p>(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.</p> <p style="padding-left: 40px;"><u>PHA Policy</u>  A hardship will be considered to exist only if the loss of eligibility has an impact on the family’s ability to pay the minimum rent.  For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.</p> <p>(2) The family would be evicted because it is unable to pay the minimum rent.</p> <p style="padding-left: 40px;"><u>PHA Policy</u>  For a family to qualify under this provision, the cause of the potential eviction must be the family’s failure to pay rent to the owner or tenant-paid utilities.</p> <p>(3) Family income has decreased because of changed family circumstances, including the loss of employment.</p> <p>(4) A death has occurred in the family.</p> <p style="padding-left: 40px;"><u>PHA Policy</u>  In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member’s income).</p> <p>(5) The family has experienced other circumstances determined by the PHA.</p> <p style="padding-left: 40px;"><u>PHA Policy</u>  The PHA has not established any additional hardship criteria.</p> <p><b>Implementation of Hardship Exemption</b>  <i>Determination of Hardship</i>  When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family’s request.  The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.</p> <p style="padding-left: 40px;"><u>PHA Policy</u>  The PHA defines temporary hardship as a hardship expected to last 90 days or less.  Long-term hardship is defined as a hardship expected to last more than 90 days.</p> <p>When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.</p>												
<p><b>Example: Impact of Minimum Rent Exemption</b>  Assume the PHA has established a minimum rent of \$35.</p>													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Family Share – No Hardship</th> <th style="width: 50%; text-align: left;">Family Share – With Hardship</th> </tr> </thead> <tbody> <tr> <td>0% of monthly adjusted income</td> <td>\$0 30% of monthly adjusted income</td> </tr> <tr> <td>10% of monthly gross income</td> <td>\$15 10% of monthly gross income</td> </tr> <tr> <td>Welfare rent</td> <td>N/A Welfare rent</td> </tr> <tr> <td>Minimum rent</td> <td>\$35 Minimum rent</td> </tr> <tr> <td style="text-align: center;">Minimum rent applies. TTP = \$35</td> <td style="text-align: center;">Hardship exemption granted. TTP = \$15</td> </tr> </tbody> </table>		Family Share – No Hardship	Family Share – With Hardship	0% of monthly adjusted income	\$0 30% of monthly adjusted income	10% of monthly gross income	\$15 10% of monthly gross income	Welfare rent	N/A Welfare rent	Minimum rent	\$35 Minimum rent	Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15
Family Share – No Hardship	Family Share – With Hardship												
0% of monthly adjusted income	\$0 30% of monthly adjusted income												
10% of monthly gross income	\$15 10% of monthly gross income												
Welfare rent	N/A Welfare rent												
Minimum rent	\$35 Minimum rent												
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15												
<p style="padding-left: 40px;"><u>PHA Policy</u>  To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family’s ability to pay the minimum rent.  The PHA will make the determination of hardship within 30 calendar days.</p> <p><b>No Financial Hardship</b>  If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.</p> <p style="padding-left: 40px;"><u>PHA Policy</u>  The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA’s notice that a hardship exemption has not been granted.</p> <p><b>Temporary Hardship</b>  If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family’s request for a hardship exemption.</p>													

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.</p> <p><u>PHA Policy</u> The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.</p> <p><b>Long-Term Hardship</b> If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family’s request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.</p> <p><u>PHA Policy</u> The hardship period ends when any of the following circumstances apply:</p> <ol style="list-style-type: none"><li>(1) At an interim or annual reexamination, the family’s calculated TTP is greater than the minimum rent.</li><li>(2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.</li><li>(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.</li></ol> <p><b>6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505]</b></p> <p><b>Overview</b> The PHA’s schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA’s payment standards. The establishment and revision of the PHA’s payment standard schedule are covered in Chapter 16. <i>Payment standard</i> is defined as “the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)” [24 CFR 982.4(b)].</p> <p>The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA’s subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.</p> <p>If the PHA has established an exception payment standard for a designated part of an FMR area and a family’s unit is located in the exception area, the PHA must use the appropriate payment standard for the exception area.</p> <p>The PHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family’s TTP or (2) the gross rent for the family’s unit minus the TTP.</p> <p>If during the term of the HAP contract for a family’s unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].</p> <p>The PHA uses the HUD published 90% Payment Standard for Winnebago County for families receiving assistance under the Winnebago County HCV funding, and the HUD published 90% Payment Standard for Stephenson County for families receiving assistance under the Stephenson County HCV funding. Such Payment Standard is subject to periodic adjustment by HUD.</p> <p><b>Changes in Payment Standards</b> When the PHA revises its payment standards during the term of the HAP contract for a family’s unit, it will apply the new payment standards in accordance with HUD regulations.</p> <p><b>Decreases</b> If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family’s second regular reexamination following the effective date of the decrease in the payment standard. The PHA will determine the payment standard for the family as follows:</p> <p><b>Step 1:</b> At the first regular reexamination following the decrease in the payment standard, the PHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.</p> <p><b>Step 2:</b> The PHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by the PHA at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. The PHA will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><b>Step 3:</b> At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless the PHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.</p> <p><b>Increases</b> If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family’s first regular reexamination on or after the effective date of the increase in the payment standard.</p> <p>Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].</p> <p><b>Changes in Family Unit Size</b> Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family’s first regular reexamination following the change in family unit size.</p> <p><b>Reasonable Accommodation</b> If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family within the basic range.</p> <p><b>6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]</b></p> <p><b>Overview</b> A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using PHA subsidy standards. See Chapter 5 for information on the PHA’s subsidy standards. For policies on establishing and updating utility allowances, see Chapter 16.</p> <p><b>Reasonable Accommodation</b> HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA’s schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed. The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].</p> <p><b>Utility Allowance Revisions</b> At reexamination, the PHA must use the PHA current utility allowance schedule [24 CFR 982.517(d)(2)].</p> <p><u>PHA Policy</u> Revised utility allowances will be applied to a family’s rent and subsidy calculations at the first annual and interim reexamination that is effective after the allowance is adopted.</p> <p><b>6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]</b> HUD regulations prohibit assistance to ineligible family members. A <i>mixed family</i> is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the PHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, the PHA subsidy would be reduced to \$250.</p>
4.	Operation and Management.	<p>The maintenance management of the PHA is governed by the Maintenance Policy and Procedures Manual, to include prioritization of work, comprehensive work procedures, performance standards and goals, work order system, skills updates and training, long range planning, maintaining the properties, responding to emergencies, preparing vacant units for reoccupancy, preventative maintenance program, general operating systems, roof repairs and replacement, vehicle/equipment maintenance, lead based paint, life safety systems, inspection program, scheduled routine maintenance, pest control and extermination, landscaping and grounds, building exteriors and interior common areas, interior painting, resident on-demand services, contracting for services, and an emergency procedures plan. The management of the PHA and the programs of the PHA are represented in the following</p>

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

5.	Grievance Procedures.	<p><b>Admissions and Continued Occupancy Policies</b></p> <p><b>Chapter 14</b></p> <p><b>GRIEVANCES AND APPEALS</b></p> <p><b>INTRODUCTION</b></p> <p>This chapter discusses grievances and appeals pertaining to PHA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:</p> <p><u>Part I: Informal Hearings for Public Housing Applicants.</u> This part outlines the requirements and procedures for informal hearings for public housing applicants.</p> <p><u>Part II: Informal Hearings with Regard to Noncitizens.</u> This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.</p> <p><u>Part III: Grievance Procedures for Public Housing Residents.</u> This part outlines the requirements and procedures for handling grievances for public housing residents.</p> <p>Note that this chapter is not the PHA's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure.</p> <p><b>PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS</b></p> <p><b>14-1.A. OVERVIEW</b></p> <p>When the PHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the PHA policies necessary to respond to applicant appeals through the informal hearing process.</p> <p><b>14-1.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]</b></p> <p>Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants in the PHA grievance procedure [24 CFR 966.53(a) and PH Occ GB, p. 58].</p> <p>Informal hearings provide the applicant a means to hear the details of the reasons for rejection, and an opportunity to present evidence to the contrary if available, and to claim mitigating</p>

