HUD-50075 HUD

Housing Authority of the City of Santa Barbara CA076

Agency's Annual Plan
FY 2012

12/7/2011

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

1.0 **PHA Information**
PHA Name: **_Housing Authority of the City of Santa Barbara**_____PHA Code: **_CA076**_____
PHA Type: ☐ Small ☐ High Performing ☒ Standard ☐ HCV (Section 8)
PHA Fiscal Year Beginning: (MM/YYYY): **__04/01/2012**_____

2.0 **Inventory** (based on ACC units at time of FY beginning in 1.0 above)
Number of PH units: **__496 (492 ACC units)**_____ Number of HCV units: **_2,080**_____

3.0 **Submission Type**
☐ 5-Year and Annual Plan ☒ Annual Plan Only ☐ 5-Year Plan Only

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

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

5.0 **5-Year Plan.** Complete items 5.1 and 5.2 only at 5-Year Plan update. (5-Year Plan section 5.0 is included for informational purposes only. 5-Year Plan was approved with FY2010 submission.)

5.1 **Mission.** State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:

The Housing Authority of the City of Santa Barbara is a local public agency created under state law for the purpose of providing safe, decent, and quality affordable housing and support services to income eligible persons through a variety of federal, state, and private resources

5.2	**Goals and Objectives.** 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.

GOAL 1: Develop additional affordable housing opportunities for the community

Action Steps

- Continue to expand HACSB's low-rent housing inventory through new construction and/or acquisition of existing rental housing.
- Develop and maintain affordable housing programs such as HACSB's rental assistance payment programs (e.g. Section 8, Shelter + Care, etc.) by aggressively pursuing all federal, state and local funding announcements available to HACSB and actively promoting the participation of Santa Barbara's rental property owners in these programs. Continue to maximize full lease-up and program utilization in all programs to ensure HACSB is serving the maximum number of families.
- Collaborate with the private sector and other non-profit housing developers to create mixed-use, high density rental and/or for sale housing that is 100% affordable to middle income households.
- Encourage Santa Barbara City College and UCSB to increase the supply of student housing on the South Coast which will help the entire region alleviate low vacancy rates in rental housing, a situation that leads to over-crowding and higher rents.
- Plan for new developments with flexible design that can serve changing demographics from special needs housing for the homeless to the aging baby boomer population (the "Silver Tsunami").
- Build a below market-rate rental development serving a mixed population of special needs individuals and low-income downtown workers of approximately 56 studio/efficiency units on HACSB's property located at 416-424 E. Cota Street and 517 Olive Street (also known as Artisan Court). Complete construction by December 1, 2010.
- Build an additional below market-rate development largely serving special needs populations with wrap around services at 512 Bradley Street with mix of approximately 60 studio and one bedroom apartment units.
- Plan for purchase of Garden Court in 2015 as addressed under the Master Lease.
- Continue to assist local non-profit agencies who serve special needs populations by developing affordable housing for their clients.
- Continue to encourage HUD and Congress to both grant and increase the Exception Fair Market Rents or define a new OMB (Office of Management and Budget) housing market for the South Coast of Santa Barbara County to effectively address the drastic differences in rental housing costs between North and South County, which comprise two distinct housing markets.
- Recycle approximately 4% of the family tenancies in HACSB's existing rental housing stock per year through resident job training and educational programs so that others on our waiting list can access our affordable housing inventory. This can also occur by promoting homeownership and open market rental opportunities for current HACSB program participants through specific partnerships and community programs such as Habitat for Humanity's homeownership opportunities for low-income families.
- Utilize local foundations to expand housing and revenue sources not generally available to, nor specifically designed for "public" housing authorities. HACSB's new affiliate non-profit, 2nd Story Associates, should be utilized for this purpose as well as to develop new affordable housing through the Low-Income Housing Tax Credit program.
- Access other State funding programs for the development of affordable housing.
- Utilize Housing Authority retained earnings and excess reserves to assist with the purchase of land and/or other existing rental housing developments

GOAL 2: UTILIZE HOUSING AUTHORITY RESOURCES IN AN EFFICIENT, COORDINATED AND RESULTS-ORIENTEDMANNER

Action Steps

- Establish major agency wide and departmental goals with appropriate timelines by - adopting an Annual Action Plan as part of HACSB's annual budget process and in alignment with the 5 year Action Plan. Progress and achievement of goals will be monitored and communicated through quarterly status reports. . Integrate Annual Action Plan into specific and measurable individual goals and performance objectives within performance management system.
- Assess day-to-day operational procedures for improved efficiencies and service delivery.
- Utilize Commission and/or Staff ad hoc subcommittees or task forces to address the more complex and/or long term policy and administrative issues.
- Develop and adopt HUD-required Five-Year and Annual Plans consistent with this 5 Year Action Plan and related Annual Action Plans.
- Continue to identify staff's talents and interests so that work is assigned in a manner that motivates staff and capitalizes on their strengths. Develop and implement an Individual Development Plan program to help staff enhance their skills, further the agency's mission and achieve their career goals.
- Develop a "green" operations policy which integrates with efficient operations.

GOAL 3: PRESERVE THE HOUSING AUTHORITY'S SOUND FISCAL POSITION

Action Steps

5.2 cont.

- Monitor expenditures and maintain revenues by producing accurate and timely monthly financial statements and key management indicator reports while seeking other revenue sources to sustain and develop new housing programs.
- Inform residents of the costs associated with operating subsidized housing so that the care of HACSB property is promoted and maintained. This can be accomplished through HACSB's quarterly resident newsletter - Community Times.
- Establish a long-term capital budget for all Non-HUD (locally owned) properties.
- Promote HACSB's fiscal stability by maintaining a healthy economic mix of lower income (and otherwise eligible) residents in our various housing programs.
- Advocate at the federal, state and local level for adequate funding for the operation and expansion of affordable housing programs. Work with the City of Santa Barbara to have legislation enacted to preserve the RDA's 20% housing set aside dollars for affordable housing once the RDA sunsets in 2015.

GOAL 4: PROMOTE AND SECURE SUPPORT SERVICES FOR HOUSING AUTHORITY RESIDENTS, PARTICIPANTS AND APPLICANTS

Action Steps

- Access all available federal, state, local and private foundation resources for the delivery and enhancement of resident services.
- Improve the quality of life for senior, disabled, and special needs residents through on-site supportive services. Develop a "needs" survey to identify needed services and ways to improve, expand or develop programs to better serve residents.
- Promote and increase enrollment in progressive financial/social programs that promote Self-Sufficiency/FSS, Flat Rents, etc.).
- Establish educational, training and employment opportunities as the principle objective in designing programs for assisting HACSB family residents.
- Increase enrollment in Family Self-Sufficiency program to 200 families by April 1, 2010 and maintain this enrollment level throughout the remaining 5 Year Action Plan timeframe.
- Continue to develop and promote strong working relationships with other social service providers so that HACSB residents eligible for their services are identified and appropriately served.
- Develop a variety of growth and learning opportunities/programs for youth aged residents.
- Maintain a Resident Council that includes senior, family and disabled residents and secure input from the Council on needed services for residents on an ongoing basis.
- Develop a ***"homeless prevention/housing stabilization program"*** that links HACSB to other agencies to prevent homelessness.
- Foster open and effective communication with HACSB residents and the community to encourage their input and involvement

5.2 cont

GOAL 5: FOSTER A WORK ENVIRONMENT THAT VALUES AND ENCOURAGES INDIVIDUAL AND TEAM COMMITMENT TO HOUSING AUTHORITY GOALS AND OBJECTIVES.

Action Steps:

- Foster improved communication, employee morale and problem solving among all staff through the 5 Cs Committee, which is based upon the core values of Compassion, Commitment, Cooperation, Competence and Communication.
- Continue to review the method and manner in which we do our work in order to accomplish our mission, embrace our vision, and be open to change.
- Continue to provide training and educational opportunities for staff growth. Develop a leadership and excellence training program for all staff participation.
- Involve all HACSB staff in the decision making process, empower staff to assume more challenging responsibilities, reward innovation and promote team building through committee/task force participation and semi-annual staff meetings.
- Require management staff to continually monitor and update their annual management performance evaluations to optimize their management functions.

GOAL 6: PROMOTE HACSB'S ROLE AS A COMMUNITY LEADER IN THE DEVELOPMENT OF A "SUSTAINABLE COMMUNITY"

Action Steps

- Pursue and utilize all proven/practical "Green Building" techniques and strategies with respect to all construction related activities. Building to LEED standards and exceeding title 24 standards by 15% on all developments.
- Promote and encourage conservation, recycling and use of recycled materials with contractors, residents and vendors.
- As vehicle fleet replacement occurs, replace with fuel-efficient hybrids where practical and continue to look at other fuel-efficient vehicles.
- Continue HACSB's high visibility and positive image through increased involvement by Commissioners and Staff in community issues and concerns. Promote staff, Commission and resident involvement in the community through service on boards, task forces and commissions related to the promotion of a sustainable community.
- Encourage regional solutions to housing and transportation issues

GOAL 7: INCREASE PARTNERSHIP WITH THE CITY TO DEVELOP AFFORDABLE HOUSING AND FURTHERING HACSB'S MISSION

Action Steps

5.2 Cont

- Hold annual joint meeting between HACSB's Commission, the City Planning Commission and the City Council and Planning addressing current and planned future projects.
- Initiate dialogue with key City Staff and HACSB Staff to enhance partnership.
- Work closely with City Council liaison to HA Commission so that the City Council remains informed regarding HACSB business.
- HACSB Staff to continue to work closely with City Staff on the City's annual Consolidated Plan and Housing Element updates as well as the General Plan update.

6.0

PHA Plan Update

(a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:

1. Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures:

New preferences that were not included in the previous Annual Plan Submission include the following:
Section 8 Administrative Plan:

*** Wait list preference for Special Needs has been amended to classify three distinct categories of special needs. As previously written the preference was vague and could be applied to the majority of our wait list and therefore was not an effective waitlist management tool.**
*** Time period for a participant to appeal a decision made by the Housing Authority was extended from 7 business daysto 10 business days.**
These changes to the Administrative Plan are included with this Annual Plan as Attachment A.
Public Housing Admissions and Continued Occupancy Policy (ACOP):

*** The Policy now includes the HUD requirement that any individual that is subject to a lifetime sex offender registration requirement is ineligible for housing assistance. While this has been the practice of the Authority, it is now implemented in the policy.**
*** The time period for a resident to appeal a decision made by the Housing Authority was extended from 7 business days to 10 business days. These changes to the ACOP is included with this Plan as Attachment B.**

2. Financial Resources:

The following table is updated to accurately reflect the statement of financial resources for FY 2012:

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
1. **Federal Grants**		
a) Public Housing Operating Fund	$85,000	
b) Public Housing Capital Fund: CFP-501-12	$721,519	
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	$23,500,000	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)		
g) Resident Opportunity and Self-Sufficiency Grants	$148,000	
h) Community Development Block Grant		
i) HOME		
Other Federal Grants (list below)		
2. Prior Year Federal Grants (unobligated funds only) (list below)		
3. Public Housing Dwelling Rental Income	$2,950,000	Operations, Supportive Services & Capital Improvements
4. Other income (list below)		
SHIFCO Multi-family Complex	$690,000	Operations, Supportive Services & Capital Improvements
Shelter Plus Care	$575,000	Rental Assistance
Section 8 FSS Coordinator	$132,000	Section 8 HCV Supportive Services
4. Non-federal sources (list below)		
Dwelling Rent local programs	$5,950,000	Operations, Supportive Services & Capital Improvements
Total resources	$34,751,519	

3. Rent Determination – No change from previous submission

4. Operations and Management – No change from previous submission

5. Grievance Procedures –

For the Section 8 Administrative Plan and the Public Housing ACOP, the length of time allotted to appeal a decision made by the Housing Authority has been extended from seven (7) to ten (10) days to both applicants and tenants/participants.

6. Designated Housing for Elderly and Disabled Families: -

This element has been updated to reflect the Agency's approval of a new designated housing plan for Presidio Springs (CA76-07) and Vista La Cumbre (CA76-P076-014 – AMP 3). The Plan was approved by HUD on April, 8, 2009.

Designation of Public Housing Activity Description
1a. Development name: **Vista La Cumbre** 1b. Development (project) number: **CA16-P076-014**
2. Designation type: Occupancy by only the elderly ☒ Occupancy by families with disabilities ☐ Occupancy by only elderly families and families with disabilities ☐
3. Application status (select one) Approved; included in the PHA's Designation Plan ☐ Submitted, pending approval ☐ Planned application ☒
4. Date this designation **approved**, submitted, or planned for submission: **(04/08/2009)**
5. If approved, will this designation constitute a (select one) ☒ New Designation Plan ☐ Revision of a previously-approved Designation Plan?
6. **Number of units affected: 36** 7. Coverage of action (select one) ☐ Part of the development ☒ Total development

Designation of Public Housing Activity Description
1a. Development name: **Presidio Springs** 1b. Development (project) number: CA16-P076-007
2. Designation type: Occupancy by only the elderly ☒ Occupancy by families with disabilities ☐ Occupancy by only elderly families and families with disabilities ☐
3. Application status (select one) Approved; included in the PHA's Designation Plan ☒ Submitted, pending approval ☐ Planned application ☐
4. Date this designation approved, **submitted**, or planned for submission: **(04/08/2009)**
5. If approved, will this designation constitute a (select one) ☒ New Designation Plan ☐ Revision of a previously-approved Designation Plan?
6. **Number of units affected: 122** 7. Coverage of action (select one) ☐ Part of the development ☒ Total development

7. Community Service and Self-Sufficiency

Please see **Attachment C** for an updated listing of programs offered by the Resident Services Department as well as the current Family Self-Sufficiency enrollment numbers.

8. Safety and Crime Prevention – No change from previous submission

9. Pets – No change from previous submission

10. Civil Rights Certification – No change from previous submission

11. Fiscal Year Audit – See Attachment D for most recent audit results (FY2010)

12. Asset Management: :

No change from previous submission..

13. Violence Against Women Act (VAWA) – No change from previous submission.

(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.

Copies of the 5-Year and Annual Plans may be obtained at the Housing Authority's main office located at 808 Laguna Street, Santa Barbara CA 93101. Additionally, the Plan may be downloaded from the Agency's website: www.hacsb.org

7.0

Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. *Include statements related to these programs as applicable.*

7a. Hope VI or Mixe Finance Modernization or Development – N/A

7b. Disposition Plan:

HACSB has submitted a Disposition application to HUD for all of its 496 units of Public Housing (492 ACC units and 4 non-ACC units). By disposing of the stock of Public Housing, HACSB will be able to leverage funds and bring in additional funding through the Low-Income Housing Tax Credit Program or other similar financing programs and construct more affordable units for the city.

Currently funding under HUD's Capital Fund Program is not sufficient for the necessary rehabilitations needs of the properties. Over the next 20 years the Housing Authority projects a funding need of $28.5 million to preserve the public housing units in its portfolio. Unfortunately HUD is projected to fund only half of this need over this period through CFP.

By converting the Public Housing stock, HACSB will be able to generate much needed funds both for rehabilitation of current properties and the development of more units thereby ensuring the long term viability of the existing affordable housing units as well as new units that will be created through this leveraging process.

It is important to note that the Housing Authority is committed to retaining the affordability of all units and our intention is not to permanently displace current residents. HACSB will offer Section 8 Tenant-Based Vouchers as made available by HUD and apply for as many Section 8 Project-Based Vouchers for the units as available in accordance with current regulations. This will ensure the necessary funding needed to maintain the affordability (whereby the residents pay no more than 30% of their income toward rent) and quality of housing expected by HACSB staff.

The units will be disposed of to HACSB's affiliate nonprofit, Second Story Associates, and will continue to be under the purview of the agency.

Demolition/Disposition Activity Description
1a. Development name: **All Public Housing** 1b. Development (project) number: **CA7602 – CA7627 (AMP 1, 2, 3)**
2. Activity type: Demolition ☐ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☒ Planned application ☐
4. Date application approved, **submitted**, or planned for submission: (10/3/2011)
5. Number of units affected: **496** 6. Coverage of action (select one) ☐ Part of the development ☒ Total development
7. Timeline for activity: a. Actual or projected start date of activity: upon approval of Disposition ~ 1/1/2011 b. Projected end date of activity: 180 days from approval of disposition

7c. Conversion of Public Housing – N/A

7d. Homeownership – N/A

7e. Project Based Vouchers

HACSB has successfully converted just over 10% of its tenant based vouchers into a Project Based Assistance program. Depending upon the need of the community, the Agency may proceed with Project Basing an additional 10% up to the total allowable amount of 20% of the total tenant based allocation. The Project Based Voucher policies and procedures are included in Chapter 19 of the Section 8 Housing Choice Voucher Administrative Plan. This is consistent with our 5-Year Plan because the Housing Authority has stated as a goal of the 5-Year Plan to maintain and preserve affordable housing in the Santa Barbara community. Utilizing Project-Based Vouchers ensures affordability levels are maintained in projects serving very low income individuals and families.