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>circumstances if possible.</p> <p><b>Use of Informal Hearing Process</b></p> <p>While the PHA must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the PHA could make the informal hearing process available to applicants who wish to dispute other PHA actions that adversely affect them.</p> <p><u>PHA Policy</u> The PHA will only offer informal hearings to applicants for the purpose of disputing denials of admission.</p> <p><b>Notice of Denial [24 CFR 960.208(a)]</b></p> <p>The PHA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.</p> <p>Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.</p> <p><b>Scheduling an Informal Hearing</b></p> <p><u>PHA Policy</u> A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's notification of denial of admission. Except as provided in Section 3-III.F, the PHA will schedule and send written notice of the informal hearing within 10 business days of the family's request.</p> <p><b>Conducting an Informal Hearing [PH Occ GB, p. 58]</b></p> <p><u>PHA Policy</u> The informal hearing will be conducted by a person other than the one who made the decision under review, or a subordinate of this person. The applicant will be provided an opportunity to present written or oral objections to the decision of the PHA. The person conducting the informal hearing will make a recommendation to the PHA, but the PHA is responsible for making the final decision as to whether admission should be granted or denied.</p> <p><b>Informal Hearing Decision [PH Occ GB, p. 58]</b></p> <p><u>PHA Policy</u> The PHA will notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision. In rendering a decision, the PHA will evaluate the following matters: The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in PHA policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial. The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny admission. The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed, with return receipt requested, within 10 business days of the informal hearing, to the applicant and his or her representative, if any. If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.</p> <p><b>Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]</b></p> <p>Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the PHA must consider such accommodations. The PHA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.</p> <p style="text-align: center;"><b>PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS</b></p> <p><b>14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]</b> Denial or termination of assistance based on immigration status is subject to special hearing and</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.</p> <p>Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.</p> <p>A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.</p> <p><b>Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]</b></p> <p>As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:</p> <ul style="list-style-type: none"><li>• That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.</li><li>• The family may be eligible for proration of assistance.</li><li>• In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].</li><li>• That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.</li><li>• That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.</li><li>• For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.</li></ul> <p><b>United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]</b></p> <p>When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and proof of mailing.</p> <p><u>PHA Policy</u></p> <p>The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.</p> <p>The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.</p> <p>The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.</p> <p>The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.</p> <p><u>PHA Policy</u></p> <p>The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.</p> <p><b>Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]</b></p> <p>After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.</p> <p>The informal hearing procedures for applicant families are described below.</p> <p><b>Informal Hearing Officer</b></p> <p>The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.</p> <p><b>Evidence</b></p> <p>The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><u>PHA Policy</u> The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.</p> <p>The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.</p> <p>The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.</p> <p><b>Representation and Interpretive Services</b> The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.</p> <p>The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the PHA, as may be agreed upon by the two parties. If the family does not arrange for their own interpreter, the PHA is still obligated to provide oral translation services in accordance with its LEP Plan.</p> <p><b>Recording of the Hearing</b> The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.</p> <p><u>PHA Policy</u> The PHA will not provide a transcript of an audio taped informal hearing.</p> <p><b>Hearing Decision</b> The PHA must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The notice must state the basis for the decision.</p> <p><b>Retention of Documents [24 CFR 5.514(h)]</b> The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:</p> <ul style="list-style-type: none"><li>• The application for assistance</li><li>• The form completed by the family for income reexamination</li><li>• Photocopies of any original documents, including original USCIS documents</li><li>• The signed verification consent form</li><li>• The USCIS verification results</li><li>• The request for a USCIS appeal</li><li>• The final USCIS determination</li><li>• The request for an informal hearing</li><li>• The final informal hearing decision</li></ul> <p><b>Informal Hearing Procedures for Residents [24 CFR 5.514(f)]</b> After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.</p> <p>The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.</p> <p style="text-align: center;"><b>PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS</b></p> <p><b>14-III.A. REQUIREMENTS [24 CFR 966.52]</b> PHAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any PHA action or failure to act involving the lease or PHA policies which adversely affect their rights, duties, welfare, or status.</p> <p>The PHA grievance procedure must be included in, or incorporated by reference in, the lease. The PHA must provide at least 30 days notice to tenants and resident organizations setting forth proposed changes in the PHA grievance procedure, and providing an opportunity to present written comments. Comments submitted must be considered by the PHA before adoption of any grievance procedure changes by the PHA.</p> <p>The PHA must furnish a copy of the grievance procedure to each tenant and to resident organizations.</p> <p><b>14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]</b></p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:</p> <ul style="list-style-type: none"><li>• <b>Grievance</b> – any dispute which a tenant may have with respect to PHA action or failure to act in accordance with the individual tenant’s lease or PHA regulations which adversely affect the individual tenant’s rights, duties, welfare or status</li><li>• <b>Complainant</b> – any tenant whose grievance is presented to the PHA or at the project management office</li><li>• <b>Due Process Determination</b> – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit</li><li>• <b>Elements of Due Process</b> – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:<ul style="list-style-type: none"><li>– Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction</li><li>– Right of the tenant to be represented by counsel</li><li>– Opportunity for the tenant to refute the evidence presented by the PHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have</li><li>– A decision on the merits</li></ul></li><li>• <b>Hearing Officer/Panel</b> – a person/panel selected in accordance with HUD regulations to hear grievances and render a decision with respect thereto</li><li>• <b>Tenant</b> – the adult person (or persons) (other than a live-in aide)<ul style="list-style-type: none"><li>– Who resides in the unit, and who executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit,</li><li>– Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit</li></ul></li><li>• <b>Resident Organization</b> – includes a resident management corporation</li></ul> <p><b>14-III.C. APPLICABILITY [24 CFR 966.51]</b> Potential grievances could address most aspects of a PHA’s operation. However, there are some situations for which the grievance procedure is not applicable. The grievance procedure is applicable only to individual tenant issues relating to the PHA. It is not applicable to disputes between tenants not involving the PHA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the PHA. If HUD has issued a due process determination, a PHA may exclude from the PHA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:</p> <ul style="list-style-type: none"><li>• Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the PHA</li><li>• Any violent or drug-related criminal activity on or off such premises</li><li>• Any criminal activity that resulted in felony conviction of a household member</li></ul> <p>In states without due process determinations, PHAs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, but may use expedited grievance procedures, as described in Section 14-III.E. below, to deal with the first two of the above three categories of lease terminations. If HUD has issued a due process determination, the PHA may evict through the state/local judicial eviction procedures. In this case, the PHA is not required to provide the opportunity for a hearing under the PHA’s grievance procedure as described above. See Chapter 13 for related policies on the content of termination notices.</p> <p><b>14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]</b> HUD regulations state that any grievance must be personally presented, either orally or in writing, to the PHA office or to the office of the project in which the complainant resides so that the grievance may be discussed informally and settled without a hearing. <u>PHA Policy</u> The PHA will accept requests for an informal settlement of a grievance either in writing, to the PHA office within 10 business days of the grievable event. Within 10</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>business days of receipt of the request the PHA will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant. If a tenant fails to attend the scheduled meeting without prior notice, the PHA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.</p> <p>HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the PHA's tenant file. The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.</p> <p><u>PHA Policy</u> The PHA will prepare a summary of the informal settlement within 5 business days; one copy to be given to the tenant and one copy to be retained in the PHA's tenant file. For PHAs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.</p> <p><b>14-III.E. PROCEDURES TO OBTAIN A HEARING [24 CFR 966.55]</b> <b>Requests for Hearing and Failure to Request [24 CFR 966.55(a), (c), and (d)]</b> All grievances must be presented in accordance with the informal procedures prescribed above as a condition prior to a grievance hearing. However, if the complainant can show good cause for failure to proceed with the informal settlement process to the hearing officer/panel, the hearing officer/panel may waive this provision [24 CFR 966.55(d)]. The complainant must submit the request in writing for a grievance hearing within a reasonable time after receipt of the summary of informal discussion [24 CFR 966.55(a)]. The request must specify the reasons for the grievance and the action or relief sought.</p> <p><u>PHA Policy</u> The resident must submit a written request for a grievance hearing to the PHA within 5 business days of the tenant's receipt of the summary of the informal settlement. If the complainant does not request a hearing, the PHA's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the PHA's action in disposing of the complaint in an appropriate judicial proceeding [24 CFR 966.55(c)].</p> <p><b>Escrow Deposits [24 CFR 966.55(e)]</b> Before a hearing is scheduled in any grievance involving the amount of rent that the PHA claims is due, the family must pay an escrow deposit to the PHA. When a family is required to make an escrow deposit, the amount is the amount of rent the PHA states is due and payable as of the first of the month preceding the month in which the family's act or failure to act took place. After the first deposit the family must deposit the same amount monthly until the family's complaint is resolved by decision of the hearing officer/panel. The PHA must waive the requirement for an escrow deposit where the family has requested a financial hardship exemption from minimum rent requirements or is grieving the effect of welfare benefits reduction in calculation of family income [24 CFR 5.630(b)(3)]. Unless the PHA waives the requirement, the family's failure to make the escrow deposit will terminate the grievance procedure. A family's failure to pay the escrow deposit does not waive the family's right to contest the PHA's disposition of the grievance in any appropriate judicial proceeding.</p> <p><u>PHA Policy</u> The PHA will not waive the escrow requirement for grievances involving rent amounts except where required to do so by regulation.</p> <p><b>Scheduling of Hearings [24 CFR 966.55(f)]</b> If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/panel promptly for a time and place reasonably convenient to both the complainant and the PHA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate PHA official.</p> <p><u>PHA Policy</u> Within 10 business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the PHA.</p> <p>The PHA may wish to permit the tenant to request to reschedule a hearing for good cause.</p> <p><u>PHA Policy</u> The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the "good cause" prior to</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>rescheduling the hearing.</p> <p><b>Expedited Grievance Procedure [24 CFR 966.55(g)]</b> The PHA does not allow an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:</p> <ul style="list-style-type: none"><li>• Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the PHA, or</li><li>• Any drug-related criminal activity on or near such premises</li></ul> <p><b>14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.55(b)]</b> The grievance hearing must be conducted by an impartial person or persons appointed by the PHA, other than the person who made or approved the PHA action under review, or a subordinate of such person.</p> <p><u>PHA Policy</u> PHA grievance hearings will be conducted by a single hearing officer and not a panel. The PHA must determine the methodology for appointment of the hearing officer and it must be stated in the grievance procedure.</p> <p><u>PHA Policy</u> The PHA will appoint a person who has been selected in the manner required under the grievance procedure. Efforts will be made to assure that the person selected is not a friend, nor enemy, of the complainant and that they do not have a personal stake in the matter under dispute or will otherwise have an appearance of a lack of impartiality.</p> <p><b>14-III.G. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]</b> <b>Rights of Complainant [24 CFR 966.56(b)]</b> The complainant will be afforded a fair hearing. This includes:</p> <ul style="list-style-type: none"><li>• The opportunity to examine before the grievance hearing any PHA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant’s expense. If the PHA does not make the document available for examination upon request by the complainant, the PHA may not rely on such document at the grievance hearing. <u>PHA Policy</u> The tenant will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.</li><li>• The right to be represented by counsel or other person chosen as the tenant’s representative and to have such person make statements on the tenant’s behalf. <u>PHA Policy</u> Hearings may be attended by the following applicable persons:<ul style="list-style-type: none"><li>A PHA representative(s) and any witnesses for the PHA</li><li>The tenant and any witnesses for the tenant</li><li>The tenant’s counsel or other representative</li><li>Any other person approved by the PHA as a reasonable accommodation for a person with a disability</li></ul></li><li>• The right to a private hearing unless the complainant requests a public hearing.</li><li>• The right to present evidence and arguments in support of the tenant’s complaint, to controvert evidence relied on by the PHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the PHA or project management relies.</li><li>• A decision based solely and exclusively upon the facts presented at the hearing.</li></ul> <p><b>Decision without Hearing [24 CFR 966.56(c)]</b> The hearing officer/panel may render a decision without proceeding with the hearing if the hearing officer/panel determines that the issue has been previously decided in another proceeding.</p> <p><b>Failure to Appear [24 CFR 966.56(d)]</b> If the complainant or the PHA fails to appear at a scheduled hearing, the hearing officer/panel may make a determination to postpone the hearing for not to exceed five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the PHA must be notified of the determination by the hearing officer/panel: Provided, That a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the PHA’s disposition of the grievance in an appropriate judicial proceeding. There may be times when a complainant does not appear due to unforeseen circumstances which</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>are out of their control and are no fault of their own.</p> <p><u>PHA Policy</u> If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities. “Good cause” is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.</p> <p><b>General Procedures [24 CFR 966.56(e), (f), and (g)]</b> At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the PHA must sustain the burden of justifying the PHA action or failure to act against which the complaint is directed [24 CFR 966.56(e)]. The hearing must be conducted informally by the hearing officer/panel. The PHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint and question any witnesses. In general, all evidence is admissible and may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings [24 CFR 966.56(f)].</p> <p><u>PHA Policy</u> Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.</p> <p><b>Oral evidence:</b> the testimony of witnesses</p> <p><b>Documentary evidence:</b> a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.</p> <p><b>Demonstrative evidence:</b> Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.</p> <p><b>Real evidence:</b> A tangible item relating directly to the case. <i>Hearsay Evidence</i> is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer’s decision. If the PHA fails to comply with the discovery requirements (providing the tenant with the opportunity to examine PHA documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence. Other than the failure of the PHA to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence. The hearing officer/panel must require the PHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer/panel to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate [24 CFR 966.56(f)]. The complainant or the PHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(g)].</p> <p><u>PHA Policy</u> If the complainant would like the PHA to record the proceedings by audiotape, the request must be made to the PHA by 12:00 p.m. on the business day prior to the hearing. The PHA will consider that an audio tape recording of the proceedings is a transcript.</p> <p><b>Accommodations of Persons with Disabilities [24 CFR 966.56(h)]</b> The PHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format. See Chapter 2 for a thorough discussion of the PHA’s responsibilities pertaining to reasonable accommodation.</p> <p><b>14-III.H. DECISION OF THE HEARING OFFICER/PANEL [24 CFR 966.57]</b> The hearing officer/panel must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the tenant and the PHA. The PHA must retain a copy of the decision in the tenant's folder. A copy of the decision, with all names and identifying references deleted, must also be maintained on file by the PHA and made available for inspection by a prospective complainant, his/her representative, or the hearing officer/panel [24 CFR 966.57(a)].</p> <p><u>PHA Policy</u> In rendering a decision, the hearing officer will consider the following matters:</p> <p><b>PHA Notice to the Family:</b> The hearing officer will determine if the reasons for the PHA's decision are factually stated in the notice.</p> <p><b>Discovery:</b> The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with PHA policy.</p> <p><b>PHA Evidence to Support the PHA Decision:</b> The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.</p> <p><b>Validity of Grounds for Termination of Tenancy (when applicable):</b> The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.</p> <p>The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:</p> <p><b>Hearing information:</b></p> <ul style="list-style-type: none"><li>Name of the complainant</li><li>Date, time and place of the hearing</li><li>Name of the hearing officer</li><li>Name of the PHA representative(s)</li><li>Name of family representative (if any)</li><li>Names of witnesses (if any)</li></ul> <p><b>Background:</b> A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.</p> <p><b>Summary of the Evidence:</b> The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.</p> <p><b>Findings of Fact:</b> The hearing officer will include all findings of fact, based on a preponderance of the evidence. <i>Preponderance of the evidence</i> is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.</p> <p><b>Conclusions:</b> The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.</p> <p><b>Order:</b> The hearing report will include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the PHA to restore the family's status.</p> <p><b>Procedures for Further Hearing</b></p> <p><u>PHA Policy</u> The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.</p> <p><b>Final Decision [24 CFR 966.57(b)]</b> The decision of the hearing officer/panel is binding on the PHA which must take the action, or refrain from taking the action cited in the decision unless the PHA Board of Commissioners determines within a reasonable time, and notifies the complainant that:</p> <ul style="list-style-type: none"><li>• The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease on PHA policies which adversely affect the complainant's rights, duties, welfare, or status; or</li></ul>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<ul style="list-style-type: none"><li>• The decision of the hearing officer/panel is contrary to Federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the PHA <u>PHA Policy</u> When the PHA considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the PHA Board of Commissioners within 10 business days of the date of the hearing officer’s decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer’s decision, it must notify the complainant within 10 business days of this decision. A decision by the hearing officer/panel, or Board of Commissioners in favor of the PHA or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].</li></ul> <p><b>Housing Choice Voucher Administrative Plan</b></p> <p style="text-align: center;"><b>PART III: INFORMAL REVIEWS AND HEARINGS</b></p> <p><b>16-III.A. OVERVIEW</b> When the PHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing. PHAs are required to include in their administrative plans, informal review procedures for applicants, and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].</p> <p><b>16-III.B. INFORMAL REVIEWS</b> Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490). <b>Decisions Subject to Informal Review</b> The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:</p> <ul style="list-style-type: none"><li>• Denying listing on the PHA waiting list</li><li>• Denying or withdrawing a voucher</li><li>• Refusing to enter into a HAP contract or approve a lease</li><li>• Refusing to process or provide assistance under portability procedures</li><li>• Denial of assistance based on an unfavorable history that may be the result of domestic violence, dating violence or stalking. (See Section 3-III.G.)</li></ul> <p>Informal reviews are <i>not</i> required for the following reasons [24 CFR 982.554(c)]:</p> <ul style="list-style-type: none"><li>• Discretionary administrative determinations by the PHA</li><li>• General policy issues or class grievances</li><li>• A determination of the family unit size under the PHA subsidy standards</li><li>• A PHA determination not to grant approval of the tenancy</li><li>• A PHA determination that the unit is not in compliance with the HQS</li><li>• A PHA determination that the unit is not in accordance with the HQS due to family size or composition</li></ul> <p><u>PHA Policy</u> The PHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the PHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.</p> <p><b>Notice to the Applicant [24 CFR 982.554(a)]</b> The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>informal review.</p> <p><b>Scheduling an Informal Review</b></p> <p><u>PHA Policy</u></p> <p>A request for an informal review must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA’s denial of assistance.</p> <p>Except as provided in Section 3-III.G, the PHA must schedule and send written notice of the informal review within 10 business days of the family’s request.</p> <p>Requests for extensions must be submitted in writing for consideration by the PHA. Informal reviews must be conducted within 30 calendar days from the date of the PHA’s denial of assistance. Requests for informal reviews beyond 30 calendar days from the denial of assistance will not be considered.</p> <p><b>Informal Review Procedures [24 CFR 982.554(b)]</b></p> <p><u>PHA Policy</u></p> <p>The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.</p> <p>The applicant must be provided an opportunity to present written or oral objections to the decision of the PHA.</p> <p>The person conducting the review will make a recommendation to the PHA, but the PHA is responsible for making the final decision as to whether assistance should be granted or denied.</p> <p><b>Informal Review Decision [24 CFR 982.554(b)]</b></p> <p>The PHA must notify the applicant of the PHA’s final decision, including a brief statement of the reasons for the final decision.</p> <p><u>PHA Policy</u></p> <p>In rendering a decision, the PHA will evaluate the following matters:</p> <ul style="list-style-type: none"><li>Whether or not the grounds for denial were stated factually in the Notice.</li><li>The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.</li><li>The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny assistance.</li><li>If the facts prove the grounds for denial, and the denial is discretionary, the PHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.</li></ul> <p>The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.</p> <p>If the decision to deny is overturned as a result of the informal review, processing for admission will resume.</p> <p>If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.</p> <p><b>16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555, Pub.L. 109-162]</b></p> <p>PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA’s HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA’s decisions related to the family’s circumstances are in accordance with the law, HUD regulations and PHA policies.</p> <p>The PHA is not permitted to terminate a family’s assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.</p> <p>Termination of assistance for a participant may include any or all of the following:</p> <ul style="list-style-type: none"><li>• Refusing to enter into a HAP contract or approve a lease</li><li>• Terminating housing assistance payments under an outstanding HAP contract</li><li>• Refusing to process or provide assistance under portability procedures</li></ul> <p><b>Decisions Subject to Informal Hearing</b></p> <p>Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:</p> <ul style="list-style-type: none"><li>• A determination of the family’s annual or adjusted income, and the use of such income to compute the housing assistance payment</li><li>• A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the</li></ul>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>PHA utility allowance schedule</p> <ul style="list-style-type: none"><li>• A determination of the family unit size under the PHA’s subsidy standards</li><li>• A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA’s subsidy standards, or the PHA determination to deny the family’s request for exception from the standards</li><li>• A determination to terminate assistance for a participant family because of the family’s actions or failure to act</li><li>• A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules</li><li>• A determination to terminate a family’s Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family’s escrow account [24 CFR 984.303(i)]</li><li>• A determination to deny admission based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking.</li></ul> <p>Circumstances for which an informal hearing is not required are as follows:</p> <ul style="list-style-type: none"><li>• Discretionary administrative determinations by the PHA</li><li>• General policy issues or class grievances</li><li>• Establishment of the PHA schedule of utility allowances for families in the program</li><li>• A PHA determination not to approve an extension or suspension of a voucher term</li><li>• A PHA determination not to approve a unit or tenancy</li><li>• A PHA determination that a unit selected by the applicant is not in compliance with the HQS</li><li>• A PHA determination that the unit is not in accordance with HQS because of family size</li><li>• A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract</li></ul> <p><u>PHA Policy</u> The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations.</p> <p><b>Informal Hearing Procedures</b> <b>Notice to the Family [24 CFR 982.555(c)]</b> When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision. For decisions related to the family’s annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision. For decisions related to the termination of the family’s assistance, or the denial of a family’s request for an exception to the PHA’s subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.</p> <p><u>PHA Policy</u> In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following: The proposed action or decision of the PHA. A brief statement of the reasons for the decision including the regulatory reference. The date the proposed action will take place. A statement of the family’s right to an explanation of the basis for the PHA’s decision. A statement that if the family does not agree with the decision the family may request an informal hearing of the decision. A deadline for the family to request the informal hearing. To whom the hearing request should be addressed. A copy of the PHA’s hearing procedures.</p> <p><b>Scheduling an Informal Hearing [24 CFR 982.555(d)]</b> When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.</p> <p><u>PHA Policy</u></p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA’s decision or notice to terminate assistance. The PHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family’s request.</p> <p>The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the “good cause” prior to rescheduling the hearing.</p> <p>Requests for extensions must be submitted in writing for consideration by the PHA. Informal hearings must be conducted within 30 calendar days from the date of the PHA’s notice of termination of assistance. Requests for informal hearings beyond 30 calendar days from the notice of termination of assistance will not be considered. If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.</p> <p><b><i>Pre-Hearing Right to Discovery [24 CFR 982.555(e)]</i></b> Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.</p> <p>The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing, any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA’s expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.</p> <p>For the purpose of informal hearings, <i>documents</i> include records and regulations.</p> <p><u>PHA Policy</u> The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.</p> <p>The PHA must be given an opportunity to examine at the PHA offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, the PHA will automatically mail a letter to the participant requesting a copy of all documents that the participant intends to present or utilize at the hearing. The participant must make the documents available no later than 12:00 pm on the business day prior to the scheduled hearing date.</p> <p><b><i>Participant’s Right to Bring Counsel [24 CFR 982.555(e)(3)]</i></b> At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.</p> <p><b><i>Informal Hearing Officer [24 CFR 982.555(e)(4)]</i></b> Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.</p> <p><b><i>Attendance at the Informal Hearing</i></b></p> <p><u>PHA Policy</u> Hearings may be attended by a hearing officer and the following applicable persons: A PHA representative(s) and any witnesses for the PHA The participant and any witnesses for the participant The participant’s counsel or other representative Any other person approved by the PHA as a reasonable accommodation for a person with a disability</p> <p><b><i>Conduct at Hearings</i></b> The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA’s hearing procedures [24 CFR 982.555(4)(ii)].</p> <p><u>PHA Policy</u> The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.</p> <p><b><i>Evidence [24 CFR 982.555(e)(5)]</i></b></p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.</p> <p><u>PHA Policy</u> Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.</p> <p><b>Oral evidence:</b> the testimony of witnesses</p> <p><b>Documentary evidence:</b> a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.</p> <p><b>Demonstrative evidence:</b> Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.</p> <p><b>Real evidence:</b> A tangible item relating directly to the case.</p> <p><i>Hearsay Evidence</i> is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.</p> <p>If either the PHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.</p> <p>Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.</p> <p><b>Hearing Officer's Decision [24 CFR 982.555(e)(6)]</b> The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family.</p> <p><u>PHA Policy</u> In rendering a decision, the hearing officer will consider the following matters:</p> <p><b>PHA Notice to the Family:</b> The hearing officer will determine if the reasons for the PHA's decision are factually stated in the Notice.</p> <p><b>Discovery:</b> The hearing officer will determine if the PHA and the family were given the opportunity to examine any relevant documents in accordance with PHA policy.</p> <p><b>PHA Evidence to Support the PHA Decision:</b> The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.</p> <p><b>Validity of Grounds for Termination of Assistance (when applicable):</b> The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.</p> <p>The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:</p> <p><b>Hearing information:</b></p> <ul style="list-style-type: none"><li>Name of the participant;</li><li>Date, time and place of the hearing;</li><li>Name of the hearing officer;</li><li>Name of the PHA representative; and</li><li>Name of family representative (if any).</li></ul> <p><b>Background:</b> A brief, impartial statement of the reason for the hearing.</p> <p><b>Summary of the Evidence:</b> The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.</p> <p><b>Findings of Fact:</b> The hearing officer will include all findings of fact, based on a preponderance of the evidence. <i>Preponderance of the evidence</i> is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.</p> <p><b>Conclusions:</b> The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.</p> <p><b>Order:</b> The hearing report will include a statement of whether the PHA's</p>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the PHA to restore the participant's program status.</p> <p><b><i>Procedures for Rehearing or Further Hearing</i></b></p> <p><u>PHA Policy</u> The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.</p> <p>In addition, within 10 business days after the date the hearing officer's report is mailed to the PHA and the participant, the PHA or the participant may request a rehearing or a further hearing. Such request must be made in writing and postmarked or hand-delivered to the hearing officer and to the other party within the 10 business day period. The request must demonstrate cause, supported by specific references to the hearing officer's report, why the request should be granted.</p> <p>A rehearing or a further hearing may be requested for the purpose of rectifying any obvious mistake of law made during the hearing or any obvious injustice not known at the time of the hearing.</p> <p>It shall be within the sole discretion of the PHA to grant or deny the request for further hearing or rehearing. A further hearing may be limited to written submissions by the parties, in the manner specified by the hearing officer.</p> <p><b><i>PHA Notice of Final Decision [24 CFR 982.555(f)]</i></b> The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.</p> <p>If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.</p> <p><u>PHA Policy</u> The PHA will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail, postage pre-paid with an affidavit of mailing enclosed. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof mailing will be maintained in the PHA's file.</p> <p><b>16-IIL.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]</b> Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.</p> <p>Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.</p> <p>A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.</p> <p><b>Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]</b> As discussed in Chapters 3 and 11, the notice of denial or termination of assistance for noncitizens must advise the family:</p> <ul style="list-style-type: none"><li>• That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.</li><li>• The family may be eligible for proration of assistance.</li><li>• In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].</li><li>• That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.</li><li>• That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.</li><li>• For applicants, assistance may not be delayed until the conclusion of the USCIS appeal</li></ul>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>process, but assistance may be delayed during the period of the informal hearing process.</p> <p><b>USCIS Appeal Process [24 CFR 5.514(e)]</b> When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.</p> <p><b>PHA Policy</b> The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results. The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.</p> <p>The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.</p> <p>The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.</p> <p><b>PHA Policy</b> The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.</p> <p><b>Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]</b> After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.</p> <p>The informal hearing procedures for applicant families are described below.</p> <p><b>Informal Hearing Officer</b> The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.</p> <p><b>Evidence</b> The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.</p> <p><b>PHA Policy</b> The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.</p> <p>The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.</p> <p>The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.</p> <p><b>Representation and Interpretive Services</b> The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf. The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the PHA, as may be agreed upon by the two parties.</p> <p><b>Recording of the Hearing</b> The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.</p> <p><b>PHA Policy</b> The PHA will not provide a transcript of an audio taped hearing.</p> <p><b>Hearing Decision</b> The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.</p> <p><b>Informal Hearing Procedures for Residents [24 CFR 5.514(f)]</b> After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.</p>
--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.</p> <p><b>Retention of Documents [24 CFR 5.514(h)]</b></p> <p>The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:</p> <ul style="list-style-type: none"> <li>• The application for assistance</li> <li>• The form completed by the family for income reexamination</li> <li>• Photocopies of any original documents, including original USCIS documents</li> <li>• The signed verification consent form</li> <li>• The USCIS verification results</li> <li>• The request for a USCIS appeal</li> <li>• The final USCIS determination</li> <li>• The request for an informal hearing</li> <li>• The final informal hearing decision</li> </ul>
6.	Designated Housing for Elderly and Disabled Families.	No Change.
7.	Community Service and Self-Sufficiency.	<p style="text-align: center;"><b>Admissions and Continued Occupancy Policy</b></p> <p style="text-align: center;"><b>Chapter 11</b></p> <p style="text-align: center;"><b>COMMUNITY SERVICE</b></p> <p><b>INTRODUCTION</b></p> <p>This chapter explains HUD regulations requiring PHAs to implement a community service program for all nonexempt adults living in public housing.</p> <p>This chapter describes HUD regulations and PHA policies related to these topics in two parts:</p> <p style="padding-left: 40px;"><u>Part I: Community Service Requirements.</u> This part describes who is subject to the community service requirement, who is exempt, and HUD’s definition of economic self-sufficiency.</p> <p style="padding-left: 40px;"><u>Part II: PHA Implementation of Community Service.</u> This part provides PHA policy regarding PHA implementation and program design.</p> <p style="text-align: center;"><b>PART I: COMMUNITY SERVICE REQUIREMENT</b></p> <p><b>11-IA. OVERVIEW</b></p> <p>HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). PHAs and residents must comply with the community service requirement, effective with PHA fiscal years that commenced on or after October 1, 2000. Per 903.7(1)(1)(iii), the PHA Plan must contain a statement of how the PHA will comply with the community service requirement, including any cooperative agreement that the PHA has entered into or plans to enter into.</p> <p>Community service is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities [24 CFR 960.601(b)].</p> <p>In administering community service requirements, the PHA must comply with all</p>