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8.0	**Capital Improvements.** Please complete Parts 8.1 through 8.3, as applicable.
8.1	**Capital Fund Program Annual Statement/Performance and Evaluation Report.** As part of the PHA 5-Year and Annual Plan, annually complete and submit **t**he *Capital Fund Program Annual Statement/Performance and Evaluation Report,* form HUD-50075.1, for each current and open CFP grant and CFFP financing. **HACSB has completed a performance and evaluation report for CFP-501-11 and a new application for CFP-501-12. These two reports are included in this Plan as follows:.** **Attachment E – CFP-501-11 Performance and Evaluation Report** **Attachment F – CFP-501-12 – Annual Statement**
8.2	**Capital Fund Program Five-Year Action Plan.** As part of the submission of the Annual Plan, PHAs must complete and submit the *Capital Fund Program Five-Year Action Plan,* form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan. **HACSB has completed the CFP-501-12 – Five Year Action Plan and is attached for submission** **Attachment G – CFP-501-12 – Five Year Action Plan**
8.3	**Capital Fund Financing Program (CFFP).** ☐ Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.

Housing Needs. 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.

The City of Santa Barbara has a growing need for affordable housing solutions across all income ranges. The need is particularly acute for the income range which HACSB serves – Households at 80% of AMI and below. Given our review of the City's Consolidated Plan, the 2010Census data and the UCSB 2011 Economic forecast an our own waiting list data, we updated the table below with a needs assessed – 5 being this most need and 1 the lowest.

Housing Needs of Families in the Jurisdiction by Family Type

Family Type	Afford-ability	Supply	Quality	Accessibility	**Size**	Location
Income <= 30% of AMI	5	5	4	4	2	1
Income >30% but <=50% of AMI	5	5	3	3	2	1
Income >50% but <80% of AMI	5	5	2	2	2	1
Elderly	5	5	4	4	3	1
Families with Disabilities	5	5	4	5	3	1

Wait List Data:

Housing Needs of Families on the Waiting List

Waiting list type: (select one)
☒ Section 8 tenant-based assistance

	# of families	% of total families	Annual Turnover
Waiting list total	5,345		Approx. 9%
Extremely low income <=30% AMI	3,960	74.09%	
Very low income (>30% but <=50% AMI)	1,278	23.91%	
Low income (>50% but <80% AMI)	107	2.00%	
Families with children	1,728	32.33%	
Elderly families	829	15.51%	
Families with Disabilities	1,260	23.57%	
White	2,584	48.34%	
Hispanic	1,847	34.56%	
Black	355	6.64%	
American Indian	128	2.39%	
Asian or Pac. Islander	101	1.89%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	3,692	69.07%	
2 BR	1,238	23.16%	
3 BR	361	6.75%	
4 BR	47	0.88%	
5 BR	5	0.09%	
5+ BR	2	0.05%	

Is the waiting list closed (select one)? ☒ No ☐ Yes
If yes:
HOW LONG HAS IT BEEN CLOSED (# OF MONTHS)?
Does the PHA expect to reopen the list in the PHA Plan year? ☐ No ☐ Yes
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? ☐ No ☐ Yes

9.0

9.0 cont

Housing Needs of Families on the Waiting List			
Waiting list type: (select one) ☒ Public Housing			
	# of families	% of total families	Annual Turnover
Waiting list total	5,741		5% to 10%
Extremely low income <=30% AMI	4,108	71.56%	
Very low income (>30% but <=50% AMI)	1,289	22.45%	
Low income (>50% but <80% AMI)	344	5.99%	
Families with children	1,941	33.81%	
Elderly families	1,014	17.66%	
Families with Disabilities	1,537	26.77%	
White	3,292	57.34%	
Hispanic	2,218	38.63%	
Black	336	5.85%	
American Indian	141	2.46%	
Asian or Pac. Islander	104	1.81%	
No Race			
Characteristics by Bedroom Size (Public Housing Only)			
1BR	3,929	68.44%	
2 BR	1,348	23.48%	
3 BR	408	7.11%	
4 BR	50	0.87%	
5 BR	5	0.09%	
5+ BR	1	0.01%	

Is the waiting list closed (select one)? ☒ No ☐ Yes
If yes:
HOW LONG HAS IT BEEN CLOSED (# OF MONTHS)?
Does the PHA expect to reopen the list in the PHA Plan year? ☐ No ☐ Yes
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? ☐ No ☐ Yes

9.1

Strategy for Addressing Housing Needs. Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.**

- **Apply for all available NOFAs for additional vouchers that match the need in our community.**
- **Construct additional affordable housing units utilizing the Low-Income Housing Tax Credit Program, Bond financing and other available funds.**
- **Leverage existing Public Housing units through HUD's disposition program and take advantage of possible "vouchering" out of Public Housing.**
- **Recycle existing affordable housing units through the Family Self-Sufficiency Program (e.g. increasing incomes whereby existing residents can move out of assisted housing units)**
- **Partner with other local non-profit organizations to increase the supply of affordable housing**

10.0	**Additional Information**. Describe the following, as well as any additional information HUD has requested. (a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan. • Completed construction of a 56 unit LIHTC affordable housing development at 422 E. Cota Street (AKA Artisan Court). Development 100% occupied on 3/31/2011. • Purchased 2941 State Street, an existing apartment complex consisting of 6-1 bedroom units. • Purchased 2904 State Street and Master Leased to Willbridge, a 501c(3) non-profit organization for their 2nd stage permanent housing for formerly homeless individuals • Received a reservation of tax credits for Bradley Studios, a 54 unit development located at 512 Bath Street. Construction is expected to begin in early January 2012 with completion between 11-13 months. • Submitted application for disposition of all HACSB's HUD assisted Public Housing inventory.

10.0 cont	(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA's definition of "significant amendment" and "substantial deviation/modification" Definition of Substantial Deviations and Significant Amendments: As mandated by the U.S. Department of Housing and Urban Development, the Housing Authority must define "What is a substantial change to the Agency plan" If a proposed change to the Agency Plan is considered a "substantial change", it must undergo a public process that includes consultation with the Resident Advisory Board, a public comment period, public notification of where and how the proposed change can be reviewed and approved by the Housing Authority Board of Commissioners. Therefore, the Housing Authority defines significant changes to the Agency Plan to be: • Changes to tenant/resident admissions policies; • Changes to the Housing Choice Voucher and Public Housing Termination Policy; • Changes to the tenant/resident screening policy; • Changes to public housing rent policies; • Changes to the organization of the waiting list; • Changes in regard to demolition, disposition, designation, or conversion activities. An exception to this definition will be made for any of the above that are adopted to reflect changes in HUD regulatory requirements, such changes will not be considered significant amendments by HUD
11.0	**Required Submission for HUD Field Office Review**. 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. **Note:** Faxed copies of these documents will not be accepted by the Field Office. (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations* (which includes all certifications relating to Civil Rights) – (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) – Attachment I – Certifications forms a through d above (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. **Attachment H – Resident Council Comments** (g) Challenged Elements – **N/A** (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report* (PHAs receiving CFP grants only) **Attachment E – CFP-501-11 Performance and Evaluation Report** **Attachment F– CFP-501-12 Annual Statement** (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan* (PHAs receiving CFP grants only) **Attachment G– CFP-501-12 – Five Year Action Plan**

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT A

Section 8 Housing Choice Voucher Administrative Plan

(CA076a01)

ADMINISTRATIVE PLAN

FOR THE

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

Approved by the HACSB Board of Commissioners:	December 3, 2008 (Fully Restated)
Revision approved by HACSB Board of Commissioners:	December 16, 2009
Revision approved by HACSB Board of Commissioners:	June 16, 2010
Revision approved by HACSB Board of Commissioners:	August 17, 2011

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Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which amended the U.S. Housing Act of 1937. The Act and its requirements, as they apply to Section 8 Tenant Based assistance programs have been amended from time to time. These changes are incorporated into this Administrative Plan.

Administration of the Section 8 Housing Choice Voucher Program (HCV) and the functions and responsibilities of the Housing Authority of the City of Santa Barbara (HACSB) staff shall be in compliance with HACSB's Manual of Policies and Procedures and the Department of Housing and Urban Development's (HUD) Section 8 Regulations as well as all Federal, State and local Fair Housing Laws and Regulations.

1.1 MISSION STATEMENT

The Housing Authority of the City of Santa Barbara is a local public agency created under State law for the purpose of providing safe, decent, and quality affordable housing and support services to income eligible persons through a variety of Federal, State, local, and private resources.

1.2 LOCAL OBJECTIVES[1]

The Section 8 Program is designed to achieve these major objectives:

- To provide decent, safe, and sanitary housing for very low income families while maintaining their rent payments at an affordable level.
- To promote freedom of housing choice and spatial de-concentration of very low income families of all races and ethnic backgrounds.
- To promote a housing program which maintains quality service and integrity and provides an incentive to private property owners to rent to very low income families.
- To ensure that all units meet Housing Quality Standards and families pay fair and reasonable rents.

In addition, HACSB has the following goals for the program:

- To assist the local economy by increasing the rental occupancy rate.
- To encourage the self sufficiency of participating families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.

[1] 24 CFR 982.1

- To create positive public awareness and expand the level of family, owner, and community support in accomplishing HACSB's mission.

- To maintain a high level of standards and professionalism in day-to-day management of all program components.

- To administer an efficient, high-performing agency through continuous improvement of HACSB's support systems and commitment to our employees and their development.

1.3 PURPOSE OF THE PLAN [2]

The purpose of this Administrative Plan is to establish policies for carrying out the Section 8 Housing Choice Voucher Program in a manner consistent with HUD requirements and local goals and objectives. The Plan covers both admission and continued participation in the Section 8 Housing Choice Voucher program.

HACSB is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. The original Plan and any changes must be approved by HACSB's Board of Commissioners and a copy provided to HUD.

The Administrative Plan is a supporting document to HACSB's Agency Plan, and is available for public review as required by 24 CFR part 903.

1.4 ADMINISTRATIVE FEE RESERVE [3]

All expenditures from the administrative fee reserve will be approved by HACSB's Board of Commissioners and made in accordance with the approved budget.

1.5 RULES AND REGULATIONS [4]

This Administrative Plan is set forth to define HACSB's local policies for operation of the Section 8 program. All issues related to Section 8 not addressed in this document are governed by Federal regulations, HUD Memos, Notices and guidelines, or other applicable law.

1.6 TERMINOLOGY

The Housing Authority of the City of Santa Barbara is referred to as **"HACSB" or "Housing Authority"** throughout this document.

The Administrative Plan for the Section 8 Housing Choice Voucher Program is referred to throughout this document as **"The Administrative Plan"** or **"The Plan".**

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

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[2] 24 CFR 982.54
[3] 24 CFR 982.54(d)(21)
[4] 24 CFR 982.52

"**Tenant**" is used to refer to participants in terms of their relation to landlords.

"**Landlord**" and "**owner**" are used interchangeably.

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

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

The **Section 8 Program** is also referred to as the Housing Choice Voucher Program or HCV Program.

The Section 8 Housing Choice Voucher is referred to as "**voucher**" throughout this document.

"**HQS**" refers to the Housing Quality Standards as required by HUD regulations.

See Glossary for other terminology.

1.7 FAIR HOUSING POLICY [5]

It is the policy of the Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

HACSB shall not deny any family or individual the opportunity to apply for or receive assistance under the Section 8 Program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, disability, or sexual orientation.

To further its commitment to full compliance with applicable Civil Rights laws, HACSB will provide Federal, State and local information to voucher recipients regarding discrimination and any recourse available to them if they are victims of discrimination. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the voucher recipient's briefing packet.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of or be excluded from participation in the Section 8 Housing Choice Voucher Program or otherwise be subjected to discrimination because HACSB's facilities are inaccessible to or unusable by persons with disabilities.

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

The Housing Authority of the City of Santa Barbara, located at 808 Laguna Street, Santa Barbara, CA 93101 is accessible to persons with disabilities.

[5] CFR 982.54(d)(6)

1.8 REASONABLE ACCOMMODATIONS POLICY [6]

The reasonable accommodations policy is applicable to all situations described in this Administrative Plan. It is applicable when a family initiates contact with HACSB, when HACSB initiates contact with a family, and when HACSB schedules or reschedules appointments of any kind.

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

Persons with Disabilities [7]

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

The Federal Americans with Disabilities Act of 1990 defines the tem “disability” with respect to an individual as:

- A physical or mental impairment that substantially limits one or more of the major life activities of an individual;
- A record of such impairment; or
- Being regarded as having such an impairment

Undue Hardship

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

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

- The nature and cost of the accommodation needed;
- The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation; and
- The number of persons employed at such facility, the number of families likely to need such accommodation, the effect on expenses and resources, or the likely impact on the operation of the facility as a result of the accommodation.

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[6] 24CFR 100.200

[7] 24 CFR 982.153(b)(6)

Verification of a Request for Accommodation

All requests for accommodation or modification will be verified in writing by a reliable knowledgeable, professional.

A list of known accessible units will be provided to families requiring an accommodation.

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

1.9 TRANSLATION OF DOCUMENTS

The Housing Authority has bilingual staff to assist Spanish speaking families and will translate documents into Spanish as deemed feasible by HACSB.

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

- Number of applicants and participants who speak a language other than English
- Estimated cost to HACSB per client for translation of English written documents into the other language
- The availability of local organizations to provide translation services for non-English speaking families
- Availability of bilingual staff to provide translation for non-English speaking families.

1.10 MANAGEMENT ASSESSMENT OBJECTIVES

HACSB operates its housing assistance programs with efficiency and can demonstrate to HUD auditors that HACSB is using its resources in a manner that reflects its commitment to quality and service. HACSB policies and practices are consistent with the goals and objectives of the following HUD SEMAP indicators.

- Selection from the Waiting List
- Reasonable Rent
- Determination of Adjusted Income
- Utility Allowance Schedule
- HQS Quality Control Inspections
- HQS Enforcement
- Expanding Housing Opportunities
- FMR/exception rent & Payment Standards
- Annual Re-examinations
- Correct Tenant Rent Calculations
- Pre-Contract HQS Inspections
- Annual HQS Inspections
- Lease-up
- Family Self-Sufficiency Enrollment
- Percent of FSS Participants with Escrow Account Balances

- Bonus Indicator (De-concentration)

RECORDS FOR MONITORING HACSB PERFORMANCE

In order to demonstrate compliance with HUD and other pertinent regulations, HACSB will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to follow, monitor and or assess HACSB's operational procedures objectively and with accuracy and in accordance with SEMAP requirements.

HACSB is committed to the principals in equal employment opportunity in hiring, promoting and all other conditions of employment. Position vacancies are advertised in a local newspaper of general circulation and job announcements are routinely mailed to community based organizations serving minority and low income persons. HACSB's recruitment practices will apply aggressive outreach to community-based racial and ethnic groups so that the composition and culture of the staff reflects the composition and culture of the community, to the extent possible. All HACSB job postings will prominently display the equal employment opportunity logo and slogan.

1.11 PRIVACY RIGHTS [8]

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

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

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

In accordance with HUD requirements, HACSB will furnish prospective owners with the family's current address as shown in HACSB's records and, if known to HACSB, the name and address of the landlord at the family's current and prior address.

HACSB may furnish prospective owners with information about the family's rental history, or any history of drug trafficking.

A statement of HACSB's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family.

HACSB's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff.

[8] 24 CFR 982.551

HACSB staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

1.12 FAMILY OUTREACH [9]

HACSB will publicize and disseminate information to make known the availability of housing assistance and related services for low income families on a regular basis. When HACSB's waiting list is open, HACSB will publicize the availability and nature of housing assistance for low income families in a newspaper of general circulation, minority media, and by other suitable means. Notices will also be provided in Spanish.

To reach persons who cannot read the newspapers, HACSB will distribute fact sheets to the broadcasting media, and initiate personal contacts with members of the news media and community service personnel. HACSB will also utilize public service announcements.

HACSB will communicate the status of housing availability to other service providers in the community; advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.

1.13 OWNER OUTREACH

HACSB encourages owners of decent, safe and sanitary housing units to lease to Section 8 families. HACSB maintains a list of units available for the Section 8 Program and updates this list at least once a week. When listings from owners are received, they will be compiled by HACSB staff by bedroom size.

The Housing Authority will maintain lists of available housing submitted by owners in all neighborhoods within the Housing Authority's jurisdiction to ensure greater mobility and housing choice to low-income households. The lists of units will be available at the front desk, mailed at least monthly to certified voucher holders and provided at briefings.

HACSB staff initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings.

Printed material is offered to acquaint owners and managers with the opportunities available under the program.

HACSB has active participation in a community based organizations comprised of private property and apartment owners and managers.

HACSB encourages program participation by owners of units located outside areas of poverty or minority concentration. Areas delineated as having concentrations of poverty and/or minority populations are census tracts 8.01, 8.02, 9, 10, 11 and 12.04. HACSB periodically evaluates the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide better housing opportunities to families. Voucher holders are informed of the full range of areas where they may lease units inside HACSB's jurisdiction and given a list of landlords or other parties who

[9] 24CFR 982.153(b)(1)

are willing to lease units or help families who desire to live outside areas of poverty or minority concentration.

HACSB conducts periodic meetings with participating owners to improve owner relations and to recruit new owners.