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].</p> <p><b>11-I.B. REQUIREMENTS</b></p> <p>Each adult resident of the PHA, who is not exempt, must [24 CFR 960.603(a)]:</p> <ul style="list-style-type: none"><li>▪ Contribute 8 hours per month of community service; or</li><li>▪ Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or</li><li>▪ Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs).</li></ul> <p style="text-align: center;"><u>PHA Policy</u></p> <p>An individual may not skip a month and then double up the following month, unless special circumstances warrant it. The PHA will make the determination of whether to permit a deviation from the schedule.</p> <p>Individuals who have special circumstances which they believe will prevent them from completing the required community service hours for a given month, must notify the PHA in writing within 5 business days of the circumstances becoming known. The PHA will review the request and notify the individual, in writing, of its determination within 10 business days. The PHA may require those individuals to provide documentation to support their claim.</p> <p><b>Definitions</b></p> <p><b><i>Exempt Individual [24 CFR 960.601(b), Notice PIH 2009-48]</i></b></p> <p>An <i>exempt individual</i> is an adult who:</p> <ul style="list-style-type: none"><li>▪ Is age 62 years or older</li><li>▪ Is blind or disabled (as defined under section 216[i][1] or 1614 of the Social Security Act), and who certifies that because of this disability s/he is unable to comply with the service provisions</li><li>▪ Is a primary caretaker of such an individual</li><li>▪ Is engaged in work activities</li></ul> <p style="text-align: center;"><u>PHA Policy</u></p> <p>The PHA will consider 30 hours per week as the minimum number of hours needed to qualify for a work activity exemption.</p> <ul style="list-style-type: none"><li>▪ Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program; or</li><li>▪ 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 PHA is located, including a state-administered welfare-to-work program, and has not been found by the state or other administering entity to be in noncompliance with such program.</li></ul> <p><b><i>Community Service [24 CFR 960.601(b), Notice PIH 2009-48]</i></b></p> <p><i>Community service</i> 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.</p> <p>Eligible community service activities include, but are not limited to, work at:</p> <ul style="list-style-type: none"><li>▪ Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)</li><li>▪ Nonprofit organizations serving PHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children’s recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs</li></ul>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<ul style="list-style-type: none"><li>▪ Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels</li><li>▪ Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts</li><li>▪ PHA housing to improve grounds or provide gardens (so long as such work does not alter the PHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board</li><li>▪ Care for the children of other residents so parent may volunteer</li></ul> <p>PHAs may form their own policy in regards to accepting community services at profit-motivated entities, acceptance of volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work.</p> <p style="text-align: center;"><u>PHA Policy</u></p> <p style="text-align: center;">The PHA will accept community services at profit-motivated entities, volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work as eligible community service activities.</p> <p><b><i>Economic Self-Sufficiency Program [24 CFR 5.603(b), Notice PIH 2009-48]</i></b></p> <p>For purposes of satisfying the community service requirement, an <i>economic self-sufficiency program</i> is defined by HUD as any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.</p> <p>Eligible self-sufficiency activities include, but are not limited to:</p> <ul style="list-style-type: none"><li>▪ Job readiness or job training</li><li>▪ Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers</li><li>▪ Employment counseling, work placement, or basic skills training</li><li>▪ Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes</li><li>▪ Apprenticeships (formal or informal)</li><li>▪ English proficiency or English as a second language classes</li><li>▪ Budgeting and credit counseling</li><li>▪ Any activity required by the Department of Public Assistance under Temporary Assistance for Needy Families (TANF)</li><li>▪ Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)</li></ul> <p><b><i>Work Activities [42 U.S.C. 607(d)]</i></b></p> <p>As it relates to an exemption from the community service requirement, <i>work activities</i> means:</p> <ul style="list-style-type: none"><li>▪ Unsubsidized employment</li><li>▪ Subsidized private sector employment</li><li>▪ Subsidized public sector employment</li><li>▪ Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available</li><li>▪ On-the-job training</li><li>▪ Job search and job readiness assistance</li><li>▪ Community service programs</li><li>▪ Vocational educational training (not to exceed 12 months with respect to any individual)</li><li>▪ Job skills training directly related to employment</li><li>▪ Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency</li></ul>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<ul style="list-style-type: none"><li>▪ Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate</li><li>▪ Provision of child care services to an individual who is participating in a community service program</li></ul> <p><b>Notification Requirements [24 CFR 960.605(c)(2), Notice PIH 2009-48]</b></p> <p>The PHA must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for PHA verification of exempt status. The PHA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt. In addition, the family must sign a certification, Attachment A of Notice PIH 2009-48, that they have received and read the policy and understand that if they are not exempt, failure to comply with the requirement will result in nonrenewal of their lease.</p> <p><u>PHA Policy</u></p> <p>The PHA will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family’s request.</p> <p>On an annual basis, at the time of lease renewal, the PHA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes nonexempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.</p> <p><b>11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]</b></p> <p>The PHA must review and verify family compliance with service requirements annually at least thirty days before the end of the twelve month lease term. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.</p> <p><u>PHA Policy</u></p> <p>Where the lease term does not coincide with the effective date of the annual reexamination, the PHA will change the effective date of the annual reexamination to coincide with the lease term. In making this change, the PHA will ensure that the annual reexamination is conducted within 12 months of the last annual reexamination.</p> <p><b>Annual Determination</b></p> <p><i>Determination of Exemption Status</i></p> <p>An exempt individual is excused from the community service requirement [24 CFR 960.603(a)].</p> <p><u>PHA Policy</u></p> <p>At least 60 days prior to lease renewal, the PHA will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis unless the family reports a change or the PHA has reason to believe that an individual’s exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.</p> <p>Upon completion of the verification process, the PHA will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.</p> <p><i>Determination of Compliance</i></p> <p>The PHA must review resident family compliance with service requirements annually at least 30 days before the end of the twelve month lease term [24 CFR 960.605(c)(3)]. As part of this review, the PHA must verify that any family member that is not exempt from the community service requirement has met his or her service obligation.</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><u>PHA Policy</u></p> <p>Approximately 60 days prior to the end of the lease term, the PHA will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 10 business days to submit the PHA required documentation form(s).</p> <p>If the family fails to submit the required documentation within the required timeframe, or PHA approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.</p> <p><b>Change in Status between Annual Determinations</b></p> <p><u>PHA Policy</u></p> <p>Exempt to Nonexempt Status</p> <p>If an exempt individual becomes nonexempt during the twelve month lease term, it is the family’s responsibility to report this change to the PHA within 10 business days.</p> <p>Within 10 business days of a family reporting such a change, or the PHA determining such a change is necessary, the PHA will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.</p> <p>The effective date of the community service requirement will be the first of the month following 30 day notice.</p> <p>Nonexempt to Exempt Status</p> <p>If a nonexempt person becomes exempt during the twelve month lease term, it is the family’s responsibility to report this change to the PHA within 10 business days. Any claim of exemption will be verified by the PHA in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.</p> <p>Within 10 business days of a family reporting such a change, or the PHA determining such a change is necessary, the PHA will provide the family written notice that the family member is no longer subject to the community service requirement, if the PHA is able to verify the exemption.</p> <p>The exemption will be effective immediately.</p> <p><b>11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4)]</b></p> <p>The PHA must retain reasonable documentation of service requirement performance or exemption in participant files.</p> <p><b>Documentation and Verification of Exemption Status</b></p> <p><u>PHA Policy</u></p> <p>All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The PHA will provide a completed copy to the family and will keep a copy in the tenant file.</p> <p>The PHA will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.</p> <p>The PHA makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the PHA’s determination, s/he can dispute the decision through the PHA’s grievance procedures (see Chapter 14).</p> <p><b>Documentation and Verification of Compliance</b></p> <p>At each regularly scheduled reexamination, each nonexempt family member presents a signed standardized certification form developed by the PHA of community service and self-sufficiency activities performed over the last 12 months [Notice PIH 2009-48].</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p>If qualifying community service activities are administered by an organization other than the PHA, a family member who is required to fulfill a service requirement must provide certification to the PHA, signed by the organization, that the family member has performed the qualifying activities [24 CFR 960.607].</p> <p><u>PHA Policy</u></p> <p>If anyone in the family is subject to the community service requirement, the PHA will provide the family with community service documentation forms at admission, at lease renewal, when a family member becomes subject to the community service requirement during the lease term, or upon request by the family.</p> <p>Each individual who is subject to the requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed.</p> <p>Families will be required to submit the documentation to the PHA, upon request by the PHA.</p> <p>If the PHA has reasonable cause to believe that the certification provided by the family is false or fraudulent, the PHA has the right to require third-party verification.</p> <p><b>11-IE. NONCOMPLIANCE</b></p> <p><b>Initial Noncompliance</b></p> <p>The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term, but not for termination of tenancy during the course of the twelve month lease term [24 CFR 960.603(b)].</p> <p>If the tenant or another family member has violated the community service requirement, the PHA may not renew the lease upon expiration of the twelve-month term of the lease, unless the tenant and any other noncompliant family member enter into a written agreement with the PHA. Under this agreement the tenant or noncompliant family member must agree to cure the noncompliance by completing the additional hours of community service or economic self-sufficiency needed to make up the total number of hours required, over the twelve-month term of the new lease. In addition, all other members of the family who are subject to the service requirement must be currently complying with the service requirement or must no longer be residing in the unit [24 CFR 960.607(c), Notice PH 2009-48].</p> <p><i>Notice of Initial Noncompliance [24 CFR 960.607(b)]</i></p> <p>If the PHA determines that there is a family member who is required to fulfill a service requirement, but who has failed to comply with this obligation (noncompliant resident), the PHA must notify the tenant of this determination.</p> <p>The notice to the tenant must briefly describe the noncompliance. The notice must state that the PHA will not renew the lease at the end of the twelve-month lease term unless the tenant, and any other noncompliant resident, enter into a written agreement with the PHA to cure the noncompliance, or the family provides written assurance satisfactory to the PHA that the tenant or other noncompliant resident no longer resides in the unit.</p> <p>The notice must also state that the tenant may request a grievance hearing on the PHA's determination, in accordance with the PHA's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the PHA's nonrenewal of the lease because of the PHA's determination.</p> <p><u>PHA Policy</u></p> <p>The notice of initial noncompliance will be sent at least 45 days prior to the end of the lease term.</p> <p>The family will have 10 business days from the date of the notice of noncompliance to enter into a written agreement to cure the noncompliance over the 12 month term of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.</p> <p>If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the PHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well</p>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>as evidence of the current address of the family member that previously resided with them.</p> <p>If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the PHA will terminate tenancy in accordance with the policies in Section 13-IV.D.</p> <p><b>Continued Noncompliance [24 CFR 960.607(b)]</b></p> <p>If, after the 12 month cure period, the family member is still not compliant, the PHA must terminate tenancy of the entire family, according to the PHA’s lease, unless the family provides documentation that the noncompliant resident no longer resides in the unit.</p> <p><u>PHA Policy</u></p> <p>Notices of continued noncompliance will be sent at least 30 days prior to the end of the lease term and will also serve as the family’s termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.</p> <p>The family will have 10 business days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.</p> <p>If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the PHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.</p> <p>If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family’s lease and tenancy will automatically terminate at the end of the current lease term without further notice.</p> <p><b>Enforcement Documentation [Notice PIH 2009-48]</b></p> <p>PHAs are required to initiate due process (see 24 CFR 966.53(c)) against households failing to comply with lease requirements including the community service and self-sufficiency requirement.</p> <p>When initiating due process, the PHA must take the following procedural safeguards:</p> <ul style="list-style-type: none"><li>• Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction</li><li>• Right of the tenant to be represented by counsel</li><li>• Opportunity for the tenant to refute the evidence presented by the PHA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have</li><li>• A decision on merits</li></ul> <p><b>PART II: IMPLEMENTATION OF COMMUNITY SERVICE</b></p> <p><b>11-II.A. OVERVIEW</b></p> <p>Each PHA must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the PHA’s best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.</p> <p><b>PHA Implementation of Community Service</b></p> <p>The PHA may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by PHA employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].</p> <p><u>PHA Policy</u></p> <p>The PHA will notify its insurance company if residents will be performing community service at the PHA. In addition, the PHA will ensure that the conditions under which the work is to be performed are not hazardous.</p> <p>If a disabled resident certifies that s/he is able to perform community service, the PHA</p>
--	--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>will ensure that requests for reasonable accommodation are handled in accordance with the policies in Chapter 2.</p> <p><b>PHA Program Design</b></p> <p>The PHA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].</p> <p><u>PHA Policy</u></p> <p>The PHA will attempt to provide the broadest choice possible to residents as they choose community service activities.</p> <p>The PHA’s goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The PHA will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.</p> <p>The PHA will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the PHA will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.</p> <p>Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the PHA Plan.</p> <p>The PHA will provide in-house opportunities for volunteer work or self-sufficiency programs when possible.</p> <p>When the PHA has a ROSS program, a ROSS Service Coordinator, or an FSS program, the PHA will coordinate individual training and service plans (ITSPs) with the community service requirement. Regular meetings with PHA coordinators will satisfy community service activities and PHA coordinators will verify community service hours within individual monthly logs.</p> <p><b>EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY</b></p> <p><b>A. Background</b></p> <p>The Quality Housing and Work Responsibility Act of 1998 requires that all nonexempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.</p> <p><b>B. Definitions</b></p> <p><b>Community Service</b> – community service activities include, but are not limited to, work at:</p> <ul style="list-style-type: none"><li>▪ Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)</li><li>▪ Nonprofit organizations serving PHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children’s recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs</li><li>▪ Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels</li><li>▪ Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts</li><li>▪ PHA housing to improve grounds or provide gardens (so long as such work does not alter the PHA’s insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board</li><li>▪ Care for the children of other residents so parent may volunteer</li></ul>
--	--	---

## Attachment B

### Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

	<p><i>Note:</i> Political activity is excluded.</p> <p><b>Self-Sufficiency Activities</b> – self-sufficiency activities include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Job readiness or job training</li> <li>• Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers</li> <li>• Employment counseling, work placement, or basic skills training</li> <li>• Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes</li> <li>• Apprenticeships (formal or informal)</li> <li>• English proficiency or English as a second language classes</li> <li>• Budgeting and credit counseling</li> <li>• Any activity required by the Department of Public Assistance under Temporary Assistance for Needy Families (TANF)</li> <li>• Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)</li> </ul> <p><b>Exempt Adult</b> – an adult member of the family who meets any of the following criteria:</p> <ul style="list-style-type: none"> <li>• Is 62 years of age or older</li> <li>• Is blind or a person with disabilities (as defined under section 216[i][I] or 1614 of the Social Security Act), and who certifies that because of this disability he or she is unable to comply with the service provisions, or is the primary caretaker of such an individuals</li> <li>• Is engaged in <i>work activities</i></li> <li>• Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program; or</li> <li>• 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 PHA is located, including a state-administered welfare-to-work program, and has not been found by the state or other administering entity to be in noncompliance with such program.</li> </ul> <p><b>Work Activities</b> – as it relates to an exemption from the community service requirement, <i>work activities</i> means:</p> <ul style="list-style-type: none"> <li>▪ Unsubsidized employment</li> <li>▪ Subsidized private sector employment</li> <li>▪ Subsidized public sector employment</li> <li>▪ Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available</li> <li>▪ On-the-job training</li> <li>▪ Job search and job readiness assistance</li> <li>▪ Community service programs</li> <li>▪ Vocational educational training (not to exceed 12 months with respect to any individual)</li> <li>▪ Job skills training directly related to employment</li> <li>▪ Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency</li> <li>▪ Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate</li> <li>▪ Provision of child care services to an individual who is participating in a community service program</li> </ul>
--	---

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p><b>C. Requirements of the Program</b></p> <ol style="list-style-type: none"><li>1. The eight (8) hours per month may be either volunteer work or self-sufficiency program activity, or a combination of the two.</li><li>2. At least eight (8) hours of activity must be performed each month. An individual may not skip a month and then double up the following month, unless special circumstances warrant special consideration. The housing authority will make the determination of whether to allow or disallow a deviation from the schedule based on a family's written request.</li><li>3. Family obligation:<ul style="list-style-type: none"><li>• At lease execution, all adult members (18 or older) of a public housing resident family must:<ul style="list-style-type: none"><li>– Sign a certification (Attachment A) that they have received and read this policy and understand that if they are not exempt, failure to comply with the community service requirement will result in a nonrenewal of their lease; and</li><li>– Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.</li></ul></li><li>• Upon written notice from the PHA, nonexempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying to the number of hours contributed.</li><li>• If a family member is found to be noncompliant at the end of the 12-month lease term, he or she, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, or the lease will be terminated.</li></ul></li><li>4. Change in exempt status:<ul style="list-style-type: none"><li>• If, during the twelve (12) month lease period, a nonexempt person becomes exempt, it is his or her responsibility to report this to the PHA and provide documentation of exempt status.</li><li>• If, during the twelve (12) month lease period, an exempt person becomes nonexempt, it is his or her responsibility to report this to the PHA. Upon receipt of this information the PHA will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.</li></ul></li></ol> <p><b>D. Authority Obligation</b></p> <ol style="list-style-type: none"><li>1. To the greatest extent possible and practicable, the PHA will:<ul style="list-style-type: none"><li>• Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.</li><li>• Provide in-house opportunities for volunteer work or self-sufficiency activities.</li></ul></li><li>2. The PHA will provide the family with a copy of this policy, and all applicable exemption verification forms and community service documentation forms, at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.</li><li>3. Although exempt family members will be required to submit documentation to support their exemption, the PHA will verify the exemption status in accordance with its verification policies. The PHA will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the PHA's grievance procedure if they disagree with the PHA's determination.</li><li>4. Noncompliance of family member:<ul style="list-style-type: none"><li>• At least thirty (30) days prior to the end of the 12-month lease term, the PHA will begin reviewing the exempt or nonexempt status and compliance of family members;<ul style="list-style-type: none"><li>– The PHA will secure a certification of compliance from nonexempt family members (Attachment B).</li></ul></li></ul></li></ol>
--	--	--