1.14 MONITORING PROGRAM PERFORMANCE

Reports will be maintained for:

- Monitoring funding availability, to ensure HACSB is at maximum lease up but not over leased
- Tracking outstanding vouchers for expiration or suspension
- Timeliness of annual activities
- Numbers of failed inspections and abatements
- Number of terminations of assistance
- Number of new vouchers issued
- Repayment of amounts owed to HACSB

In order to ensure quality control, supervisory staff will audit the following functions:

5% of reexaminations
5% of new applications
5% of the HQS inspections completed by each inspector

Chapter 2

ELIGIBILITY FOR ADMISSION[1]

INTRODUCTION

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

2.1 ELIGIBILITY FACTORS

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by HACSB. At least 75 percent of new admissions annually must be at or below 30% of the area median income. The Housing Authority may skip a family on the waiting list in order to achieve this income-targeting requirement. Other admissions generally must be at or below 50% of the area median income for families that meet eligibility criteria specified by the Housing Authority.

The HUD eligibility criteria are:

- An applicant must be a "family"
- An applicant must be within the appropriate Income Limits
- An applicant must furnish Social security numbers for all family members of the applicant family
- An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification where required

For HACSB's additional criteria for eligibility, see Section 2.7, "Other Criteria for Admission."

The Family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors.

Evidence of Citizenship/Eligible Immigrant Status will not be verified until the family is selected from the waiting list for the eligibility processing for issuance of a Section 8 Housing Choice Voucher. The only exception to this would be if HACSB determines that such eligibility is in question, whether or not the family is at or near the top of the waiting list.

[1] 24 CFR 982.201(b)

2.2 FAMILY COMPOSITION[2]

The applicant must qualify as a Family. A Family may be a single person or a group of persons.

A group of persons may be:

- Two or more persons who intend to share residency whose income and resources are available to meet the family's needs.

- Two or more elderly or disabled persons living together or one or more elderly or disabled persons living with one or more live-in attendants.

- A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

A single person may be:

- An elderly person;
- A displaced person;
- A person with a disability; or
- Any "other single" person

HEAD OF HOUSEHOLD

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

SPOUSE OF HEAD

Spouse means the husband or wife of the head.

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

CO-HEAD

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

[2] 24 CFR 5.403, 982.201

LIVE-IN ATTENDANTS

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

- Is determined by HACSB to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,
- Is not obligated for the financial support of the person(s), and
- Would not be living in the unit except to provide care for the person(s).
- Has not been convicted, cited or arrested for a drug related or violent criminally activity in the last three (3) years. Registered Sex Offenders will automatically be disqualified to be live-in attendants.

A live-in attendant is treated differently than family members as follows:

- Income of the live-in attendant will not be counted for purposes of determining eligibility or level of benefits.
- Live-in attendants are not subject to Non-Citizen Rule requirements.
- Live-in attendants will not be considered as a remaining member of the tenant family.
- A live-in attendant will not be considered as a household member at a later date, unless as specified below, in the case of marriage.

Relatives are not automatically excluded from being live-in attendants, but they must meet all of the elements in the live-in attendant definition described above. In determining whether a family member is living in the unit for any reason other than to provide care for the assisted person(s), HACSB will consider the relationship of the live-in attendant to the person, as well as factors such as current tenancy and ability of the live-in attendant to pay rent in the open market. Family members who are determined to be homeless at time of time of eligibility appointment may not be approved.

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

A live-in attendant may only reside in the unit with the approval of HACSB and the owner/landlord. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. The verification provider must certify that a live-in attendant is needed for the care of the family member who is elderly or disabled.

Verification must include the hours the care will be provided.

At any time, HACSB will refuse to approve a particular person as a live-in attendant or may withdraw such approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

- The person commits drug-related criminal activity or violent criminal activity; or

- The person currently owes rent or other amounts to HACSB or to another HA in connection with Section 8 or Public Housing assistance under the 1937 Act.

- If the person is determined to be living in the unit for reasons other than to strictly provide care to the family designated family member.

If the relationship of the live in-attendant and the person(s) change, such in the case of marriage, HACSB will require that the live-in attendant be added to the household as a household member.

2.3 SPLIT HOUSEHOLDS PRIOR TO VOUCHER ISSUANCE[3]

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, HACSB will make the decision as to whom retains the waiting list position taking into consideration the following factors:

- Which family member applied as head of household.

- Which family unit retains the children or any disabled or elderly members.

- Restrictions that were in place at the time the family applied.

- Role of domestic violence in the split.

- Recommendations of social service agencies or qualified professionals such as children's protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by HACSB.

MULTIPLE FAMILIES IN THE SAME HOUSEHOLD

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

JOINT CUSTODY OF DEPENDENTS

Dependents who are subject to a joint custody agreement will be considered a member of the family, if they live with the applicant or participant family 51 percent or more of the time.

[3] 24 CFR 982.315

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 eligibility interview or subsequent interviews will be able to claim the dependents. If there is a dispute about which family should claim them, HACSB will make a determination based on available documents such as court orders, school records or an IRS return showing which family has claimed the dependent for income tax purposes.

2.4 INCOME LIMITATIONS [4]

In order to be eligible for assistance, an applicant must be either:

A very low-income(50% AMI) family; or

A low-income(80% AMI) family in any of the following categories:

- A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within **120** days of voucher issuance. Programs include Public Housing, all Section 8 programs, all Section 23 programs.

- A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.

- A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

- A low-income family residing in a HUD-owned multifamily rental housing project when the project is sold, foreclosed or demolished.

To determine if the family is income-eligible, HACSB compares the annual income of the family to the applicable income limit for the family's size.

Families whose annual income exceeds the income limit will be denied admission and offered an informal review.

The applicable income limit to be used at initial issuance of a voucher is the income limit of HACSB.

[4] 24 CFR 982.201, 982.353

Portability:

For initial lease-up, families who exercise portability must be within the very low income limit for the jurisdiction of the receiving HA in which they want to live.

Participant families who exercise portability, and request or require a change in their form of assistance, must be within the low-income limit of the receiving HA if they are to receive the alternate form of assistance.

2.5 MANDATORY SOCIAL SECURITY NUMBERS[5]

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

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

If a family member does not have a social security number they must sign a certification stating that they do not have one. The certification shall:

- State the individual's name and that the individual has not been issued a social security number;
- State that the individual will disclose the social security number, when they obtain one at a later date;
- The certification must be signed and dated

Persons who disclose their social security number but cannot provide the verification must sign a certification and provide verification within 60 days. Elderly persons must provide verification within 120 days.

[5] 24 CFR 5.216,5.218

2.6 CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [6]

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

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

Mixed Families: A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

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

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

Appeals: For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

2.7 OTHER CRITERIA FOR ADMISSIONS [7]

HACSB will apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.

- The family must have not violated any family obligation during a previous participation in the Section 8 program for three years prior to final eligibility determination.
- HACSB may make an exception, if the family member who violated the family obligation is not a current member of the household on the application.
- When HACSB denies assistance to a person with a disability due to a violation of family obligation, and the violation was a result of the disability, the applicant may request a review of the decision to deny assistance.

[6] 24 CFR Part 5 Subpart E
[7] 24 CFR 982.552(b)]

- The family must pay any outstanding debt owed HACSB or another HA as a result of prior participation in any federal housing program within 30 days of HACSB's notice to repay.

- The family must be in good standing regarding any current payment agreement made with another HA for a previous debt incurred, before HACSB will allow participation in the Section 8 program.

- No family member may have been evicted from federally assisted housing for any reason during the last three years prior to final eligibility determination.

- HACSB may check criminal history for all adults in the household to determine whether any member of the family has violated any of the prohibited behaviors as referenced in Chapter 15, Section 15.2, "One Strike."

- No family member may have engaged in or threatened abusive or violent behavior toward HACSB personnel.

- Family members must not have been convicted, cited or arrested for a drug related or violent criminal activity within the last three (3) years. Registered Sex Offenders will automatically be ineligible.

- If any applicant deliberately misrepresents or omits the information on which eligibility or tenant rent is established, HACSB may deny assistance and may refer the family file/record to the proper authorities for appropriate disposition.

- If any member of the family fails to sign and submit consent forms for obtaining information required by HACSB, including Form HUD-9886 the family will be denied admission to the program.

2.8 SUITABILITY OF FAMILY[8]

HACSB will take into consideration any of the additional criteria for admission in Chapter 15, but may not otherwise screen for factors which relate to the behavior or suitability of the applicant family as tenants. It is the responsibility of the owner to screen the applicants as to their suitability for tenancy.

The owner is responsible for the screening and selection of the family based on their tenancy histories, including such factors as stated in 24 CFR 982.307 (a)(3).

HACSB may give the owner:

- The family's current and prior address as shown in HACSB's records;
- The name and address (if known by HACSB) of the landlord at the family's current and prior address;
- HACSB may offer the landlord other information in HACSB's possession about the family, including information about the tenancy history or family members, or about drug-trafficking by family member

HACSB will advise families how to file a complaint if they have been discriminated against by an owner. HACSB will advise the family to make a Fair Housing complaint. HACSB may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

2.9 CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Changes that occur between determination of eligibility, issuance of voucher, or execution of a HAP contract may affect the family's eligibility or Total Tenant Payment. For example, if a family's income increases and exceeds the current income limit prior to lease up, the applicant will not continue to be eligible for the program. They will be notified in writing of their ineligible status and their right to an informal review.

2.10 INELIGIBLE FAMILIES

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status. See Chapter 17, "Complaints and Appeals" for additional information about reviews and hearings.

[8] 24 CFR 982.307

Chapter 3

APPLYING FOR ADMISSION[1]

INTRODUCTION

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

3.1 OVERVIEW OF THE APPLICATION PROCESS

The purpose of taking applications is to permit HACSB to gather preliminary information and determine placement on the waiting list. The application contains questions designed to obtain pertinent applicant information.

Families who wish to apply for any of HACSB's programs must complete a written application form when the waiting list is open for applications. Upon request, applications will be made available in an accessible format for persons with disabilities.

Applications are available at the Housing Authority's central office and may be accessed via the HACSB website at www.hacsb.org. Applications may also be mailed to interested parties upon request.

The application process will involve two phases. The first is the preliminary application for assistance (referred to as a pre-application). This first phase results in the family's placement on the waiting list and establishes their preferences and date and time of application.

HACSB may admit a family that is not on the HACSB waiting list, or without considering the family's waiting list position. HACSB must maintain records showing that the family was admitted with HUD-targeted assistance.

For example a family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term.

The second phase is the "final determination of eligibility" (referred to as the full application or formal eligibility). The full application takes place when the family reaches the top of the waiting list. At this time HACSB ensures that verification of all HUD and HACSB eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher.

[1] 24 CFR 982.202, 982.204, 982.206, 982.207

3.2 OPENING/CLOSING OF THE WAITING LIST

HACSB will utilize the following procedures for opening the waiting list:

When HACSB opens the waiting list, HACSB will give the public notice by publication in a local newspaper of general circulation, and also by minority media and other suitable means. The notice must comply with HUD fair housing requirements.

The public notice will contain:

- The dates, times, and location(s) where families may apply.
- The programs for which applications will be taken.
- A brief description of the program.
- A statement that Public Housing residents must submit a separate application if they want to apply for the Section 8 Housing Choice Voucher program.
- Limitations, if any, on who may apply.

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

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

During the open period, HACSB will add new applicants to the existing waiting list based on preferences and rank applicants by date and time of application.

Who May Apply

When the waiting list is open:

- Any family requesting to be placed on the waiting list for Section 8 rental assistance will be given the opportunity to complete an application.

- At times HACSB may only accept applications from families claiming certain identified preference(s) depending upon the composition of the waiting list with regard to family types and preferences and to better serve the needs of the community.

Closing the Waiting List

If HACSB determines that the existing waiting list contains an adequate pool for use of available program funding, HACSB may stop accepting new applications, or may accept only applications meeting criteria adopted by HACSB.

HACSB will announce the closing of the waiting list by public notice and will give at least seven (7) business days notice prior to closing the list.

3.3 PRELIMINARY APPLICATION PROCESS

HACSB will utilize a preliminary application form (pre-application) to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The information is to be filled out by the applicant whenever possible. To provide specific accommodation to persons with disabilities, the application may also be mailed to the applicant and, if requested, it will be mailed in an accessible format.

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

- Names, birth dates and social security numbers of all members
- Gender and relationship of all members
- Street address and phone numbers
- Mailing address (if PO Box or different than street address)
- Amount(s) and source(s) of income received by all household members
- Information regarding disabilities to determine whether single applicants are disabled or seniors versus single, non-disabled and non-senior.

Information related to qualification for preferences:

- Race/Ethnicity
- Citizenship/eligible immigration status
- Information regarding criminal activity
- Request for specific accommodation needed to fully utilize program and services

Pre-applications **will not** require an interview. The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list. See Chapter 17, “Complaints and Appeals”

3.4 APPLICANT STATUS WHILE ON WAITING LIST

If after a review of the pre-application the family is determined to be preliminarily eligible, they will be notified in writing (or in an accessible format upon request and as a reasonable accommodation) that their name has been placed on the waiting list according to date, time and preferences and they will be notified when their name reaches the top of the waiting list.

The written notification of preliminary eligibility will be mailed to applicants' last known address on file. While on the waiting list, applicants are required to inform HACSB *in writing* of changes in address, income and household composition. Applicants are also required to respond to requests from HACSB to update information on their application and to determine their continued interest in assistance; failure to respond to requests from HACSB will result in removal from the waiting list.

If the family is determined to be ineligible based on the information provided in the pre-application, HACSB will notify the family of the reason(s) in writing or upon request, in an accessible format as a reasonable accommodation, and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. See Chapter 17, "Complaints and Appeals."

Ineligible families **will not** be retained on the waiting list.

3.5 TIME OF SELECTION

When funding is available, families will be selected from the waiting list in their preference-determined sequence, regardless of family size.

When there is insufficient funding available for the family at the top of the list, HACSB will not admit any other applicant until funding is available for the first applicant. Applicants may be passed over on the waiting list due to income targeting.

3.6 COMPLETION OF A FULL APPLICATION

All preferences claimed on the pre-application or while the family is on the waiting list will be verified after the family is selected from the waiting list.

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

When HACSB is ready to select applicants, applicants will be required to:

- Complete a Personal Declaration form prior to the full application interview.
- Participate in a full application interview with an HACSB representative during which the applicant will be required to furnish complete and accurate information and documentation as requested by the interviewer. The HACSB interviewer will complete the full application form with answers supplied by the applicant.
- Sign and certify that all information is complete and accurate.

Requirement to Attend Interview

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

All adult family members are required to attend the interview and sign the housing application.

Exceptions may be made for those family members for whom attendance would be a hardship.

It is the applicant's responsibility to reschedule the interview appointment if s/he cannot attend. Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than **10** days from the original appointment date.

If the applicant does not reschedule and misses **one** scheduled meeting, HACSB will cancel the application.

If an applicant fails to appear for their interview and does not contact HACSB to reschedule, their application will remain canceled unless they can provide acceptable documentation to HACSB that an emergency prevented them from contacting HACSB.

Reasonable accommodation will be made for persons with disabilities that require an advocate or an accessible office. A designee will be allowed to provide some information, but only with permission of the disabled person.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See Chapter 17, "Complaints and Appeals.")

All adult members must sign the HUD Form 9886, Authorization for Release of Information, the application form**,** the declarations and consents related to citizenship/immigration status and any other documents required by HACSB. Applicants will be required to sign specific verification forms for information that is not covered by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by HACSB.

3.7 VERIFICATION

Information provided by the applicant will be verified, using the verification procedures in Chapter 7. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 60 days old at the time of voucher issuance.

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

If the information is not supplied in this time period, HACSB may provide the family a notification of denial of assistance. (See Chapter 17, "Complaints and Appeals.")

3.8 FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, HACSB will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by HACSB, and the current eligibility criteria in effect. If the family is determined to be eligible, HACSB will mail a notification of eligibility. When a voucher is available for issuance to the

family, a briefing will be scheduled for the family's orientation to the Housing Choice Voucher program.

Chapter 4

ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST

INTRODUCTION

It is HACSB's objective to ensure that families are placed in the proper order on the waiting list so that an offer of assistance is not delayed to any family, or made to any family prematurely.

This chapter defines the eligibility criteria and ranking and/or local preferences which HACSB has adopted to meet local housing needs. By maintaining an accurate waiting list, HACSB will be able to perform the activities which ensure and explain that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

4.1 WAITING LIST

Except for Special Admissions, applicants will be selected from HACSB's waiting list in accordance with policies and preferences defined in this Administrative Plan.

HACSB will maintain information that permits proper selection from the waiting list. The waiting list contains the following information for each applicant listed:

- Applicant Name
- Family Unit Size (number of bedrooms family qualifies for under HACSB subsidy standards)
- Date and time of application
- Qualification for any ranking or local preference
- Racial or ethnic designation of the head of household
- Singles preference status
- Disability status
- Targeted program qualifications

All applicants must meet "low income" eligibility requirements as established by HUD. Any exceptions to these requirements, other than those outlined in Chapter 2, "Eligibility for Admission," must have been approved previously by the HUD Field Office.

4.2 WAITING LIST PREFERENCES [1]

An applicant may not be granted any local preference if any member of the family has been evicted from any federally assisted housing during the past three years because of drug-related or violent criminal activity.

[1] 24 CFR 982.553(a)(1)(i), 24 CFR 5.405(b)

HACSB may grant an exception to the family if one or more of the following apply:

- The responsible member has successfully completed a supervised rehabilitation program approved by HACSB.

- The evicted person was not involved in the drug-related activity or violent criminal activity that resulted in the eviction.

If an applicant makes a false statement or omits information in order to qualify for a ranking or local preference, HACSB will deny the ranking or local preference.