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<ul style="list-style-type: none"> <li>• If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the PHA finds the family member to be noncompliant, the PHA will not renew the lease unless:             <ul style="list-style-type: none"> <li>– The head of household and any other noncompliant resident enter into a written agreement with the PHA, to make up the deficient hours over the next twelve (12) month period; or</li> <li>– The family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit.</li> </ul> </li> <li>• If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit;</li> <li>• The family may use the PHA’s grievance procedure to dispute the lease termination.</li> </ul> <p>All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.</p> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> <span>Resident _____</span> <span>Date _____</span> </div> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> <span>Resident _____</span> <span>Date _____</span> </div> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> <span>Resident _____</span> <span>Date _____</span> </div> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> <span>Resident _____</span> <span>Date _____</span> </div>
<p><b>EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(1) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE</b></p>		
<p><b>Social Security Act:</b></p> <p><b>216(i)(1):</b> Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term “disability” means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term “blindness” means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.</p> <p><b>Section 1416 (excerpt):</b></p> <p>SEC. 1614. [42 U.S.C. 1382c] (a)(1) For purposes of this title, the term “aged, blind, or disabled individual” means an individual who—</p> <p style="padding-left: 40px;">(A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and</p> <p style="padding-left: 40px;">(B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or</p> <p style="padding-left: 40px;">(ii) is a child who is a citizen of the United States and, who is living with a parent of the</p>		

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.</p> <p>(2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.</p> <p>(3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.</p> <p style="text-align: center;"><b>EXHIBIT 11-3: PHA DETERMINATION OF EXEMPTION FOR COMMUNITY SERVICE</b></p> <p>Family: _____</p> <p>Adult family member: _____</p> <p>This adult family member meets the requirements for being exempted from the PHA's community service requirement for the following reason:</p> <p><input type="checkbox"/> 62 years of age or older (<i>Documentation of age in file</i>)</p> <p><input type="checkbox"/> Is a person with disabilities and self-certifies below that he or she is unable to comply with the community service requirement (<i>Documentation of HUD definition of disability in file</i>)</p> <p><b>Tenant certification:</b> I am a person with disabilities and am unable to comply with the community service requirement.</p> <p>_____</p> <p style="text-align: center;">Signature of Family Member Date</p> <p><input type="checkbox"/> Is the primary caretaker of such an individual in the above category. (<i>Documentation in file</i>)</p> <p><input type="checkbox"/> Is engaged in work activities (<i>Verification in file</i>)</p> <p><input type="checkbox"/> Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program (<i>Documentation in file</i>)</p> <p><input type="checkbox"/> 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 PHA is located, including a state-administered welfare-to-work program, and has not been found by the state or other administering entity to be in noncompliance with such program (<i>Documentation in file</i>)</p> <p>_____</p> <p style="text-align: center;">Signature of Family Member</p>
--	--	--

## Attachment B

### Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		Date  _____  Signature of PHA Official Date
8.	Safety and Crime Prevention.	No Change.
9.	Pets.	No Change.
10.	Civil Rights Certification.	No Change.
11.	Fiscal Year Audit.	<p>FY2009 Audit is the most recent completed audit.</p> <p>1. The auditor writes “We recommend management review all financial activities of their affiliates and make the necessary appropriate disclosures in the financial statements of the Component Unit”.</p> <p>The Housing Authority respectfully disagrees with this finding. First, the parcels in question were among several odd, non-buildable or uninhabitable parcels that were of little or no market value and that were previously held in the name of the affiliate. These parcels were transferred, in most cases to adjoining landowners, for minimum legal consideration in order to avoid the Component Unit’s continued costs of maintaining or otherwise carrying these parcels. Second, the practices involved in both holding and transferring these parcels in this manner had been ongoing for several years and, as such, had not been identified as findings or as otherwise being problematic in this auditor’s past audits, despite similar transactions having been noted in Board meeting minutes. As a result of such not having been identified through previous audits, the Component Unit assumed that the transactions and the method of recording same were not improper.</p> <p>The housing authority has met the auditor recommendation in that it has transferred the remaining parcels from the affiliate to the Component Unit and dissolved the affiliate. As a result, all future transactions will be reflected on the Component Unit’s financial records. This compliance is complete and in effect. Board Action Document R1 21 01 confirming board approval of the BEV LLC dissolution and transfer of all assets and activities to the component unit, along with the State evidence of dissolution.</p> <p>2. The auditor writes “We recommend the Authority obtain the necessary Board authorization for issuing bonuses. The authority’s Board should also develop a policy for determining bonuses and set out the criteria for evaluating the circumstances of calculating bonuses, within the rules and regulations established by the Department of Housing and Urban Development.</p> <p>The Housing Authority respectfully disagrees with this finding. This finding is in respect to grant budgeted administrative expense. The budgeted amount was projected to support the necessary administrative costs through the end of the grant, 09/30/08, and the payment was the reconciliation of the under spent administrative budget to assure program financial capacity through the end of the grant.</p> <p>The housing authority has met the auditor recommendation by reviewing this finding with the Board and it has been reaffirmed that the housing authority will continue, as in the past, to require Board policy and approval should the Board wish to evaluate and determine bonuses for employees, with such policy and approval within the rules and regulations of the Department of Housing and Urban Development. This compliance is complete and in effect. Board action 10 R 16.</p> <p>3. The auditor writes “We recommend the Housing authority exercise more care in processing and recording transactions and that more care be taken to ensure the completeness of financial reporting. The authority must also obtain the necessary documented approval when transferring funds between programs”.</p>

## Attachment B

### Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>The Housing Authority respectfully disagrees with this finding. The adjusting journal entries occurred with the auditor of this report made the entries the prior year. Once the Housing Authority learned of this our subsequent correction of this year was again changed by the auditors of this report. We did not receive adequate explanation from the auditor of this report why the number of journal entries, which was eight, would be a significant number, or to what threshold the auditor of this report would use to establish as definition of significant.</p> <p>The housing authority did not process these transactions; they were done by the auditor without housing authority approval. Nor is the recommendation relevant to the finding, as detailed within the Management Response. Regardless, the housing authority has met the auditor recommendation by now requiring the auditor to request approval prior to making any journal entries, both to contain the number of entries made by the auditor and to assure the housing authority’s documented approval. This compliance is complete and in effect.</p> <p>4. The auditor writes “We recommend that the Housing authority place greater emphasis on operating within the budget constraints. Also, when it appears that the current budget has become insufficient, the Housing authority must prepare a budget revision”.</p> <p>The housing authority has met the auditor recommendation in continuing budget revisions as necessary. This compliance is complete and in effect. Board action 10R7.</p> <p>5. The auditor writes “We recommend management fully implement the conversion to Asset Management”.</p> <p>The Housing Authority respectfully disagrees with this finding, as it does not operate under asset management as properly allowed by Resolution No. 069 R 06 dated 01/15/09, approving the Authority’s selection to opt out of asset management per HUD Notice PIH 2008-16.</p> <p>This is a Board policy decision regulatory allowance by regulation of the Department of Housing and Urban Development, and beyond the authority of the auditor. Regardless, the housing authority has met the auditor recommendation by affirming that it is not required to implement the conversion to asset management, as properly documented by Board policy approval Resolution No. 09 R 06 [sic within the auditor report] dated 01/15/09, approving the Authority’s election to opt out of asset management per the allowable regulation of the Department of Housing and Urban Development, HUD PIH 2008-16. This compliance is complete and in effect.</p>
12.	Asset Management.	No Change.
13.	Violence Against Women Act (VAWA).	<p>The PHA relies on the following definition for use in its policies and programs.</p> <p><b>3-III.F. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [Pub.L. 109-162]</b></p> <p>The Violence against Women Reauthorization Act of 2005 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking. Specifically, Section 607(2) of VAWA adds the following provision to Section 6 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the public housing program:</p> <p style="padding-left: 40px;">Every contract for contributions shall provide that . . . the public housing agency shall not deny admission to the project to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking if the applicant otherwise qualifies for assistance or admission, and that nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.</p> <p><b>Definitions</b> As used in VAWA:</p> <ul style="list-style-type: none"> <li>• The term <i>domestic violence</i> includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.</li> <li>• The term <i>dating violence</i> means violence committed by a person who is or has been in a</li> </ul>

# Attachment B

## Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:</p> <ul style="list-style-type: none"><li>- The length of the relationship</li><li>- The type of relationship</li><li>- The frequency of interaction between the persons involved in the relationship</li></ul> <ul style="list-style-type: none"><li>• The term <i>stalking</i> means:<ul style="list-style-type: none"><li>- To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or</li><li>- To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and</li><li>- In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.</li></ul></li><li>• The term <i>immediate family member</i> means, with respect to a person –<ul style="list-style-type: none"><li>- A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or</li><li>- Any other person living in the household of that person and related to that person by blood and marriage.</li></ul></li></ul> <p><b>Notification and Victim Documentation</b></p> <p><u>PHA Policy</u></p> <p>The PHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history that would warrant denial under the PHA’s policies. Therefore, if the PHA makes a determination to deny admission to an applicant family on the basis of an unfavorable history, the PHA will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, or stalking.</p> <p>The documentation must include two elements:</p> <ul style="list-style-type: none"><li>A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking</li><li>One of the following:<ul style="list-style-type: none"><li>A police or court record documenting the actual or threatened abuse</li><li>A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.</li></ul></li></ul> <p>The applicant must submit the required documentation with her or his request for an informal hearing (see section 14-I.B) or must request an extension in writing at that time. If the applicant so requests, the PHA will grant an extension of 10 business days, and will postpone scheduling the applicant’s informal hearing until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the PHA determines the family is eligible for assistance, no informal hearing will be scheduled and the PHA will proceed with admission of the applicant family.</p> <p><b>Perpetrator Removal or Documentation of Rehabilitation</b></p> <p><u>PHA Policy</u></p> <p>In cases where an applicant family includes the perpetrator as well as the victim of domestic violence, dating violence, or stalking, the PHA will proceed as above but will require, in addition, either (a) that the perpetrator be removed from the applicant household and not reside in the public housing unit or (b) that the family provide documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment.</p> <p>If the family elects the second option, the documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving</p>
--	--	--

## Attachment B

### Section 6.0 – PHA Plan Elements. (24 CFR 903.7)

		<p>assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation. This additional documentation must be submitted within the same time frame as the documentation required above from the victim.</p> <p><b>PHA Confidentiality Requirements</b> All information provided to the PHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.</p>
--	--	--

# **Attachment C**

## **Carbon Monoxide Detector Act**

The housing authority operates in compliance with the Carbon Monoxide Alarm Detector Act for both the public housing and the Section 8 program. The Carbon Monoxide Alarm Act requires that every dwelling unit be equipped with at least one approved carbon monoxide alarm in an operating condition within 15 feet of every room used for sleeping purposes. Provides that the carbon monoxide alarm may be combined with smoke detecting devices provided that the combined unit complies with the respective provisions of the administrative code, reference standards, and departmental rules relating to both smoke detecting devices and carbon monoxide alarms and provided that the combined unit emits an alarm in a manner that clearly differentiates the hazard. Provides that it is the responsibility of the owner of a structure to supply and install all required alarms. Provides that it is the responsibility of a tenant to test and to provide general maintenance for the alarms within the tenant's dwelling unit or rooming unit, and to notify the owner or the authorized agent of the owner in writing of any deficiencies that the tenant cannot correct. Provides that the willful failure to install or maintain in operating condition any carbon monoxide alarm required by the Act is a Class B misdemeanor. Provides that tampering with, removing, destroying, disconnecting, or removing the batteries from any installed carbon monoxide alarm, except in the course of inspection, maintenance, or replacement of the alarm, is a Class A misdemeanor in the case of a first conviction, and a Class 4 felony in the case of a second or subsequent conviction. Provides for exemptions.

## **Procurement Plan Changes**

In accordance with the American Recovery and Revitalization Act, the procurement plan has been revised accordingly (the unrevised portion of the policy has not been included):

### **WINNEBAGO COUNTY HOUSING AUTHORITY CONTRACTING AND PROCUREMENT**

#### **CONTRACTING AND PROCUREMENT DIVISION CAPITAL FUND STIMULUS GRANT PROCUREMENT POLICY**

##### TABLE OF CONTENTS

I.	PREFACE
II.	GENERAL PROVISIONS
III.	PROCUREMENT AUTHORITY AND ADMINISTRATION
IV.	PROCUREMENT METHODS
V.	CONTRACTOR QUALIFICATIONS AND DUTIES
VI.	TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION
VII.	SPECIFICATIONS
VIII.	APPEALS AND REMEDIES
IX.	ASSISTANCE TO SMALL, WOMEN, AND MINORITY OWNED BUSINESSES
X.	ETHICS IN PUBLIC CONTRACTING
XI.	REFERENCE DOCUMENTS
XII.	FORMS
XIII.	GLOSSARY OF PHA PROCUREMENT TERMS
XIV.	APPENDICES

## Capital Fund Stimulus Grant Procurement Policy

### I. PREFACE

This Capital Fund Stimulus Grant Procurement Policy is established by the Board of Commissioners [Commission], of the Winnebago County Housing Authority [Authority] Rockford, Illinois to provide the Authority staff with a set of policies for procurement of supplies, equipment, services and construction activities related to Capital Fund Stimulus Grants.

### II. GENERAL PROVISIONS

#### A. GOAL OF THE CAPITAL FUND STIMULUS GRANT PROCUREMENT POLICY

The Capital Fund Stimulus Grant Procurement Policy is established to provide for the fair and equitable treatment of all persons or firms involved in purchasing by the Authority; assure that supplies, equipment, services, and construction activities are procured efficiently, effectively and at the most favorable prices available to the Authority; promote competition in contracting; provide safeguards by maintaining a centralized procurement system of quality and integrity; and to assure that Authority purchasing actions are in full compliance with applicable Federal standards, HUD regulations, The American Recovery and Reinvestment Act of 2009, and State and local laws.

#### B. APPLICATION

This Procurement Policy applies to all contracts and procurement actions undertaken by the Authority related to Capital Fund Stimulus Grants. Nothing in this Capital Fund Stimulus Grant Procurement Policy shall prevent the Authority from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law. The term "procurement", as used in this Procurement Policy includes Purchase Orders, Contracts and Contract Modifications, used to obtain supplies, equipment, services, construction activities, and the lease or rental of supplies, equipment or facilities.

#### C. PUBLIC ACCESS TO PROCUREMENT INFORMATION

Procurement information shall be a matter of public record to the extent provided in Illinois Compiled Statutes General Provisions [5ILCS140/] Freedom of Information Act

#### D. UNAUTHORIZED OBLIGATIONS

Under no circumstances, except as stated below, are funds to be obligated by Authority and members of its staff unless authorized through the proper procurement process as outlined in this Capital Fund Stimulus Grant Procurement Policy.

In cases where time is of the essence in order to protect lives, property or in other emergency situations, the Executive Director, acting as the Contracting Officer for the Authority, is authorized to obligate money on behalf of the Authority. The procurement action including related justification documents will be submitted as a resolution to the Commissioners for prior approval, or ratification if funds have been obligated by the Executive Director's action.

#### E. NO PRE PAYMENT / PAYMENT IN ADVANCE FOR GOODS OR SERVICES

The Authority will only authorize payments to vendors or contractors if the following conditions are met: for services, the work must have been rendered and deemed acceptable; for goods, the items must have been received and accepted; the price is determined to be fair and reasonable. Payments to governmental agencies and public utilities will be made in conformance with the requirements of those entities.

#### F. COST AND PRICE ANALYSIS

A cost or price analysis shall be performed for all procurement actions, including contract modifications, in order to determine price reasonableness.

#### G. CANCELLATION OF SOLICITATIONS

1. An Invitation for Bid, Request for Proposal, Request for Qualifications or other solicitation may be cancelled anytime before opening.
2. A solicitation may be cancelled and all bids or proposals that have already been received will be returned at any time prior to the awarding of a contract.
3. Any and all bids may be rejected if there is a sound documented reason.

#### H. AMENDING PROCUREMENT POLICY OR PROCEDURES

1. The Capital Fund Stimulus Grant Procurement Policy of the Authority as stated within this document only is amended through resolution and approval of the Commissioners.
2. The Procurement Procedures of the Authority may be amended at any time at the discretion of the Executive Director, and do not require Commissioners approval.

- I. ECONOMIC OPPORTUNITIES FOR PUBLIC HOUSING RESIDENTS
  1. In order to ensure that employment opportunities are available to Housing Authority residents, the Commission expects all contractors to adhere to the requirements outlined under Section 3 of the Housing and Urban Development Act of 1968 as stated in 24 CFR 13.
  2. Additionally, to ensure Public Housing Authority residents have the best opportunity to apply, be trained and be considered for entry-level jobs outside of Housing Authority Contracts, the Authority through the Executive Director will participate in the enter a hiring program here.

**III. PROCUREMENT AUTHORITY AND ADMINISTRATION**

- A. CONTRACTING OFFICER  
The Executive Director is the Contracting Officer with the authority to delegate to the Contract & Procurement Coordinator to act on behalf of the Contracting Officer in carrying out the Authority’s contracting program.
- B. PROCEDURES  
The Executive Director shall issue operational procedures to implement the Procurement Policy which shall be based on 24 CFR 85.36 Procurement, HUD’s Handbook 7460.8, “Procurement Handbook for Public Housing Agencies”, HUD’s Annual Contributions Contract, 24 CFR 941 Public Housing Development for Public Housing Agencies, 24 CFR 135 Contracting Opportunities for Project Area Business, 24 CFR 963 Contracting With Resident Owned Businesses, and the State of Illinois Public Contract Code
- C. REVISIONS  
This Procurement Policy and any later changes shall be submitted to the Commission for approval. The Commission appoints and delegates procurement authority to the Executive Director and is responsible for ensuring that any procurement policies adopted are appropriate for the Authority.
- D. PROCUREMENT THRESHOLDS
  1. The Commission shall approve through resolution all Contracts or commitment of funds that exceed \$25,000 dollars.
  2. The Executive Director is hereby authorized to enter into Contracts or commit funds up to \$25,000 dollars.

**IV. PROCUREMENT METHODS**

- A. SMALL PURCHASES
  1. General: Any procurement not exceeding \$100,000 may be made in accordance with HUD’s Small Purchase procedures and as authorized in this section. Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section [except as may be reasonably necessary to comply with Section IX, Assistance to Small and Other Businesses] or to constitute purchases not requiring Commission review.
  2. Petty Cash Purchases: Small purchases under \$50, which can be satisfied by local sources, may be processed through the use of a Petty Cash Account. [Petty Cash Account not to exceed \$500].
  3. Purchases of \$2,500 or less: For small purchases below \$2,500 only one quotation or bid need be solicited if the price received is considered reasonable and documented in the file
  4. Purchases over \$2,500: For small purchases in excess of \$25,000 but not exceeding \$100,000 no less than three offerors shall be solicited to submit a price quotation, bid or proposal depending on the complexity of the procurement.
- B. SEALED BIDS  
For procurements under the Capital Fund Program and the HOPE VI Programs, sealed bidding is the preferred method used for all construction and equipment contracts. [CFR 85.36-(c) (4) (d) (2) (i)].
- C. COMPETITIVE PROPOSALS
  1. Request for Proposals [RFP]: Competitive proposals may be used if there is an adequate method of evaluating technical proposals (price and other factors considered – CFR 85.36, Evaluation Criteria 7460.8 REV 1, 4-20), where the Authority determines that conditions are not appropriate for uses of sealed bids. An adequate number of qualified sources shall be solicited and given sufficient time to provide a responsive proposal.
  2. Request for Qualifications [RFQ] : The Government Code of the State of Illinois requires the selection of professional services which includes architectural, landscape architectural, engineering, environmental, land surveying or construction project management firms be procured by qualification Based Selection Process.

D. NON COMPETITIVE PROPOSALS

1. **Conditions for Use:** Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using purchase procedures, sealed bids, or competitive proposals, and one of the following applies:
  - a. The item is available only from a single source, determined by market research or there is a reasonable basis that the Authority's minimum need can only be satisfied by a unique supply, service or trade.
  - b. The public exigency or an emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - c. The awarding agency authorizes non-competitive proposals; or
  - d. After solicitation of a number of sources, competition is determined inadequate.
2. **Justification:** Each procurement based on noncompetitive proposals shall be supported by a written justification for using such procedures [CFR 85.36 (c) (4) (d) (4) The Contracting Officer shall approve the justification in writing. In addition, the justification will be submitted to the Board for their consideration and approval, as part of their resolution package.
3. **Price Reasonableness:** The reasonableness of the price for all procurement based on noncompetitive proposals shall be determined by performing a cost analysis.

E. COOPERATIVE PURCHASING

The Authority may enter into Federal, State of Illinois and local Intergovernmental agreements to purchase or use common goods and services authorized by law. The decision to use an intergovernmental agreement or conduct a direct procurement shall be based on economy and efficiency.

V. CONTRACTOR QUALIFICATIONS AND DUTIES

A. CONTRACTOR RESPONSIBILITY

Procurements shall be conducted only with responsive and responsible contractors and vendors, who have the technical and financial competence to perform and who have a satisfactory record of integrity.

B. SUSPENSION AND DEBARMENT

Purchase Orders or Contract shall not be awarded to any firm at any tier (subcontractors) which is debarred, suspended, or is otherwise excluded from ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

VI. TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION

A. CONTRACT TYPES

Any type of contract which is appropriate to the procurement and which will promote the best interests of the Authority may be used; however cost-plus-a-percentage-of-cost and percentage of construction cost methods are prohibited.

B. OPTIONS

Option for additional quantities or performance periods may be included in contracts, as long as there is a written determination in file which includes the fund availability, statement as to the continuing need for the item, indication to whether the option was included and evaluated as part of the basic contract and a review of the market price to indicate whether the option is still economical for the Authority, consistent with Authority Procedures (24 CFR 85 (b) (9) 7460.8 REV-1, 6-2 OPTIONS)

C. CONTRACT CLAUSES

In addition to containing a clause identifying the contract type, all contracts shall include all clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36 (i).