Types of Applicants With Preference Over "Other Singles":

Per HUD requirements, applicants who are a one or two-person elderly, disabled or displaced family must be given a selection priority over all "Other Single" applicants.

"Other Singles" denotes a one-person household in which the individual member is not elderly, disabled, or displaced. Such applicants will be placed on the waiting list in accordance with local preferences, but cannot be selected for assistance before any elderly family, disabled family or displaced single regardless of preferences.

4.3 LOCAL RANKING PREFERENCES[1]

Ranking preferences are used to prioritize applicants. These categories will receive a ranking preference:

POINTS

(4 points) **Federal Action Displacement:** Families or persons displaced by governmental action or disaster

(10 points) **Project Based**: Special needs families or persons currently residing in or seeking residency in, a property that has Project Based assistance and are referred by the owner to HACSB for Project Based assistance.

(2 points) **Residency Preference**: Applicants who either live or work within the South coast region of Santa Barbara County (as defined by the Census tracts listed in Appendix 7), or have been hired to work in the jurisdiction of HACSB

(2 points) **Unassisted Preference:** Families or persons NOT currently receiving any form of ongoing housing assistance, (e.g. residing in state, local or privately subsidized development, receiving rental assistance on a regular basis, etc.)

Exceptions:

Families or persons residing in one of HACSB's locally financed (i.e. Non-HUD) housing units or HACSB managed properties with a rent burden that exceeds 30% of household income

(1 point) **Veteran Preference**: Active members of the US Armed Forces, Veterans of the US Armed Forces, or spouses and surviving spouses of US Veterans (dishonorable discharge is not eligible for Veteran Preference.)

Local ranking preferences will be used to select among applicants on the waiting list. A public hearing must be held before HACSB adopts any local ranking preference.

The hearing will be publicized and generally held as part of a regularly scheduled Housing Authority Commission Meeting.

In addition to the Local Ranking Preferences, in selection of applicants for admission, HACSB may give preference to applicants who are otherwise eligible for assistance and who are/qualify as:

- **Terminally Ill:** Have been diagnosed as terminally ill and have a life expectancy of less than two years as verified by a licensed physician, similarly qualified health care provider or agency serving the health care and/or housing needs of terminally ill persons.

- **City Rental Rehabilitation:** Meet the needs of the City's rental rehabilitation program (24 CFR part 511).

[1] 24 CFR 5.410

- **Program Facilitation**: Are being offered a voucher to facilitate the operation of the Housing Authority's programs and/or meet the special needs of the client (e.g. families that need to move closer to specific medical or social services and require relocation from HACSB owned or managed developments or TBRA recipients who will have exhausted the 24 month subsidy limit).

Special Needs: The Special Needs preference consists of three distinct populations who have been identified as having a special need or circumstance and who have been unable, due to this circumstance to obtain adequate housing. No more than 25% (twenty-five percent) of new admissions per year will be assisted as a result of a Special Needs Ranking Preference.

The three populations are as follows:

- **Transitional Housing:** Tenants of Transitional Housing Programs (THP) which include a programmatic component, who have successfully completed the program obligations and have demonstrated the ability and desire to live independently. Transitional Housing Programs are to be defined as programs with a predetermined length of tenancy. Referral letter from the THP will be required.

- **NED:** Are non-elderly disabled persons who have been living in a heath care institution for a minimum of 3 months and are looking to transition into the community, or who without housing assistance are at risk of institutionalization. Verification from a health care professional or social service professional indicating the applicant's ability and desire to transition back to the community as well as a letter verifying the applicants compliance and length of stay in the institution will be required. For those applicants at risk of institutionalization a referral letter from CHANCE, Tri-Counties Regional Center, Independent Living Resource Center, PathPoint or other applicable local social service providers will be required.

- **Domestic Violence Displacement**: Have been displaced or face imminent displacement due to actual or threatened physical domestic violence against one or more members of the applicant family within the last eighteen (18) months. Verification in the form of a police report and or restraining order will be required to grant this preference. In addition applicant self certification of displacement will be required. Applicants who have been receiving services through Domestic Violence Solutions (DVS) for a minimum of 30 days will be able to submit referral letters from DVS in lieu of a restraining order or police report.

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

4.4 EXCEPTIONS FOR SPECIAL ADMISSIONS[1]

If HUD awards HACSB program funding that is targeted for specifically named families, HACSB will admit these families under a Special Admission procedure.

Special Admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. HACSB maintains separate records of these admissions.

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

- A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project;
- A family displaced because of demolition or disposition of a public or Indian housing project;
- For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
- A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term and subject to the availability of funds, may be offered the opportunity to receive tenant-based assistance under the Housing Choice Voucher Program in accordance with CFR part 982.
- A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

4.5 TARGETED FUNDING[2]

When HUD awards special funding for certain family types, families who qualify are placed on the general Section 8 waiting list. When a specific type of funding becomes available, the waiting list is searched for the first available family meeting the targeted funding criteria.

HACSB has the following "Targeted" Programs:

- **Shelter Plus Care (55)**
- **Family Unification "FUP" (125 vouchers)**
- **Mainstream (100 vouchers)**
- **Non-Elderly Disabled "NED" (100 vouchers)**

SET ASIDE VOUCHERS

In response to community needs HACSB may determine to "set aside vouchers' to assist targeted populations. Families for these voucher types are selected from the

[1] 24 CFR 982.203

[2] 24 CFR 982.204(e)

general Section 8 waiting list. When set aside vouchers become available, the waiting list is searched for the first available family meeting the set aside voucher criteria.

HACSB has the following "Set Aside Vouchers:"

- **Homeless (75 vouchers)**

  Are referred by a Community Based Organization (CBO) or designee of Santa Barbara County Alcohol Drug and Mental Health Services and who have been determined by results of the Vulnerability Index(VI) to be at imminent risk of homelessness or are chronically homeless as defined by HUD. There are 75 vouchers set aside for homeless stabilization.

TENANT BASED RENTAL ASSISTANCE (TBRA)

HACSB has been awarded HOME funds by the City of Santa Barbara to administer a Tenant Based Rental Assistance (TBRA) program. The program goal is to assist very low income homeless individuals or families, who maintain an active Section 8 application to secure decent, safe and sanitary housing in the private rental market within the City of Santa Barbara, while waiting for a Section 8 voucher.

In administering the TBRA program HACSB will use the ranking criteria as outlined in this chapter to issue TBRA program assistance. TBRA vouchers will be issued to eligible families as an alternative to Section 8 when Section 8 Vouchers are unavailable.

Please see the TBRA Tenant Selection Plan for additional information regarding this program.

4.6 PREFERENCE ELIGIBILITY[1]

Change in Circumstances

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

Cross-Listing of Public Housing and Section 8

HACSB will not merge the waiting lists for Public Housing and Section 8. However, if the Section 8 waiting list is open when the applicant is placed on the Public Housing list, HACSB must offer to place the family on both lists. If the Public Housing waiting list is open at the time an applicant applies for Section 8, HACSB must offer to place the family on the Public Housing waiting list.

[1] 24 CFR 982.205(a)(2)(ii)

4.7 INCOME TARGETING[1]

In accordance with the Quality Housing and Work Responsibility Act of 1998, no less than seventy-five percent of new admissions to HACSB's Section 8 program will be families whose income does not exceed 30 percent of the area median income during HACSB's fiscal year.

4.8 FINAL VERIFICATION OF PREFERENCES[2]

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, HACSB will obtain necessary verifications of preference at the interview and by third party verification.

4.9 PREFERENCE DENIAL[3]

If HACSB denies a preference, the applicant will be notified in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. If the preference denial is upheld as a result of the review, or the applicant does not request a review, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents, makes false statements or omits information in order to qualify for any preference, they will be removed from the waiting list.

4.10 REMOVAL FROM WAITING LIST AND PURGING[4]

The waiting list will be purged periodically depending on need, but approximately every 24 – 48 months by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for written confirmation of continued interest.

Any mailings to the applicant which require a response will state that failure to respond within 30 days will result in the applicant's name being dropped from the waiting list.

An extension of 30 days to respond will be granted, if requested and needed as a reasonable accommodation for a person with a disability.

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice and the envelope and letter will be maintained in the file.

If an applicant is removed from the waiting list for failure to respond, they **will not** be entitled to reinstatement unless HACSB determines there were circumstances beyond the person's control which prevented them from responding. HACSB may request that the applicant provide documentation verifying the circumstances.

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[1] 24 CFR 982.207
[2] 24 CFR 5.415
[3] 24 CFR 5.410
[4] 24 CFR 982.204(c)

Chapter 5

SUBSIDY STANDARDS[1]

INTRODUCTION

HUD guidelines require that HACSB establish subsidy standards for the determination of voucher bedroom size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the voucher size also must be within the unit size requirements of HUD's Housing Quality Standards. This Chapter explains the subsidy standards which will be used to determine the voucher size for various sized families when they are selected from the waiting list, as well as HACSB's procedures when a family's size changes or a family selects a unit size that is different from the voucher size.

5.1 DETERMINING VOUCHER SIZE[2]

HACSB does not determine who shares a bedroom/sleeping room, but at minimum there must be at least one person per bedroom listed on the voucher. HACSB's subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines.

All standards in this section relate to the number of bedrooms on the voucher, not the family's actual living arrangements.

The unit size on the voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

Generally, HACSB assigns one bedroom per two family members within the following guidelines:

- One bedroom will be assigned for each two family members regardless of sex, age, or relationship. Exceptions will be made for medical reasons and in the case of a live-in attendant.
- Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.
- An additional bedroom will not be provided for a child who is away at school but who lives with the family during school recesses.
- An additional bedroom will not be provided for a child subject to a custody agreement who is with the family less the 51% of the time (183 days).

Single person families will be allocated one bedroom.

[1] 24 CFR 982.54(d)(9)
[2] 24 CCR 982.402

GUIDELINES FOR DETERMINING VOUCHER SIZE		
Voucher Size	**Persons in Household (Minimum #)**	**Persons in Household (Maximum #)**
SRO	1	1
0 Bedroom	1	2
1 Bedroom	1	4
2 Bedroom	2	6
3 Bedroom	3	8
4 Bedroom	4	10
5 Bedroom	6	12
6 Bedroom	8	14

5.2. EXCEPTIONS TO SUBSIDY STANDARDS[3]

HACSB may grant exceptions from the subsidy standards if such a request is submitted in writing and HACSB determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of a need, such as a:

- Verified medical or health reason; or
- Elderly persons or persons with disabilities who may require a live-in attendant.

Request for Exceptions to Subsidy Standards

The family may request a larger sized voucher than indicated by HACSB's subsidy standards. Such request must be made in writing. The request must explain the need or justification for a larger bedroom size. Documentation verifying the need or justification will be required as appropriate. Requests based on health related reasons must be verified by a doctor, medical professional or social service professional.

HACSB will not issue a larger voucher due to additions of family members other than additions

[3] 24 CFR 982.402(b)

by birth, adoption, marriage, or court-awarded custody.

HACSB Error

If HACSB errs in the bedroom size designation, the family will be issued a voucher of the appropriate size.

Changes for Applicants

The voucher size is determined prior to the briefing by comparing the family composition to HACSB subsidy standards. If an applicant requires a change in the voucher size, the above referenced guidelines will apply.

Changes for Participants

All members of the family residing in the subsidized unit must be approved by HACSB. The family must obtain written approval of any additional family member before the new member occupies the unit. Additions to the household resulting from birth, adoption, or court-awarded custody, must be reported, in writing, to HACSB within 30 days. The above referenced guidelines will apply.

Underhoused Families (unit is too small)[4]

If a unit does not meet HACSB's subsidy standards due to an increase in family size, (unit too small), HACSB will issue a new voucher and provide the family with the tools necessary to locate a suitable unit.

- If a family is occupying a unit which has fewer bedrooms than allocated under the Housing Quality Standards. HACSB will issue the family a voucher to allow the family to move into a unit of appropriate size.

- Underhoused families will be given up to 180 days to relocate before assistance is terminated.

- HACSB will also notify the family of the circumstances under which an exception will be granted, such as:

  A family with a disability is underhoused in an accessible unit.

Overhoused Families (unit too large)

If a unit does not meet HACSB's subsidy standards due to a decrease in family size, (unit too large), HACSB will issue a voucher and assist the family in locating a suitable unit.

- If a voucher family is occupying a unit which has more bedrooms than allocated under the HACSB's subsidy standards, HACSB will issue a voucher of the proper bedroom size and notify the family of new subsidy amount.

[4] 24 CFR 982.403

- HACSB will also notify the family of the circumstances under which an exception will be granted, such as:

  If the family requires the additional bedroom because of a health issue which has been verified by HACSB.

- The effective date of change of the family's voucher will be at the time of an interim or annual recertification but will be completed no less than 90 days after the family composition change.

5.3 UNIT SIZE SELECTED

The family may select a different size dwelling than that listed on the voucher. There are three criteria to consider:

Subsidy Limitation: The family size as determined for a family under HACSB's subsidy standards is based on HACSB's adopted payment standards. The payment standard for a family shall be the lower of:

The payment standard amount for the bedroom size shown on the voucher; or
The payment standard for the size of the actual unit selected by the family.

Utility Allowance: The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the size authorized on the family's voucher.

Housing Quality Standards: The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

HQS GUIDELINES FOR UNIT SIZE SELECTED	
No. of Bedrooms:	**Maximum No. of Persons in Household:**
SRO	1
0 Bedroom	2
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12
6 Bedrooms	14

Chapter 6

INCOME AND SUBSIDY DETERMINATIONS

INTRODUCTION

HACSB will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and reexamination is correct. The accurate calculation of annual income and adjusted income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable expenses and deductions to be subtracted from annual income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation. The HACSB's policies in this Chapter address those areas which allow the HACSB's discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

6.1 INCOME AND ALLOWANCES[1]

Income:

Includes all monetary amounts that are received on behalf of the family. For purposes of calculating the TTP HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income that is not specifically excluded in the regulations is counted.

Annual Income:

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

Adjusted Income:

Is defined as the annual income minus any HUD allowable expenses and deductions.

HUD has five allowable deductions from Aanual Income:

- Dependent Allowance: $480 each for family members (other than the head, spouse or co-head) who are minors, and for family members who are 18 and older who are full-time students or who are disabled.

- Elderly/Disabled Allowance: $400 per family for families whose head or spouse is 62 years of age or over or disabled.

[1] 24 CFR 5.609

- Allowable unreimbursed medical expenses: For all family members of an eligible elderly/disabled family, to the extent the sum exceeds three percent of annual income.

- Child Care Expenses: Deducted for the care of children 12 and under when child care is necessary to allow an adult member to work, attend school, or actively seek employment.

- Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

6.2 DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT[2]

HACSB must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, HACSB must count the income of the spouse, co-head or the head of the household if that person is temporarily absent, even if that person is not on the lease.

Temporarily absent is defined as away from the unit for less than 90 days.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. HACSB will evaluate absences from the unit using this policy.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, HACSB will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify HACSB before they move out of a unit and to give HACSB information about any family absence from the unit.

Families must notify HACSB if they are going to be absent from the unit for more than 60 consecutive calendar days**.**

If the entire family is absent from the assisted unit for more than 90 consecutive calendar days, the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit beyond 90 days with good cause (such as hospitalization), HACSB may continue assistance payments for a maximum not to exceed 180 calendar days.

HUD regulations require HACSB to terminate assistance if the entire family is absent from the unit for a period of more than 180 consecutive calendar days.

[2] 24 CFR 982.54 (d)(10), 982.317, 982.551

“Absence” means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, HACSB may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors/landlord
- Verify if utilities are in service
- Check with the Post Office

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days limit.

If the absence which resulted in termination of assistance was due to a person’s disability, and HACSB can verify that the person was unable to notify HACSB in accordance with the family’s responsibilities, and if funding is available, HACSB may reinstate the family as an accommodation if requested by the family and/or service provider.

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for three months or 180 consecutive days except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, HACSB will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive calendar days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with this Plan.

Absence due to Incarceration

If the sole member is incarcerated for more than 90 consecutive calendar days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for three consecutive months or 180 days in a twelve-month period.

HACSB will determine if the reason for incarceration is for drug-related or violent criminal activity.

Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, HACSB will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than three months from the date of removal of the child/ren, the voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with HACSB's subsidy standards.

Absence of Adult

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, HACSB will treat that adult as a visitor for the first 90 calendar days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher will be transferred to the caretaker.

If the appropriate agency cannot confirm the guardianship status of the caretaker, HACSB will review the status at 90 calendar day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, HACSB will secure verification from social services staff or the attorney as to the status.

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

When HACSB approves a person to reside in the unit as caretaker for the children, the income should be counted pending a final disposition. HACSB will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than three months, the person will be considered permanently absent.

If an adult family member leaves the household for any reason, the family must report the change in family composition to HACSB in writing within 30 calendar days.

The family will be required to notify HACSB in writing within 30 calendar days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent.

The family member will be determined permanently absent if verification is provided.

Time extension will be granted as an accommodation upon request by a person with a disability.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home and live with the family during school recess will be considered permanently absent from the household.

Visitors

Any adult not included on the HUD 50058 who has been in the unit more than fourteen consecutive calendar days, or a total of 30 calendar days in a 12-month period, will be considered to be living in the unit as an **unauthorized** household member.