D. CONTRACT ADMINISTRATION

After the award of a contract, The Contracting Officer or his/her delegated representative will appoint an individual to be the Contract Administrator to ensure that the contractors work and performance is acceptable and they are paid accordingly. The Contracting Officer will assure that this individual has the adequate procurement training to exercise their responsibility prior to issuing an appointment letter to the Contractor Administrator, outlining their responsibilities [monitor and review payment submittals, assure contractor performance in accordance with the terms and conditions of the contract, monitoring the contractors efforts to assure the minimum 25% resident hiring, approve or reject progress schedules, etc.] [CFR 85.36 (a) (2)

- E. **CONTRACT MODIFICATION**  
The Executive Director is authorized to approve all contract modifications not to exceed a cumulative total of \$25,000 per project. All modifications or amendments in excess of a cumulative total of \$25,000 require Commission approval. All modifications [change orders] in excess of 15% of the original contract award price will require a written justification as to the reasons [differing site conditions, change of schedule, unforeseen conditions, monitoring the contractors efforts to assure the minimum 25% resident hiring throughout the life of the project, etc.] and to validate the reasonableness of price.
- VII. SPECIFICATIONS AND PURCHASE REQUEST**
- A. All specifications shall be drafted to encourage full and open competition. Requester must ensure that they are not unduly restrictive, and do not represent unnecessary or duplicative items. Specification must be included with the Purchase Request.
- B. All procurement actions will require a Purchase Request to initiate a process signed and approved by the Contracting Officer. This is an internal form prepared by a department in response to a requirement. It is the responsibility of the requested department to provide complete and accurate purchase information necessary to initiate the procurement action.
- VIII. APPEALS AND REMEDIES**
- A. **GENERAL**  
It is the Authority's policy to resolve all contractual issues informally at the Authority level and in conformance with the requirements of the dispute clause in the contract.
- B. **BID PROTESTS**  
A protest against a solicitation must be received in writing before the due date for receipt of bids or proposals and submitted to the Contracting Officer. Protests against the award of a contract must be received in writing and submitted to the Contracting Officer. Bid protests will be resolved in conformance with the requirements of the bid documents.
- C. **CONTRACT CLAIMS**  
All claims by a vendor or contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee for a written decision. The Authority, within 60 days, will decide the claim or notify the contractor of the date by which the decision will be made. The contractor may request a conference on the claim. Claims will be resolved in conformance with the requirements of the contract. The Contracting Officer's decision shall inform the vendor or contractor of their appeal rights.
- IX. ASSISTANCE TO WOMEN OWNED BUSINESSES, SMALL BUSINESSES, MINORITY OWNED BUSINESSES, AND LABOR SURPLUS AREA BUSINESSES**
- A. **REQUIRED EFFORTS**  
Consistent with Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD ACT of 1968 as well as 24 CFR Part 85.36 (e), the Authority shall make efforts to ensure that small and minority-owned businesses, women-owned business enterprises, and labor surplus area businesses are used when possible.
- B. **AFFIRMATIVE STEPS**  
In accordance with 24 CFR Part 85.35 (e) (2) the Authority shall take the following affirmative steps in connection with procurement related to Capital Fund Stimulus Grants:
- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  - (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
  - (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
  - (v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
  - (vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (i) through (v) of this section.
- C. **OUTREACH**  
The Commission's goal is that contractors and vendors doing business with the Housing Authority reflect the diversity of the residents. For each procurement, maximum outreach will be made into the women and minority business community. When appropriate, proposal evaluations will provide additional consideration for offerors providing a higher level of resident employment.
- X. ETHICS IN PUBLIC CONTRACTING**  
The Authority shall adhere to the following code of conduct, consistent with 24 CFR Part 85:
- A. **CONFLICT OF INTEREST**

NO employee, officer or agent of this Authority shall participate directly or indirectly in the selection or in the award or administration of any contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved. Such conflict would arise when (i) the employee, officer or agent, (ii) any member of his/her immediate family, (iii) his or her partner, or (iv) an organization which employs , or it about to employ, any of the above, has a financial or other interest in the firm selected for award. The Authority's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. The Authority may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

- B. **GRATUITITES KICKBACKS AND USE OF CONFIDENTIAL INFORMATION**  
Authority officers, employees or agents shall not solicit or accept gratuities, favors, or anything of monetary value from vendors or contractors, potential contractors, or parties to subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.
- C. **PROHIBITION AGAINST CONTINGENT FEES**  
Vendors or contractors shall not retain a person to solicit or secure an Authority contract for a commission, percentage, brokerage, or contingent fee, except from bona fide employees or bona fide established commercial selling agencies.

**XI. REFERENCE DOCUMENTS**

Website: <http://www.hud.gov/>

**FEDERAL PROCUREMENT REQUIREMENTS**

- OMB Circular A-102 Cost Principles
- 24 CFR 85.36 Common Rule on Grantee Procurement
- HUD Handbook 7460.8 Procurement Handbook for Public Housing Agencies
- 24 CFR 135 Economic Opportunities for Low and Very Low-Income Persons
- 24 CFR 94 Public Housing Development for Public Housing Agencies
- 24 CFR 963 Contracting with Resident Owned Businesses
- Form HUD-53012A (7/95) HUD Annual Contributions Contract

- 
- State of Illinois Public Contract Code

Website: <http://www.legis.state.il.us/legislation/ilcs/ilcs3asp?ActID=1424&ChapSAAct=310ILCS10/&Cha...>

- 
- GLOSSARY OF LHA PROCUREMENT TERMS
  - APPENDICES
    - Table of Contents
    - Appendix 1
    - Appendix 2 and 3
    - Appendix 4 - 6

## **Resident Advisory Board Comments**

A 12/16/10 public hearing on the revisions to the Fiscal Year 2011 Agency Plan opened at 5:31 p.m. (a motion to open the hearing was made by Vice Chairman Foster, seconded by Commissioner Hughes, with all six (6) Commissioners in favor by voice vote).

Executive Director Alan Zais noted that he had met with the Resident Councils at all of the developments and had received comments from the Resident Councils at two of the developments. From D’Agnolo Garden Apartments, the Resident Council had written that it did not want smokers to be allowed as residents at all (even though they cannot smoke inside the building). That Resident Council noted that it supported the policy on smoking. It also noted the following requests:

- Additional parking spaces for the disabled
- Double sinks
- New kitchen cabinets

- A bottom shelf in the bathroom vanity
- That the windows are drafty and that it wants new windows that you can clean from the inside.

From the Resident Council at Robert Johnston Garden Apartments, the Resident Council had inquired as to whether, if a resident was “over” income, the resident would be required to move. Executive Director Alan Zais noted that the answer to that question was “yes” and that he had explained to the Resident Council as to how the Housing Authority handles such matters and that he advised them of the Housing Authority’s experience with handling such matters with the redevelopment of Collier Garden Apartments. The Robert Johnston Garden Apartments Resident Council also noted its wishes to have the following:

- Air-conditioning
- New stoves
- New windows
- New cupboards
- A dish antenna system
- New carpeting
- No smaller refrigerators
- More ADA units
- Additional parking spaces for the disabled

Executive Director Alan Zais noted that these were the only written comments received by the WCHA concerning the Fiscal Year 2011 Agency Plan. Executive Director Alan Zais then asked if there were any questions or comments from the public in attendance. Resident Terry Shofner spoke, noting that he lives in a handicap unit and that he has only one exit or entrance available to him during an emergency (such as a fire) and that he is otherwise “stuck” because there is no handicap sidewalk. Executive Director Alan Zais noted that the WCHA would add that to the Agency Plan. Linda Cornell commented that residents do not have to exit and that emergency personnel will evacuate residents who are unable to evacuate themselves. She also commented that “fire flags” could be offered at Collier Gardens to be placed in windows to note those who cannot otherwise get out.

Resident Tracey Gauss addressed the Hearing, noting that considering the number of contractors and employees involved in the rehabilitation of Collier Gardens, that there was a lot of good work done and that the upgrades were very nice and that she feels blessed to live there. While noting that sometimes residents would be notified of work schedules that were not followed, the project was otherwise well done.

No other comments were made regarding the FY 2011 Agency Plan. The public hearing on this matter was closed at 5:39 p.m. (motion to close the hearing was made by Commissioner Hughes, seconded by Vice Chairman Foster; the motion was passed by voice vote of all six (6) Commissioners present).

### **Challenged Elements**

No challenged elements were received.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
**Expires 4/30/2011**

<b>Part I: Summary</b>					
<b>PHA Name:</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: _____ Date of CFFP: _____		Replacement Housing Factor Grant No: _____	
				<b>FFY of Grant:</b> _____ <b>FFY of Grant Approval:</b> _____	
<b>Type of Grant</b>					
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Revised Annual Statement (revision no: _____)					
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: _____ <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
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 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization 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)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

<b>Part I: Summary</b>				
<b>PHA Name:</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: _____ Replacement Housing Factor Grant No: _____ Date of CFFP: _____		<b>FFY of Grant:</b> _____ <b>FFY of Grant Approval:</b> _____
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:    ) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report				
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost <sup>1</sup></b>
		<b>Original</b>	<b>Revised <sup>2</sup></b>	<b>Obligated      Expended</b>
<b>Signature of Executive Director</b>		<b>Date</b>	<b>Signature of Public Housing Director</b>	
			<b>Date</b>	









Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
**Expires 4/30/2011**

<b>Part I: Summary</b>					
<b>PHA Name:</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: _____ Date of CFFP: _____		Replacement Housing Factor Grant No: _____	
				<b>FFY of Grant:</b> _____ <b>FFY of Grant Approval:</b> _____	
<b>Type of Grant</b>					
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: _____)					
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: _____ <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
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 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization 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)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

<b>Part I: Summary</b>				
<b>PHA Name:</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: _____ Replacement Housing Factor Grant No: _____ Date of CFFP: _____		<b>FFY of Grant:</b> _____ <b>FFY of Grant Approval:</b> _____
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: _____) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: _____ <input type="checkbox"/> Final Performance and Evaluation Report				
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost <sup>1</sup></b>
		<b>Original</b>	<b>Revised <sup>2</sup></b>	<b>Obligated      Expended</b>
<b>Signature of Executive Director</b>		<b>Date</b>	<b>Signature of Public Housing Director</b>	<b>Date</b>









<b>Part I: Summary</b>					
<b>PHA Name:</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: _____ Date of CFFP: _____		Replacement Housing Factor Grant No: _____	
				<b>FFY of Grant:</b> _____ <b>FFY of Grant Approval:</b> _____	
<b>Type of Grant</b>					
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: _____)					
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: _____ <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
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 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization 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)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

<b>Part I: Summary</b>				
<b>PHA Name:</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: _____ Replacement Housing Factor Grant No: _____ Date of CFFP: _____		<b>FFY of Grant:</b> _____ <b>FFY of Grant Approval:</b> _____
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:    ) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report				
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>		<b>Total Actual Cost <sup>1</sup></b>
		<b>Original</b>	<b>Revised <sup>2</sup></b>	<b>Obligated      Expended</b>
<b>Signature of Executive Director</b>		<b>Date</b>	<b>Signature of Public Housing Director</b>	<b>Date</b>