- Absence of evidence of any other address will be considered verification that the visitor is a unauthorized household member.
- Postal Check will be considered in making a determination.
- Statements from neighbors and/or the landlord will be considered in making the determination.
- Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.
- The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and HACSB will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 90 calendar days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 183 calendar days per year, the minor will be considered to be an eligible visitor and not a family member.

Reporting Additions to Owner and HACSB

Reporting changes in household composition to HACSB is both a HUD and an HACSB requirement.

The family obligations require the family to request HACSB approval to add any other family member as an occupant of the unit and to inform HACSB of the birth, adoption or court-awarded custody of a child. The family must request prior approval of additional household members in writing.

If the family does not obtain prior written approval from HACSB, any person the family has permitted to move in will be considered an unauthorized household member.

An interim reexamination will be conducted for any additions to the household.

In addition, HACSB will require the family to obtain prior written approval from the owner when there are changes in family composition.

Reporting Absences to HACSB

Reporting changes in household composition is both a HUD and a HACSB requirement.

If a family member leaves the household, the family must report this change to HACSB, in writing, within 30 calendar days of the change and certify whether the member is temporarily absent or permanently absent.

HACSB will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy.

6.3 ANTICIPATING ANNUAL INCOME

When annual income cannot be anticipated for a full twelve months, HACSB may:

- Average known sources of income that vary to compute an annual income, or
- Annualize current income and conduct an interim reexamination if income changes.

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

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

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

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

MINIMUM INCOME

There is no minimum income requirement. Families who report zero income are required to complete a written certification at least every 90 calendar days.

INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME[3]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, HACSB will calculate the income by using the following methodology and use the income figure which would result in a lower payment by the family:

- Exclude the income of the person permanently confined to the nursing home and give the family no deductions for medical expenses of the confined family member.
- Include the income and deductions of the member if his/her income goes to a family member.

[3] 24 CFR 982.54 (d)(10)

REGULAR CONTRIBUTIONS AND GIFTS[4]

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

Any contribution or gift received every two months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than $600.00 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures," for further definition.)

If the family's expenses exceed its known income, HACSB will question the family about contributions and gifts.

ALIMONY AND CHILD SUPPORT[5]

Regular alimony and child support payments are counted as income for calculation of TTP.

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

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

- HACSB receives verification from the agency responsible for enforcement or collection.
- The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

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

LUMP SUM RECEIPTS[6]

Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

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

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[4] 24 CFR 5.609
[5] 24 CFR 5.609
[6] 24 CFR 5.609

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

- HACSB uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

- HACSB will calculate prospectively if the family reported the payment within 90 calendar days and retroactively to date of receipt if the receipt was not reported within that time frame.

- HACSB will calculate retroactively if the receipt occurred before but was not reported for last recertification.

Prospective Calculation Methodology

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

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

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

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

- The lump sum will be added in the same way for any interim that occurs prior to the next annual recertification.

If amortizing the payment over one year will cause the family to pay more than 10% of the family's adjusted income (before the lump sum was added) for Total Tenant Payment, HACSB and family may enter into a Repayment Agreement for the balance of the amount over the 10% calculation. The beginning date for this Repayment Agreement will start as soon as the one-year is over.

Retroactive Calculation Methodology

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

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

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

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

Attorney Fees

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

6.4 EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

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. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to individuals in families already participating in the HCV program (not at initial certification). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. Previously unemployed 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.
- 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.[7]
- 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.

Calculation of the Disallowance

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."

HACSB defines *prior income,* or *prequalifying income,* as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying income remains constant throughout the period that he or she is receiving the EID.

Initial 12-Month Exclusion

[7] 24 CFR 5.603(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.

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.

Second 12-Month Exclusion and Phase-In

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.

Lifetime Limitation

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.

During the 48-month eligibility period, HACSB 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).

6.5 BUSINESS INCOME

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.

Business Expenses

Net income is "gross income less business expense"

To determine business expenses that may be deducted from gross income, HACSB 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.

Business Expansion

HUD regulations do not permit HACSB to deduct from gross income expenses for business expansion.

Business expansion 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.

Capital Indebtedness

HUD regulations do not permit HACSB to deduct from gross income the amortization of capital indebtedness.

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means HACSB will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

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.

Withdrawal of Cash or Assets from a Business

HUD regulations require HACSB 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.

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, HACSB 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.

Co-owned Businesses

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.

6.6 ASSETS

There is no asset limitation for participation in the HCV program. However, HUD requires that HACSB include in annual income the “interest, dividends, and other net income of any kind from real or personal property”. This section discusses how the income from various types of assets is determined. For most types of assets, HACSB must determine the value of the asset in order to compute income from the asset.

HACSB 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 HACSB 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) HACSB believes that past income is the best indicator of anticipated income.

Valuing Assets

The calculation of asset income sometimes requires HACSB to make a distinction between an asset’s market value and its cash value.

- 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).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

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.

Lump-Sum Receipts

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).

Imputing Income from Assets

When net family assets are $5,000 or less, HACSB 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, HACSB 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.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for HACSB 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.

Withdrawal of Cash or Liquidation of Investments

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.

Jointly Owned Assets

HUD regulation specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”

- If an asset is owned by more than one person and any family member has unrestricted access to the asset, HACSB 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, HACSB will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, HACSB will prorate the asset evenly among all owners.

Assets Disposed of for Less than Fair Market Value

HUD regulations require HACSB 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.

Minimum Threshold

HACSB 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 recertification’s, the family may request an interim recertification to eliminate consideration of the asset(s).

- Assets placed by the family in non revocable 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.

Separation or Divorce

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.

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.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

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. HACSB may verify the value of the assets disposed of if other information available to HACSB does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero. In determining the value of a checking account, HACSB will use the average monthly balance for the last three months.

In determining the value of a savings account, HACSB will use the current balance.
In determining the anticipated income from an interest-bearing checking or savings account, HACSB will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

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

In determining the market value of an investment account, HACSB 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), HACSB will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

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.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs
- 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
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives
- Equity in real property when a family member's main occupation is real estate. This real estate is considered a business asset.
- Interests in Indian Trust lands
- Real property and capital assets that are part of an active business or farming operation

A family may have real property as an asset in two ways:

- Owning the property itself, and;
- 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.

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.

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 HACSB determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A *trust* 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).

Revocable Trusts

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. 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.

Nonrevocable Trusts

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.

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, HACSB must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset. 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, except to the extent that it represents funds invested in the account by the family member. The balance in the account is counted as an asset only if it remains accessible to the family member. An IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property held as an investment, HACSB will use the family's estimate of the value. HACSB may obtain an appraisal to confirm the value of the asset 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. Necessary items of personal property are not considered assets.

Necessary personal property consists of only those items not held as an investment, and may

include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

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 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.

6.6 PERIODIC PAYMENTS

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.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family.
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum

Lump-Sum Payments for the Delayed Start of a Periodic Payment

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.

When a delayed-start payment is received and reported during the period in which HACSB is processing an annual reexamination, HACSB will adjust the family share and HACSB 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 HACSB

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone). HACSB 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.
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home
- Amounts received under the Low-Income Home Energy Assistance Program
- Amounts received under the Child Care and Development Block Grant Act of 1990

- Earned Income Tax Credit (EITC) refund payments[8].

  Note: EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.

- Lump sums received as a result of delays in processing Social Security and SSI payments.

PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income 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.

6.7 WELFARE ASSISTANCE

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.

Sanctions Resulting in the Reduction of Welfare Benefits

HACSB must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered 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.

Imputed Income

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, HACSB must include in annual income "imputed" welfare income. HACSB must request that the welfare agency inform HACSB 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.

This requirement does not apply to reductions in welfare benefits:

- At the expiration of the lifetime or other time limit on the payment of welfare benefits,
- 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

[8] 26 U.S.C. 32(j), 24 CFR 5.609(c)(17)

- Because a family member has not complied with other welfare agency requirements

Offsets

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.

6.8 PERIODIC AND DETERMINABLE ALLOWANCES [9]

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.

Alimony and Child Support

HACSB must count alimony or child support amounts awarded as part of a divorce or separation agreement.

HACSB will count court-awarded amounts for alimony and child support unless HACSB 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.

Regular Contributions or Gifts

HACSB must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family. Temporary, nonrecurring, or sporadic income and gifts are not counted.

Examples of regular contributions include:

- Regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments),
- Cash or other liquid assets provided to any family member on a regular basis
- "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 HACSB. For contributions that may vary from month to month (e.g., utility payments), HACSB will include an average amount based upon past history.

6.9 STUDENT FINANCIAL ASSISTANCE[10]

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

[9] 24 CFR 5.609(b)(7)
[10] 24 CFR 5.609(b)(9)

financial assistance was excluded. For some students, the full exclusion still applies.

Student Financial Assistance Included in Annual Income

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- 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.
- They are under 24 years of age **OR** they have no dependent children.

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.

To determine annual income in accordance with the above requirements, HACSB will use the following definitions:

- *Assistance under the Higher Education Act of 1965* 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.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled.

Student Financial Assistance Excluded from Annual Income [11]

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:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does not meet the 1965 HEA definition of institution of higher education
- Students who are over 23 **AND** have at least one dependent child.

Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

[11] 24 CFR 5.609(c)(6)

Chapter 6 - Part II
ADJUSTED INCOME

Overview[12]

HUD regulations require HACSB 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

- $480 for each dependent;
- $400 for any elderly family or disabled family'
- The sum of the following, to the extent the sum exceeds three percent of annual income
- Unreimbursed medical expenses of any elderly family or disabled family;
- 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;
- Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education

Anticipating Expenses

Generally, HACSB 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), HACSB will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, HACSB 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. HACSB may require the family to provide documentation of payments made in the preceding year.

6.10 DEPENDENT DEDUCTION

A deduction of $480 is taken for each dependent. *Dependent* is defined as any family member other than the head, spouse, or co-head 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 attendants are never considered dependents.

[12] 24 CFR 5.611

6.11 ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family.[13] An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities.[14]

Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head, spouse, or co-head 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, HACSB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6.12 MEDICAL EXPENSE DEDUCTION[15]

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 co-head 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.

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Definition of *Medical Expenses*

HUD regulations define *medical expenses* 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."[16]

The most current IRS Publication 502, *Medical and Dental Expenses,* will be used to determine the costs that qualify as medical expenses. **Summary of Allowable Medical Expenses from IRS Publication 502**	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, non-cosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance premiums or the cost of a health maintenance organization

[13] 24 CFR 5.611(a)(2)
[14] 24 CFR 5.403
[15] 24 CFR 5.611(a)(3)(i)
[16] 24 CFR 5.603(b)

6.13 DISABILITY ASSISTANCE EXPENSE DEDUCTION[17]

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.

Earned Income Limit on the Disability Assistance Expense Deduction

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.[18]
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.[19] The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, HACSB 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 HACSB 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.

Eligible Disability Expenses

Examples of auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to 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.

Eligible Auxiliary Apparatus

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.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with

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[17] 24 CFR 5.603(b), 24 CFR 5.611(a)(3)(ii)
[18] 24 CFR 5.603(b)
[19] 24 CFR 5.611(a)(3)(ii)

disabilities.

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, HACSB will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work.

6.14 CHILD CARE EXPENSE DEDUCTION[20]

HUD defines *child care expenses* at 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."

Clarifying the Meaning of *Child* for This Deduction

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. 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.

Qualifying for the Child Care Deduction

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* 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).

In evaluating the family's request, HACSB 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.

Seeking Work

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 HACSB.

[20] 24 CFR 5.603(b)

Furthering Education

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

Being Gainfully Employed

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.

Earned Income Limit on Child Care Expense Deduction."[21]

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. 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. HACSB 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

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, HACSB 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.

[21] 24 CFR 5.603(b)

Chapter 6 – Part III

CALCULATING FAMILY SHARE AND HACSB SUBSIDY

6.15 OVERVIEW OF RENT AND SUBSIDY CALCULATIONS [22]

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:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent of $50

HACSB has the authority to suspend and exempt families from minimum rent when a financial hardship exists.

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.

Welfare Rent[23]

Welfare rent does not apply in this locality.

Minimum Rent [24]

The minimum rent for this locality is $50

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Family Share [25]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds HACSB's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy HACSB 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.

[22] 24 CFR 5.628
[23] 24 CFR 5.628
[24] 24 CFR 5.630
[25] 24 CFR 982.305(a)(5)

HACSB Subsidy [26]

HACSB 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.

Utility Reimbursement[27]

HACSB will maintain an up to date Utility Allowance Schedule.

The Utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from Total Tenant Payment to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption studies, not on a family's actual consumption. HACSB will review the Utility Allowance Schedule on an annual basis and revise it if needed.

The approved utility allowance schedule is given to families along with their voucher. The utility allowance is based on the actual unit size selected.

Where families provide their own range and refrigerator, HACSB will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 48-month period.

Where the Utility Allowance exceeds the family's Total Tenant Payment, HACSB will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant unless HACSB determines that utility companies should receive the check, in which case the check will be sent to appropriate utility companies without the tenants written agreement.

6.16 FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [28]

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 HACSB determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

Financial Hardship Includes the Following Situations:

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. 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.

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[26] 24 CFR 982.505(b)
[27] 24 CFR 982.514(b)
[28] 24 CFR 5.630

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.

The family would be evicted because it is unable to pay the minimum rent. 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. Family income has decreased because of changed family circumstances, including the loss employment.

A death has occurred in the family. 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).

Temporary Hardship

If HACSB determines that a qualifying financial hardship is temporary, HACSB 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.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay HACSB the amounts suspended. HUD requires HACSB to offer a reasonable repayment agreement, on terms and conditions established by HACSB. HACSB also may determine that circumstances have changed and the hardship is now a long-term hardship.

Long-Term Hardship

If HACSB determines that the financial hardship is long-term, HACSB 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.

6.17 PRORATED ASSISTANCE FOR MIXED FAMILIES[29]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. HACSB must prorate the assistance provided to a mixed family. HACSB 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.

[29] 24 CFR 5.520

Chapter 7

VERIFICATION PROCEDURES[1]

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment (TTP) be verified by HACSB. HACSB staff will obtain written verification from independent sources when possible and will document participant files when third-party verifications are not possible. Applicants and program participants must furnish proof of their statements whenever required by HACSB, and the information they provide must be true and complete. HACSB's verification requirements are designed to maintain program integrity. This chapter explains HACSB's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. HACSB will ensure that proper authorization from the family is obtained before making verification inquiries.

7.1 METHODS OF VERIFICATION AND TIME ALLOWED[2]

HACSB will verify information through the five (5) methods of verification acceptable to HUD in the following order:

- **Up Front Income Verification (UIV)**

  The verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals is the preferred method of verifying family income.

- **Third-Party Written**

  HACSB may also require written third-party verification to substantiate claims made by an applicant or resident.

- **Third-Party Oral**

  HACSB may also use telephone verifications.

- **Review of Documents**

  HACSB will review documents, when relevant, to substantiate the claim of an applicant or resident.

- **Self -Certification**

  A notarized statement, affidavit, certification, or statement made under penalty of perjury, and witnessed by HACSB.

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.

HACSB will allow ten (10) days for return of third-party verifications and no more than an additional ten (10) days to obtain other types of verifications before going to the next method.

For applicants, verifications may not be more than sixty (60) days old at the time of voucher issuance. For participants, they are valid for 120 days from date of receipt.

- **Up Front Income Verification (UIV)**

[1] 24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230
[2] 24 CFR 982.516

The verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals is the preferred method of verifying family income.

Types of income that may be verified using Upfront Income Verification (UIV).

- Gross Wages and Salaries (including overtime pay, commission, fees, tips, bonuses, and other compensation for personal services.)
- Unemployment Compensation
- Welfare Benefits
- Social Security Benefits (including Federal and State benefits, Black Lung benefits, dual benefits.)
- Social Security (SS)
- Supplemental Security Income (SSI)
- Other income types (i.e., child support, pensions. etc.) should be verified using upfront income verification techniques if the resources are available.

Available Upfront Income Verification Techniques

HACSB may obtain upfront income verification through the following methods:

- Computer matching agreements with a federal state, or local government agency, or a private agency;
- Use of HUD's Tenant Assessment Sub-System (TASS); or
- Submit direct requests for income verifications to federal, state, or local government agencies or a private agency.
- HUD Systems Available for Upfront Income Verification.
- Use of HUD's Tenant Assessment Sub-System (TASS) and centralized UIV System are acceptable methods for verifying family income. HUD will announce the availability of the UIV System through issuance of a Public Housing (PIH) Notice or other appropriate means in the future.

  Note: HACSB must have a valid HUD Form 9886 signed by all household members who are 18 years of age or older in the participant's file.

Use of Third-Party Verification to Supplement Upfront Income Verification

Upfront Income Verification replaces, to a large extent, the more time consuming and less accurate third-party verification process of contacting individual employers identified by the family or reviewing outdated income verification documents. However, third-party verification may continue to be necessary to complement upfront income verification, for example, when the participant disputes the data. It should not be considered as an automatic substitute for other third-party verification, and may supplement other verification documentation, such as original, current participant provided documents.

Third-Party Verification

HACSB will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

Third-Party Written Verification

HACSB may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. HACSB will send a written request for verification to each required source within five (5) business days of securing a family's authorization for the release of the information and give the source ten (10) business days to respond in writing. If a response has not been received by the eleventh business day, HACSB will request third-party oral verification.

- HACSB will not accept verifications delivered by the family as third-party documents, except computerized printouts from appropriate agencies such as:
  - Social Security Administration
  - Veterans Administration
  - Santa Barbara County Social Services Agency
  - Unemployment Compensation Board
  - City or County Courts
  - Pharmacies for prescription drugs
  - District Attorney's Office for Child Support

Third-Party Oral Verification

HACSB will make a minimum of two (2) attempts, one (1) of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, HACSB staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided. If provided by telephone, HACSB must originate the call.

Review of Documents

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within ten (10) days, HACSB will notate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

HACSB may also review documents when necessary to help clarify information provided by third parties. In such cases HACSB will document in the file how HACSB arrived at a final conclusion about the income or expense to include in its calculations.

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

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

- Printed wage stubs
- Computer printouts from the employer
- Signed letters (provided that the information is confirmed by phone)
- Other documents noted in this chapter as acceptable verification
- HACSB will accept faxed documents.
- HACSB may accept e-mail attachments.
- HACSB may accept photocopies.

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

HACSB will not delay the processing of an application beyond thirty (30) days because a third-party information provider does not return the verification in a timely manner.

Self-Certification

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certification means a notarized statement, affidavit, certification, or statement made under penalty of perjury pursuant to the laws of the State of California, and must be witnessed by HACSB.

Self-certification will not be permitted for situations qualifying a family for a local preference, such as involuntarily displaced, substandard housing, CalWORKS program participant, and assisted living housing. Third-party certification will be required during the application process.

RELEASE OF INFORMATION[3]

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

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

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance. It is the family's obligation to supply any information requested by HACSB or HUD.

COMPUTER MATCHING

The 1988 McKinney Act legislation authorized state wage record keepers to release to both HUD and Housing Authorities information pertaining to wages and unemployment compensation. HUD conducts computer matching to independently verify resident income. HUD accesses income information and compares it to information submitted by HACSB on the

[3] 24 CFR 5.230

50058 form. If HUD receives information from federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family of the discrepancy. The family is required to disclose this information to HACSB as per 24 CFR 5.240. HUD's letter to the family will also notify the family that HUD has notified HACSB that the family has been advised to contact HACSB. HUD will send HACSB a list of families who have received "income discrepancy" letters.

When HACSB receives notification from HUD that a family has been sent an "income discrepancy" letter, HACSB will:

- Wait thirty (30) days after the date of notification before contacting participant.
- After thirty (30) days following the date of notification, HACSB will contact the participant by mail and request that within seven (7) days the family furnish any letter or other notice received from HUD concerning the amount or verification of family income. If participant fails to respond to HACSB's request to furnish any letter or other notice received from HUD, HACSB will send a final letter to the head of household giving the family seven (7) days to respond and warning of the consequences of not complying.
- HACSB will fully document any contact or correspondence in the participant's file, including a copy of the letter to the family. When the family provides the required information, HACSB will verify the accuracy of the income information received from the family, review HACSB's interim recertification policy, will identify unreported income, will charge retroactive rent as appropriate, and change the amount of rent or terminate assistance, as appropriate, based on the information.
- If the amount of overpaid subsidy owed to HACSB exceeds $1,500, HACSB may seek to terminate assistance or offer a repayment agreement for no more than $3,000. If HACSB offers a repayment agreement on a first occurrence for $3,000, the family is obligated to pay any amount in excess of $3,000 in a lump sum.

If participant claims a discrepancy letter from HUD was not received HACSB will:

- Ask HUD to send a second letter with a verified address for the participant.
- After fourteen (14) days, HACSB will contact the family.
- If the family still claims they have not received a letter, HACSB will set up a meeting with the family to complete IRS forms 4506 and 8821.
- If the family fails to meet with HACSB or will not sign the IRS forms, HACSB will send a warning letter to the head of household, notifying the family that termination proceedings will begin within one (1) week if the participant fails to meet with HACSB and/or sign forms.

If participant does receive a discrepancy letter from HUD:

- HACSB will set up a meeting with the family.
- The family must bring the original HUD discrepancy letter to HACSB.
- If the family fails to attend the meeting, HACSB will reschedule the meeting.
- If the family fails to attend the second meeting, HACSB will send a termination warning.

If participant disagrees with federal tax data contained in the HUD Discrepancy Letter:

- HACSB will ask the participant to provide documented proof that the tax data is incorrect.
- If the participant does not provide documented proof, HACSB will obtain proof to verify the federal tax data using third-party verification

ITEMS TO BE VERIFIED[4]

The following items will be verified:

- All income not specifically excluded by the regulations.
- Zero-income status of household.
- Zero-income applicants and residents will be required to complete a family expense form at each certification or recertification.
- Full-time student status including high school students who are 18 years of age or older.
- Current assets including assets disposed of for less than fair market value in the preceding 2 years.
- Child care expense when it allows an adult family member to be employed, or to actively seek work, or to further his/her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.
- Legal identity of all family members
- U.S. citizenship/eligible immigrant status
- Social security numbers for all family members six (6) years of age or older who have been issued a social security number.
- Preference status, based upon HACSB preferences.
- Marital status when needed for head or spouse definition.
- Disability for determination of preferences, allowances or deductions.
- Reduction in benefits for noncompliance. HACSB will obtain written verification from the Santa Barbara County Social Services Agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

VERIFICATION OF INCOME[5]

This section defines the methods HACSB will use to verify various types of income:

Employment Income

- Verification forms request the employer to specify the:
- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next twelve (12) months

[4] 24 CFR 982.516
[5] 24 CFR 982.516

- Year to date earnings
- Estimated income from overtime, tips, bonus pay expected during next twelve (12) months
- Acceptable methods of verification include, in this order:
- Employment verification form completed by the employer.
- Check stubs or earning statements that indicate the employee's gross pay, frequency of pay or year to date earnings.
- W-2 forms plus income tax return forms.
- Profit and loss statements, written ledgers, receipts, self-certifications and/or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.
- Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income. In cases where there are questions about the validity of information provided by the family, HACSB will require the most recent federal income tax statements. Where doubt regarding income exists,

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

Acceptable methods of verification include, in this order:

- Tenant Assessment Sub-System (TASS)
- Benefit verification form completed by agency providing the benefits.
- Award or benefit notification letters prepared and signed by the providing agency.

- Computer report electronically obtained or in hard copy.
- Bank statements for direct deposits.

Unemployment Compensation

Acceptable methods of verification include, in this order:

- Verification form completed by the unemployment compensation agency.
- Computer printouts from unemployment office stating payment dates and amounts.
- Payment stubs.

TANF Payments or General Assistance

Acceptable methods of verification include, in this order:

- HACSB verification form completed by payment provider.
- Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next twelve (12) months.
- Computer generated notice of action.
- Computer generated list of recipients from Welfare Department.

Alimony or Child Support Payments

If the family declares that it receives regular payments, verification will be sought in the following order:

- If payments are made through a state or local entity, HACSB will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.
- Copies of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- A notarized letter from the person who is paying the support.
- Copy of latest check and/or payment stubs from court trustee. HACSB must record the date, amount, and number of the check.
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide:

- A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules.
- A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
- A notarized affidavit from the family indicating the amount(s) received.
- A welfare notice of action showing amounts received by the welfare agency for child support.
- A written statement from an attorney certifying that a collection or enforcement action has been filed.

Net Income from a Business

In order to verify the net income from a business, HACSB will view IRS and financial documents from prior years and use this information to anticipate the income for the next twelve (12) months. Acceptable methods of verification include:

- IRS Form 1040, including:
- Schedule C (Small)
- Schedule E (Rental Property Income)
- Schedule F (Farm Income)
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.
- Financial statement(s) of the business.
- Credit report or loan application.
- Documents such as manifests, appointment books, casebooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.
- If no other verification method is available, HACSB may accept the family's self-certification as to net income realized from the business during previous years. The family must provide profit and loss statements, written ledgers, receipts, and/or income tax returns signed by the family.

Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), HACSB will require that the applicant/participant complete a form for each customer which indicates the following:

- name of person(s) whose child/ren are being cared for
- phone number of person(s) whose child/ren are being cared for
- number of hours child is being cared for
- method of payment (check/cash), amount paid, and signature of person

If the family has filed a tax return, the family will be required to provide it.

If childcare services have been terminated, third-party verification will be sent to the client whose child was cared for.

HACSB will conduct periodic interim reevaluations and require the participant to provide a log with the information about customers and income.

Recurring Gifts

The family must furnish a self-certification that contains the following information:

- The person who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

Zero-Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

HACSB will request information from the State Employment Development Department and the IRS.

HACSB may run a credit report if information is received that indicates the family has an unreported income source.

HACSB may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

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

Verification of Income Exclusions

HACSB will attempt third-party verification of income exclusions when possible. When third-party verification of income exclusions are not possible or practical, a review of documents or self-certification will be obtained.

Exclusions from income that must be verified and reported on the HUD Form 50058 include the following:

- Expenditures for business expansion.
- Amortization of capital indebtedness as deductions in determining net income of a business.
- Withdrawals of cash or assets from a professional or business operation if the withdrawal is a reimbursement for cash or assets invested in the operation by the family.
- Allowance for business asset depreciation, based on straight line depreciation, as provided in the Internal Revenue Service (IRS) regulations.
- Income from employment of children or foster children under eighteen (18) years old.
- Earnings in excess of $480 per year for each full-time eighteen (18) years of age or older (excluding head or household and spouse).
- Earned income disallowance.
- Amounts earned by temporary Census employees; terms of employment may not exceed 180 days for the purposes of the exclusion.
- Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by the resident for performing a service for HACSB, on a part-time basis, that enhances the quality of life in the development. No resident may receive more than one such stipend during the same period of time.
- Stipends to reimburse residents for expenses for serving as members of HACSB governing board or commission.
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

- The full amount of military pay of any family member other than the head and spouse. If other family members are away from home in the military, HACSB may remove their name from the lease and exclude their income.
- Other military pay specifically excluded by law (e.g., Desert Storm active duty).
- Income of a live-in attendant provided the person meets the definition of a live-in attendant.
- Earnings and benefits from employment training programs funded by HUD.
- Reimbursement for out-of-pocket expenses while attending a public assisted training program.
- Incremental earnings and benefits from participation in qualifying state and local employment programs.
- Payments to volunteers under the Domestic Volunteer Services Act.
- Payments received under programs funded in whole or in part under the Workforce Investment Act (WIA) (formerly known as the Job Training Partnership Act (JTPA)).
- Earnings and benefits to any family member from an employment training and supportive services program during the exclusion period. The exclusion is applicable only if the family was admitted to the qualifying program prior to October 1, 1999.
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
- Food stamps.
- Annual imputed welfare income if the family was not an assisted resident at the time of sanction.
- Non-recurring, short-term benefits under TANF assistance that:
  - Are designed to deal with a specific crisis situation or episode of need;
  - Are not intended to meet recurrent or ongoing needs; and
  - Will not extend beyond four (4) months.
  - Work subsidies under TANF assistance (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training).
- Supportive services under TANF assistance such as child care and transportation provided to families who are employed.
- Refundable earned income tax credits.
- Individual development accounts under TANF.
- Services provided under TANF assistance such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment related services that do not provide basic income support.
- Transportation benefits under TANF assistance provided under a job access or reverse commute project, pursuant to section 404(k) of The Act, to an individual who is not otherwise receiving assistance.
- Lump-sum pension benefits payable as a death benefit.

- Deferred periodic amounts from SSI benefits that the family member received in a lump-sum amount or in prospective monthly amounts.
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a plan to attain Self-Sufficiency (PASS).
- Deferred periodic amounts from social security benefits that the family member received in a lump sum amount or in prospective monthly amounts.
- Child care arranged or provided under the Child Care and Development Block Grant Act.
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
- Payments received under the Alaska Native Claims Settlement Act.
- Income derived from certain sub marginal land or the United States that is held in trust for certain Indian tribes.
- Income derived from the disposition of funds of the Grand River Band of Ottawa Indians.
- The first $2000 of per capita shares from judgment funds awarded by Indian claims.
- Payments received under the Maine Indian Claims Settlement Act of 1980.
- Payments received by Indian Claims Commission to the Confederate Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation.
- The first $2000 of income received by individual Indians derived from interests or trust or restricted land.
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the participant family, who are unable to live alone).
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses.
- Full amount of student financial assistance and paid directly to the student or to the educational institution.
- Temporary, non-recurring or sporadic income (including gifts).
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
- Adoption assistance payments in excess of $480 per adopted child.
- Refunds or rebates under state or local law for property taxes paid on dwelling unit.
- Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.
- Payments or allowances under DHHS' low-income home energy assistance program (LIHEAP).
- Federal scholarships funded under Title IV of The Higher Education Act of 1965, including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance program.

- Payments received from programs funded under Title V of the Older Americans Act of 1965.
- Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any fund established pursuant to the settlement in the In Re Agent Orange product liability litigation.
- Earned Income Tax Credit refund tax payments.
- Any allowance paid under provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is a child of a Vietnam veteran.
- Any amount of crime victim compensation that the applicant (under the Victims Crime Act) receives through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims Crime Act because of the commission of a crime against the applicant.
- Payments to volunteers under National Volunteer Antipoverty Programs such as:
    - Volunteers In Service to America (VISTA)
    - Peace Corps
    - Service Learning Program
    - Special Volunteer Programs
- Payments to volunteers under Small Business Administration Programs such as:
    - National Volunteer Program to Assist Small Businesses
    - Service Corps of Retired Executives

Full-time Student Status

Only the first $480 of the earned income of full-time students, other than head, co-head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full-time students are not counted towards family income (see exceptions in Chapter 6).

Verification of full-time student status includes:

- Written verification from the registrar's office or other school official.
- School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

In order to receive the full-time student income exclusion, the family member must complete the full term of the courses verified. If the family member withdraws from the course(s) and no longer qualifies for exclusion of income, the family member must report this change within thirty (30) days.

If the family fails to report the change in status within thirty (30) days, the excluded income will be counted retroactive.

INCOME FROM ASSETS[6]

Acceptable methods of verification include, in this order:

[6] 24 CFR 982.516

- Savings account statements showing interest income and dividends
- Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification by HACSB.
- IRS Form 1099 from the financial institution, provided that HACSB must adjust the information to project earnings expected for the next twelve (12) months.
- Interest income from mortgages or similar arrangements.
- A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next twelve (12) months. A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.
- Amortization schedule showing interest for the twelve (12) months following the effective date of the certification or recertification.
- Net rental income from property owned by family
- IRS Form 1040 with Schedule E (Rental Income)
- Copies of latest rent receipt, leases, or other documentation of rent amounts.
- Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

VERIFICATION OF FAMILY ASSETS

- When the savings, checking, stock, bond, or CD balance is at or below $5,000, there is no indication of a significant prior withdrawal, and the interest paid YTD is consistent with the balance showing, HACSB will request three (3) and accept two (2), original bank statements, a letter from the banking institution, or online verification printed by HACSB, explaining balance and interest rate if applicable. When one (1) original bank statement covers two (2) or more month's worth of transactions, only one (1) bank statement will be required.
- When the savings, checking, stock, bond, or CD balance is above $5,000 HACSB will require the necessary information (as listed below) to determine the current cash value (the net amount the family would receive if the asset were converted to cash):
- Verification forms, letters, or documents from a financial institution or broker.

  When a banking institution charges a fee for verification, HACSB will accept hand-carried original bank statements (at least six (6) month's worth of transactions).

- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.
- Copies of closing documents showing the selling price and the distribution of the sales proceeds.

- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.
- Assets disposed of for less than fair market value (FMV) during two (2) years preceding effective date of certification or recertification:
- For all certifications and recertification, HACSB will obtain the family's self-certification as to whether any member has disposed of assets for less than fair market value during the two (2) years preceding the effective date of the certification or recertification.
- If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows:
- All assets disposed of for less than FMV,
- The date they were disposed
- The amount the family received,
- The market value of the assets at the time of disposition
- Third-Party verification will be obtained wherever possible.

VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME[7]

Child Care Expenses

Policies related to child care expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in this chapter. In addition, HACSB must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.
- The following methods describe the verification methods:
- Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.
- Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
- If the child care provider is an individual, the client must provide money order or cancelled check receipts for payments made to the provider.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of thirteen (13). HACSB will verify that the child being cared for (including foster children) is under the age of thirteen (13).

[7] 24 CFR 982.516

Non-reimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Medical Expenses

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of
  - the anticipated medical costs to be incurred by the family and regular payments due on medical bills;
  - the extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next twelve (12) months. A computer printout will be accepted.

For attendant care:

- A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
- Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of cancelled checks the family used to make those payments) or stubs from the agency providing the services.
- Receipts, cancelled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next twelve (12) months.
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next twelve (12) months.
- Receipts or other record of medical expenses incurred during the past twelve (12) months that can be used to anticipate future medical expenses. HACSB may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
- HACSB will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Assistance to Persons with Disabilities

In all cases:

- Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to

permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

- Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

- Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
- Certification of family and attendant and/or copies of cancelled checks family used to make payments.

Auxiliary Apparatus:

- Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
- In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

VERIFYING NON-FINANCIAL FACTORS

Verification of legal identity

In order to prevent program abuse, HACSB will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required:

- Certificate of birth
- Naturalization papers
- Church issued baptismal certificate
- Current, valid driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Company/agency identification card
- Department of Motor Vehicles identification card
- Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

Verification of Marital Status

- Divorced status will be verified by a certified copy of the divorce decree, signed by a court officer.
- Legal separation may be verified by a copy of a court order or other official record.

- Marital status will be verified by a legal marriage certificate.

Familial Relationships

- Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

Verification of relationship:

- Official identification showing names
- Birth certificates
- Baptismal certificates

Verification of guardianship:

- Court ordered assignment
- Affidavit of parent
- Verification from social service agency

Verification of Permanent Absence of family member

If an adult member who was formerly a member of the household is reported permanently absent by the family, HACSB will consider any of the following as verification:

- Husband or wife institutes divorce action. (appropriate court documentation required)
- Husband or wife institutes legal separation. (appropriate court documentation required)
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, cancelled checks for rent, driver's license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- If no other proof can be provided, HACSB will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.
- If the adult family member is incarcerated, a document from the court or prison should be obtained stating how long they will be incarcerated.

Verification of Change in Family Composition

HACSB may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school records, DMV records or U.S. Postal Services, and other sources.

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

Verification of Citizenship/Eligible Immigrant Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of

the categories specified by the regulations (as listed below) and must have their status verified by Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services. Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending unless there is a hearing pending with HACSB.

Citizens or nationals of the United States are required to sign a declaration under penalty of perjury.

Eligible immigrants who were participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. HACSB verifies the status through the Department of Homeland Security, U.S. Citizenship and Immigration Services SAVE system. If this primary verification fails to verify status, HACSB must request within ten (10) days that the DHS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration. They are listed on the statement of ineligible members.

Failure to Provide

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For participants, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except in the case of families moving to HACSB jurisdiction under portability and, if the initial housing authority does not supply the documents. HACSB must then conduct the determination.

Extensions of Time to Provide Documents

Extensions must be given for persons who declare their eligible immigration status but need time to obtain the required documents. The length of the extension shall be based on individual circumstances. HACSB will generally allow up to 90 days to provide the document or a receipt issued by the DHS for issuance of replacement documents.

Acceptable Documents of Eligible Immigration

Regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register:

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)

- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the DHS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified
- A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five (5) years.

If HACSB determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family assistance will be terminated for twenty-four (24) months, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers[8]

Social security numbers must be provided as a condition of eligibility for all family members age six (6) and over if they have been issued a number. Verification of social security numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, only the documents listed below showing his or her social security number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the social security card information provided is/are complete and accurate:

- A driver's license
- Identification card issued by a federal, state or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- An identification card issued by an employer or trade union
- An identification card issued by a medical insurance company
- Bank statements
- IRS Form 1099
- Benefit award letters from government agencies
- Retirement benefit letter
- Life insurance policies
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
- Verification of benefits or social security number from Social Security Administration

New family members ages six (6) and older will be required to produce their social security card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to HACSB.

If an applicant or participant is able to disclose the social security number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by HACSB. The applicant/participant or family member will have an additional sixty (60) calendar days to provide proof of the social security number. If they fail to provide this documentation, the family's assistance will be terminated.

[8] 24 CFR 5.216

In the case of an individual at least sixty-two (62) years of age, HACSB may grant an extension for an additional sixty (60) calendar days to a total of 120 calendar days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

Medical Need for Larger Unit

A written certification that a larger unit is necessary must be obtained from a qualified medical physician.

VERIFICATION OF LOCAL RANKING PREFERENCES

Involuntary Displacement

Families who claim they are being or have been displaced due to either a disaster or government action must provide written verification from the displacing government agency or by a service agency such as the Red Cross.

Residency Preference

In order to verify that an applicant is a resident, HACSB will require a minimum of two of the following documents: rent receipts, lease/rental agreement, utility bills, employment records, school records, drivers licenses, voters registration records, credit reports, statement from household with whom the family is residing.

For families who have been hired to work in the jurisdiction of HACSB, a statement from the employer will be required.

Unassisted Family Preference

Unassisted families will be verified by self-certification. Exceptions may be verified by internal HACSB database information.

Graduates of Transitional Housing Programs

Referral letter from the transitional housing agency.

Involuntary Displacement Due to Domestic Violence

Families who have been displaced or face imminent displacement due to domestic violence:

Written verification from a local social service agency, domestic violence shelter or other agency providing shelter and/or counseling to victims. Such verification must specify when the family's displacement occurred or is anticipated to occur, their current housing situation, and any evidence of actual or threatened violence.

The family must provide a current order of protection or recent police incident report(s).

The family must certify in writing that the abusive individual will not be permitted to move into the assisted unit for a minimum of one (1) year following the onset of housing subsidy and not without the advance written approval of HACSB. Before giving approval, HACSB will require verification of the following:

- That the family members involved have been through a counseling program and the service provider believes that reconciliation is likely.

- Statement from social worker, psychologist, or other professional familiar with the abusive individual that he/she has received counseling/treatment and is unlikely to continue the abuse.
- Statement from local law enforcement agency that no complaints have been filed since the date of the preference approval.
- Certification that the abusive individual has completed one or more of the following programs: Anger Management, Domestic Violence Counseling or Parenting Classes

Special Needs

Applicant must provide:

- Verification of disability in the form of receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) or verification by an appropriate diagnostician such as a physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.
- Written verification from Tri-Counties Regional Center, Work Training Programs, Santa Barbara County Mental Health Services (or other local public and/or private social service agency at the discretion of the Housing Authority) certifying:

  Applicant has been participating in an ongoing, long-term case management program directed at client/life stabilization for a minimum of six (6) months prior to application and that case management will continue for a minimum of twelve (12) months after housing assistance is granted.

  Applicant's need for housing due to current housing situation being unsuitable. (Rent burden does not qualify as unsuitable).

Veteran Preference

This preference is available to a active members of the U.S. Military Armed Forces, veterans, or surviving spouses of veterans.

HACSB will require U.S. government documents which indicate that the applicant qualifies under the above definition.

Veterans must be released under other than dishonorable conditions.

Terminally Ill

Applicants who have been diagnosed as terminally ill with a life expectancy of less than two years as verified in writing by a licensed physician, or similarly qualified health care provider or agency serving the health care and/or housing needs or terminally ill persons.

City Rent Rehabilitation

Referral from Santa Barbara City Rehabilitation

Exhibit 7-1: Excerpt from HUD Verification Guidance Notice (PIH 2004-01, pp. 11-14)

Upfront (UIV)	**Highest (Highly Recommended, highest level of third party verification)**
Written 3rd Party	**High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)**
Oral 3rd Party	**Medium (Mandatory if written third party verification is not available)**
Document Review	**Medium-Low (Use on provisional basis)**
Tenant Declaration	**Low (Use as a last resort)**

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Wages/Salaries	Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.	In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information.	When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
	Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information.	The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form.			
	Use of HUD systems, when available.				

Verification of Employment Income: The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.
Effective Date of Employment: The PHA should always confirm start and termination dates of employment.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Self-Employment	Not Available	The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information.	The PHA may call the source to obtain income information.	The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. **Note:** The PHA must document in the tenant file, the reason third party verification was not obtained.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Verification of Self-Employment Income: Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement.					
Social Security Benefits	Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports.	The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)**	The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)**	The PHA may accept an original SSA Notice from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Welfare Benefits	Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PHA may call the local Social Services Agency to obtain current benefit amount.	The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Child Support	Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Unemployment Benefits	Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person. Use of HUD systems, when available.	The PHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.	The PHA may call the State Wage Information Collection Agency to obtain current benefit amount.	The PHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Pensions	Use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information.	The PHA may call the pension provider to obtain current benefit amount.	The PHA may review an original benefit notice from the pension provider provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Assets	Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.	The PHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information.	The PHA may call the source to obtain asset and asset income information.	The PHA may review original documents provided by the tenant. **Note: The PHA must document in the tenant file, the reason third party verification was not available.**	The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. **Note: The PHA must document in the tenant file, the reason third party verification was not available.**
Comments	Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review.	**Note:** The independent source completes the form and returns the form directly to the PHA. Agency. The tenant should not hand carry documents to or from the independent source.	The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount.		The PHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful. **Notarized statement should include a perjury penalty statement.**

Note: The PHA must not pass verification costs along to the participant.

Note: In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies.)

Exhibit 7-2: Summary of Documentation Requirements for Non-citizens
[HCV GB, pp. 5-9 and 5-10]

<table>
<tr><td colspan="2">

- All non-citizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to HACSB.
- Except for persons 62 or older, all non-citizens must sign a verification consent form
- Additional documents are required based upon the person's status.

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Elderly Non-citizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

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All other Non-citizens

- Non-citizens that claim eligible immigration status also must present the applicable BCIS document. Acceptable BCIS documents are listed below.

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- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - “Admitted as a Refugee Pursuant to Section 207”
  - “Section 208” or “Asylum”
  - “Section 243(h)” or “Deportation stayed by Attorney General”
  - “Paroled Pursuant to Section 221 (d)(5) of the BCIS”

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- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a BCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a BCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

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- Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

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- Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.

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- A receipt issued by the BCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the BCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register

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Chapter 8

VOUCHER ISSUANCE AND BRIEFINGS[1]

INTRODUCTION

HACSB's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient information regarding the program and how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, HACSB will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, HACSB procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

8.1 ISSUANCE OF VOUCHERS[2]

When funding is available, HACSB will issue a voucher to applicants whose eligibility has been determined. The issuance of a voucher must be within the dollar limitations set by the ACC budget.

The number of vouchers issued must ensure that HACSB stays as close as possible to 100% lease-up. HACSB performs a weekly electronic calculation to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent HACSB can over-issue (issue more vouchers than the budget allows).

HACSB may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers which are over-issued must be honored. If HACSB finds it is over-leased, it must adjust the future issuance of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

[1] 24 CFR 982.301, 982.302
[2] 24 CFR 982.302, 982.54(d)(2)

8.2 BRIEFING TYPES AND REQUIRED ATTENDANCE[3]

Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who have been determined eligible for assistance. The briefings will be conducted either in group or individual meetings. Families who attend group briefings and still have the need for individual assistance will be referred to a housing management representative.

Briefings will be conducted in English and Spanish**.**

The purpose of the briefing is to explain to eligible families the documents contained in the voucher holder's packet so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

HACSB will not issue a voucher to a family unless all adult members have attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend one scheduled briefing, without prior notification and approval of HACSB, may be denied admission based on failure to supply information needed for certification. HACSB will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

Briefing Packet[4]

The documents and information provided in the briefing packets for the voucher programs will comply with all HUD requirements. HACSB also includes other information and/or materials which are not required by HUD.

The family is provided with the following information and materials:

- The term of the voucher, and HACSB's policy for requesting extensions to the term of the voucher or suspensions of the voucher.
- A description of the method used to calculate the housing assistance payment, information on payment standards, and utility allowances.
- How the maximum allowable rent is determined.

[3] 24 CFR 982.301
[4] 24 CFR 982.301(b)

- Guidance and materials to assist the family in selecting a unit, such as proximity to employment, public transportation, schools, shopping, and the accessibility of services. Guidance will also be provided to assist the family to evaluate the prospective unit, such as the condition of a unit, whether the rent is reasonable, cost of tenant-paid utilities, and energy efficiency of the unit.

- The boundaries of the geographical area in which the family may lease a unit including an explanation of portability.

- The HUD required Tenancy Addendum.

- The Request for Tenancy Approval form.

- HACSB's policy on providing information about families to prospective owners.

- The Subsidy Standards, including a description of how and when exceptions are made and how the voucher size relates to the unit size selected.

- The HUD brochure, "A Good Place to Live" on how to select a unit that complies with HQS.

- The HUD brochure on lead-based paint.

- Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination booklet. HACSB will also include the pamphlet "Fair Housing: It's Your Right" and the phone numbers of the local fair housing agency and the HUD enforcement office.

- A list of known units available for the size of voucher issued.

- If the family includes a person with disabilities, notice that HACSB will provide a list of available accessible units known to HACSB.

- The family obligations under the program.

- The grounds by which HACSB may terminate assistance for a participant family because of family action or failure to act.

- HACSB's informal hearing procedures including when HACSB is required to offer an informal hearing and how to request the hearing.

- An Owner's Brochure and HQS checklist.

- Requirements for reporting changes between certifications.

Other Information to be Provided at the Briefing[5]

The person conducting the briefing will also describe how the program works and the relationship between the family and the owner, the family and HACSB, and HACSB and the owner.

The briefing presentation emphasizes:

Family and owner responsibilities.

Where a family may lease a unit inside and outside HACSB's jurisdiction.

How portability works for families eligible to exercise portability.

Advantages of moving to an area with a low concentration of poor families if the family is living in a high poverty census tract in HACSB's jurisdiction.

Choosing a unit carefully and only after due consideration.

The Family Self Sufficiency program and its advantages.

If the family includes a person with disabilities, HACSB will ensure compliance with CFR 8.6 to ensure effective communication.

Recertification Briefing for Moves

A recertification briefing will be held for participants who will be re-issued a voucher to move. Prior to issuing a voucher for relocation, the family's income must have been updated within the last 120 days. The family must have given notice of intent to vacate to their landlord, been given notice to move by the landlord, or have been advised by HACSB that the current HAP contract will terminate. This briefing includes incoming and outgoing portable families.

Families failing to attend two scheduled recertification briefings will be denied a new voucher based on failure to provide required information.

Owner Briefing

Briefings are held for owners as needed. Current and prospective landlords/owners will be notified of owner briefings by mail. The purpose of the briefing is to assure successful owner participation in the program. The briefing covers the responsibilities and roles of the three parties, the owner, the tenant, and HACSB.

Interested owners who request to sit in on scheduled family briefings to obtain information about the voucher program will be allowed to do so.

[5] 24 CFR 982.301(a)

8.3 ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION

At the briefing, families are encouraged to search for housing in non-impacted areas and HACSB will provide assistance to families who wish to do so.

The assistance provided to such families may include:

- Providing families with a search record form to gather and record info
- Direct contact with landlords
- Counseling with the family
- Providing information about services in various non-impacted areas
- Meeting with neighborhood groups to promote understanding
- Formal or informal discussions with landlord groups
- Formal or informal discussions with social service agencies
- Meeting with rental referral companies or agencies
- Meeting with fair housing groups or agencies

The Housing Authority will maintain lists of available housing submitted by owners in all neighborhoods within the Housing Authority's jurisdiction to ensure greater mobility and housing choice to very low income households. The lists of units will be provided at the front desk, mailed at least monthly, and provided at briefings.

8.4 ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

HACSB will give participants who claim discrimination a copy of HUD form 903 to file a complaint.

8.5 SECURITY DEPOSIT REQUIREMENTS[6]

Leases Effective Prior to October 2, 1995

The amount of Security Deposit which could have been collected by owners under contracts effective prior to **October 2, 1995** is:

- The greater of 30% of adjusted monthly income or $50 for non-lease-in-place families.
- The amount charged up to a maximum of one month's rent to Owner.

Leases Effective on or after October 2, 1995

Security deposits charged by owners may not exceed those charged to unassisted tenants, nor the maximum prescribed by State or local law.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

[6] 24 CFR 982.313

8.6 TERM OF VOUCHER[7]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between HACSB and the family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease is executed and the HAP contract becomes effective.

Expirations

The voucher is valid for a period of sixty calendar days from the date of issuance. The family must submit a Request for Tenancy Approval within the sixty-day period unless an extension has been granted by HACSB.

If the voucher has expired, and has not been extended by HACSB or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

Suspensions

When a Request for Tenancy Approval is received, and the unit is not approved due to reasons beyond the family's control, HACSB **will not** deduct the number of days required to process the request from the 60 day term of the voucher. HACSB will add back the days required to process the request to the remaining term of the voucher.

Extensions

A family may request an extension of the initial voucher time period. All requests for extension must be received prior to the expiration date of the voucher.

Extensions are permissible at the discretion of HACSB up to a maximum of an additional 60 days from the initial date of expiration primarily for these reasons:

> Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 60-day period. Verification is required.
>
> HACSB is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of HACSB, throughout the initial 60-day period. A completed search record is required.
>
> The family was prevented from finding a unit due to disability accessibility requirements or large size (four to six) bedroom unit requirement. The search record is part of the required verification.

HACSB may grant extensions in one or more increments. No more than two extensions of 30 days will be granted and never for a total of more than an additional 60 days, unless approved as a reasonable accommodation.

[7] 24 CFR 982.303, 982.54(d)(11)

Requests for voucher extensions beyond 120 days will only be granted as a reasonable accommodation.

Reasonable Accommodation Extensions

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HACSB will extend the term of the voucher up to 120 days from the beginning of the initial term if the family needs and requests an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability. If as a reasonable accommodation, the family needs an extension in excess of 120 days, HACSB will request such approval from the HUD field office.

Assistance to Voucher Holders

Families who require additional assistance during their search may call the HACSB office to request assistance. Voucher holders will be notified at their briefing session that HACSB periodically updates the listing of available units and how the updated list may be obtained.

HACSB will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

During the first 60 days of the search, the family is required to maintain a search record.

8.7 VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS[8]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, HACSB shall consider the following factors to determine which of the families will continue to be assisted:

- The composition of the new family units, and which of the two new family units has custody of dependent children.
- The composition of the new units, and which unit contains elderly or disabled members.
- Whether domestic violence was involved in the breakup.
- Which family members remain in the unit.
- Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, HACSB will terminate assistance on the basis of failure to provide information necessary for a recertification.

[8] 24 CFR 982.315

Where the breakup of the family also results in a reduction of the size of the voucher, the family will be issued a voucher of the appropriate size for continued assistance.

8.8 REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER[9]

To be considered the remaining member of the tenant family, the person must have been previously approved by HACSB to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the family.

In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor, or
- HACSB has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher size.

[9] 24 CFR 982.315

Chapter 9

REQUEST FOR TENANCY APPROVAL AND ELIGIBLE HOUSING

INTRODUCTION

HACSB program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. HACSB's objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

After families are issued a voucher, they may search for a unit anywhere within HACSB's jurisdiction or outside of HACSB's jurisdiction if they qualify for portability. (See Chapter 13 for portability). The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments (HAP) Contract with HACSB. This chapter defines the types of eligible housing and HACSB policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval (RFTA).

9.1 REQUEST FOR TENANCY APPROVAL [1]

The Request for Tenancy Approval (RFTA) must be submitted by the family during the term of the voucher.

The RFTA must be signed by both the owner/agent for the owner and the voucher holder.

HACSB will not permit the family to submit more than one RFTA at a time.

HACSB will review the RFTA documents and determine whether the request will be approved.

The RFTA will be approved if:

- The unit is an eligible type of housing;
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan);
- The rent is reasonable (See Chapter 11);
- The Security Deposit is in accordance with any limitations in this plan. HACSB may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants;
- The proposed lease complies with HUD and HACSB requirements (See Section 9.3);
- The owner is approved, and there are no conflicts of interest; and

[1] 24 CFR 982.305

- The family share of rent does not exceed 40% of their monthly-adjusted income.

Disapproval of RFTA

If HACSB determines that the RFTA cannot be approved for any reason, the landlord and the family will be notified in writing. HACSB will instruct the owner and family of the steps that are necessary to approve the RFTA.

The owner will be given up to 30 calendar days from the date of disapproval to submit an approvable RFTA.

When an RFTA is not approved, HACSB will furnish another RFTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

9.2 ELIGIBLE AND INELIGIBLE TYPES OF HOUSING [2]

HACSB may approve the following types of housing for the Housing Choice Voucher program provided the dwelling meets all applicable program standards:

All structure types can be utilized.

Manufactured homes where the tenant leases the mobile home and the pad.

Manufactured homes where the tenant owns the mobile home and leases the pad.

Congregate facilities – elderly and/or disabled families only (only the shelter rent is assisted)

State-approved Group Homes – elderly and/or disabled persons only who do not require continual medical or nursing care (maximum of 12 residents, assisted and unassisted)

Single Room Occupancy – one person per bedroom

Shared Housing (the owner of shared housing may reside in the unit)

Units owned (but not subsidized) by HACSB (following HUD-prescribed requirements).

A family may own a rental unit but cannot reside in it while being assisted, except in the case of manufactured homes when the tenant owns the mobile home and leases the pad.

HACSB will not permit a voucher holder to lease a unit which is receiving Project-Based Section 8 assistance or any duplicative rental subsidies.

HACSB will not approve:

A unit occupied by the owner or by any person with an interest in the unit, other than manufactured homes and shared housing as described above.

[2] 24 CFR 982.352, 982.353, 982.601

Nursing homes or other institutions that provide care

School dormitories and institutional housing

Units on the grounds of penal, reformatory, medical, mental and similar public/private institutions

Any other types of housing prohibited by HUD

9.3 LEASE REVIEW [3]

HACSB will review the lease, particularly noting the approvability of optional charges and compliance with regulations. Responsibility for utilities, appliances and optional services must correspond to those provided on the Request for Tenancy Approval.

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form (plus the HUD-prescribed tenancy addendum). If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as an HACSB model lease (including the HUD-prescribed tenancy addendum).

9.4 SEPARATE AGREEMENTS

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by HACSB.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

HACSB is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by HACSB. If agreements are entered into at a later date, they must be approved by HACSB and attached to the lease.

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[3] 24 CFR 982.308

If the owner makes modifications to the unit, the costs should be recovered through the rent collected, not by having the tenant pay for the modifications. Exception would be considered if the modifications are such that they most likely would be removed if the tenant moved out.

9.5 INITIAL INSPECTIONS

See Chapter 10, “Housing Quality Standards and Inspections.”

9.6 INFORMATION TO OWNERS

HACSB is required to provide prospective owners with the current and prior address of the applicant (as shown in HACSB records), and the names and addresses of the current and previous landlord if known and requested.

HACSB will make an exception to this requirement if the family’s whereabouts must be protected due to domestic violence or witness protection.

At our discretion, HACSB may offer the owner other information in HACSB’s possession, about the family, including information about the tenancy history of family members, or about drug-trafficking by family members. HACSB must give the family a statement of HACSB’s policy on providing information to owners. The statement must be included in the information packet that is given to a family selected to participate in the program. The policy must provide that HACSB will give the same types of information to all families and to all owners.

HACSB will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family’s suitability as a tenant.

The information will be provided orally.

Only Housing Management staff at the Housing Representative level or above may provide this information. HACSB’s policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

Owners are encouraged to routinely inspect their rental units to access maintenance needs and care of property by tenant family.

9.7 OWNER DISAPPROVAL

See Chapter 16, “Owner.”

9.8 CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP contract, the information will be verified and the TTP will be recalculated. If the family does not report any change, HACSB need not obtain new verifications before signing the HAP contract, even if verifications are more than 60 days old.

9.9 CONTRACT EXECUTION PROCESS[4]

Owners/Landlords must provide the following:

- Federal Tax Identification Number or Social Security Number
- Proof of ownership of the rental property, such as a Grant Deed or Property Tax Bill
- Copy of the Management Agreement (if property is managed by an agent)
- A business and/or home telephone number

HACSB prepares the HAP contract for execution. The family and the owner will execute the Lease agreement, and the owner and HACSB will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents.

HACSB will provide group briefings for new owners and any other owners who wish to attend when there is a need.

HACSB makes every effort to execute the HAP Contract before the commencement of the lease term. The HAP Contract may not be executed more than 30 days after commencement of the lease term and no payments will be made until the contract is executed.

The following HACSB representatives are authorized to execute a contract on behalf of HACSB:

Executive Director/CEO (or Acting)
Director of Housing Management
Housing Management Coordinator
Housing Management Specialist II
Housing Management Administrative Assistant

9.10 CHANGE IN OWNERSHIP

See Chapter 16, “Owner Disapproval and Restriction.”

[4] 24 CFR 982.305

Chapter 10

HOUSING QUALITY STANDARDS AND INSPECTIONS[1]

INTRODUCTION

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit.

These minimum standards may be enhanced by HACSB, provided that by doing so, HACSB does not overly restrict the number of units available for lease under the program. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and HACSB requirements. This Chapter describes HACSB's procedures for performing HQS inspections and other types of inspections, and standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners.

10.1 GUIDELINES/TYPES OF INSPECTIONS[2]

All units must meet the minimum standards set forth in Santa Barbara City's Local Housing Code. In cases where HQS is unclear, local codes will apply. In cases of inconsistency between local code and these HQS, the stricter of the two shall prevail.

Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards. HACSB will not promote any additional acceptability criteria which is likely to adversely affect the health or safety or participant families, or severely restrict housing choice.

All utilities must be in service when the unit is inspected. If the utilities are not in service at the time of inspection, the Housing Inspector will notify the tenant or owner (whoever is responsible for the utilities per the RFTA) to have the utilities turned on, and a new inspection will be scheduled.

There are four types of inspections that HACSB will perform:

1. Initial/Move-in: conducted upon receipt and approval of Request for Tenancy Approval.

2. Annual: must be conducted annually, within twelve months of the anniversary date of the last annual inspection.

3. Special/Complaint: at request of owner, family or an agency or third-party.

4. Quality Control: A quality control inspection will be conducted for five percent of all units which have been inspected.

[1] 24 CFR 982.401

[2] 24 CFR 982.401 (a), 982.405

10.2 INITIAL HQS INSPECTION

HACSB will conduct an initial HQS inspection upon receipt and approval of Request for Tenancy Approval. HACSB will inspect the unit to determine whether the unit satisfies the HQS and will do so within 7 business days from approval of the RFTA or when otherwise ready for inspection per the RFTA.

HACSB will make every effort to conduct initial HQS inspections for the family and owner in a timely manner.

The initial HQS inspection will be conducted to:

Determine if the unit properly meets the HQS as defined in this plan.

Document the current condition of the unit as to assist in future evaluations as to whether the condition of the unit exceeds normal wear and tear.

Document the information to be used for determination of rent-reasonableness.

The stove and refrigerator must be present when the unit is inspected if the owner is to provide the appliances. However, if the stove and refrigerator are to be provided by the tenant, HACSB may pass the inspection with the understanding that the appliances will be in place within two weeks after commencement of the rental agreement and HAP contract.

If the unit fails the initial HQS inspection, the owner will be advised of needed repairs and instructed to contact HACSB to re-inspect the unit once all repairs have been made.

On an initial inspection, the owner will be given up to 14 calendar days to correct the items noted as "Failed." At the discretion of the Housing Inspector and depending on the amount and complexity of work to be done, the owner will be allowed additional time to complete repairs. No more than two (2) re-inspections will be completed to evaluate repair work.

If the time period given by the Housing Inspector to make the required repairs has elapsed the family will be required to select another unit.

10.3 ANNUAL INSPECTIONS[3]

HACSB conducts inspections in accordance with Housing Quality Standards, at least annually, up to 90 calendar days prior to the anniversary month of the initiation of the HAP contract. Special inspections may be scheduled between anniversary dates.

HQS deficiencies which cause a unit to fail must be corrected by the landlord unless it is a fail for which the tenant is responsible. The family is only responsible for breaches of HQS which are caused by:

Non-payment of utilities; which per the rental agreement and HAP contract are to be paid by the family,

Not providing, or failing to maintain, appliances not provided by the owner, and

[3] 24 CFR 982.405(a)

Damages to the unit or premises caused by a household member or guest which are deemed to be beyond normal wear and tear.

The family must allow HACSB to inspect the unit at reasonable times with reasonable notice. [4]

Inspections will be conducted on business days and during business hours only.

Reasonable hours to conduct an inspection are between 8:00 a.m. and 5:00 p.m**.**

HACSB will notify the family in writing of scheduled inspections at least seven calendar days prior to the inspection.

The written notice will be mailed to the family and will notify them of the date and time of the inspection appointment. If an adult member of the family, at least 18 years of age, or an adult otherwise authorized is unable to be present, the inspection appointment must be rescheduled so that the inspection is completed within 30 days.

If the family does not contact HACSB to reschedule the inspection, or if the family misses two inspection appointments, HACSB will consider the family to have violated a Family Obligation and their assistance will be terminated in accordance with the termination procedures in this Plan.

The family is also notified that it is a Family Obligation to allow HACSB to inspect the unit. If the family was responsible for a breach of HQS, as identified in Chapter 15 of this Plan, "Denial or Termination of Assistance," they will be advised of their responsibility to correct.

Time Standards for Repairs

- Emergency items which endanger the family's health or safety must be corrected within 24 hours of HACSB's notification to the family and or landlord. (See: Emergency Repair Items)
- For non-emergency items, repairs must be made within 30 days.
- For major repairs, the Housing Inspector may approve an extension beyond 30 days.

Repairs need to be made timely and the Housing Inspector will schedule a follow up appointment to verify that the items needing repair have in fact been repaired.

Rent Increases

Rent increase requests will not be approved if the unit is in a failed condition.

[4] 24 CFR 982.51 (d)

10.4 SPECIAL/ COMPLAINT INSPECTIONS

If at any time the family or owner notifies HACSB that the unit does not meet HQS, HACSB will conduct an inspection.

HACSB may also conduct a special inspection based on information from third parties such as neighbors, service providers, or public officials.

HACSB will only inspect those items which were reported, but if the Housing Inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.

10.5 QUALITY CONTROL INSPECTIONS[5]

Quality Control inspections will be performed by the Director of Housing Management or designated staff on at least 5 percent of the units inspected annually by each inspector. The purpose of Quality Control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HQS.

10.6 HQS INSPECTIONS FOR PUBLIC HOUSING AUTHORITY OWNED UNITS

HACSB shall contract with the local government or another independent entity to conduct HQS inspections and rent reasonableness determinations for HACSB-owned units leased by voucher holders.

10.7 ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS[6]

HACSB adheres to the performance requirements and acceptability standards as provided in the program regulations. There are thirteen (13) HQS performance requirements as identified as follows:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Interior air quality;
- Water supply;
- Lead-based paint;
- Access;
- Site and neighborhood;
- Sanitary conditions; and
- Smoke Detectors.

The performance requirements are as outlined below:

[5] 24CFR 982.405(b)

[6] 24CFR 982.401(a)

Sanitary Requirement

- The dwelling unit must include sanitary facilities within the unit.
- The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.
- The sanitary facilities must be usable in privacy

Food Preparation and Refuse Disposal

- The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.

Hot plates are not acceptable substitutes for stoves or ranges. The oven must heat and all burners on the stove or range must work. All stove or range knobs must be present. The stove or range must be free of hazardous gas hook-ups, gas leaks, or electrical hazards. All burners must ignite, the use of a match to ignite a burner is not sufficient to pass HQS.

Space and Security

- The dwelling unit must provide adequate space and security for the family.

Thermal Environment

The dwelling unit must be able to provide a thermal environment that is healthy for the human body. There must be a heating system capable of providing adequate heat directly or indirectly to all rooms for living. Heaters that burn gas or oil must be vented. Portable space heaters are acceptable if listed by a testing agency like the American Gas Association (AGA) and labeled as such. The input rating must not exceed 30 British thermal units (BTUs) per cubic foot of room or space.

Illumination and Electricity

- Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants.
- The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances.
- Electrical fixtures and wiring must not pose a fire hazard.

Structure and Materials

- The dwelling unit must be structurally sound.
- The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

Internal Air Quality

- The dwelling unit must be free of air pollutant levels that threaten the occupants' health.

Water Supply

- The water supply must be free of contamination.

Lead-Based Paint

- The Lead-Based Paint Poisoning Prevention Act as amended (42. U.S.C. 4821-4846) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations 24 CFR Part 35 Subparts A, B, M, and r Apply t o the housing choice voucher program.

Site and Neighborhood

- The site and neighborhood must be reasonably free from disturbing noises and reverberations or other dangers to the health, safety, and general welfare of the occupants.

Sanitary Condition

- The dwelling unit and its equipment must be in sanitary condition.

Smoke Detectors

- On each level of the dwelling unit including basements, but excluding spaces and unfinished attics at least one battery-operated or hand wired smoke detector in proper operating condition must be present.
- Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standards (NFPA) 74 or its successor standards.
- If a hearing-impaired person is occupying the dwelling unit, the smoke detectors must have an alarm system designed for hearing-impaired persons as specified in NFPA 74.
- Specifically, there must be a smoke detector in each bedroom and one within the common areas (hallway, living room, etc.). For multiple level buildings, t there must be a minimum of one smoke detector on each level, including basements. Smoke detectors must be:
    - Mounted on the ceiling at least 4 inches from a wall; or
    - On a wall with the top of the detector not less than 4 inches nor more than 12 inches below the ceiling; or
    - Placed on the bottom of the joist if installed in an area with an open-joisted ceiling

HACSB adheres to the above performance criteria as well as the acceptability criteria in the HUD program regulations with the additional criteria described below:

Santa Barbara's Local Housing Code

Walls:

- In areas where plaster or drywall is sagging, severely cracked or otherwise damaged, it must be repaired or replaced.

- Any exterior or interior surfaces with peeling or chipping paint

must be scraped and painted with two coats of unleaded paint or other suitable material.

- All walls in a tub or shower area must be covered with ceramic tile or other material that is impervious to water to prevent water damage and eventual deterioration.

Windows:

- All window sashes must be in good condition, solid and intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced.

Doors:

- All exterior doors must be weather tight to avoid any air or water infiltration, have no holes, have all trim intact, and have a threshold.

Floors:

- All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be secured and made level. If they cannot be leveled, they must be replaced.

- All floors must be in a finished state (no plywood).

Toilets:

- All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

Sinks:

- All sinks must have functioning stoppers.

Security:

- If window security bars or security screens are present on emergency exit window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

- Owners are responsible for providing and replacing old batteries for battery powered units. Tenants will be instructed not to tamper with smoke detectors or remove batteries.

- All accessible doors must have dead bolt locks as of the first annual HQS inspection.

Water Heaters:

- Water Heaters must have proper restraints for earthquake safety.
- Local code should be followed to ensure overall water heater safety.

Bedrooms:

- A bedroom must have a floor area of not less than seventy- (70) square feet.
- Bedrooms in basements or attics are not allowed unless they meet local code requirements and must have adequate ventilation and emergency exit capability.
- Minimum bedroom ceiling height is 7'6" or local code, whichever is greater. Sloping ceiling may not slope to lower than five feet in the 70 square foot area.

Modifications:

- Modifications or adaptations to a unit due to a reasonable accommodation for a person with a disability must meet all applicable HQS and building codes.
- Extension for repair items not required by HQS will be granted for modifications/adaptations to the unit if agreed to by the tenant and landlord. HACSB will allow execution of the HAP contract if unit meets all requirements and the modifications do not affect the livability of the unit.

10.8 HOUSING QUALITY STANDARDS

The HQS as outlined in 24 CFR 982.401 apply to the below types of housing, however there are additional criteria that apply in place of subsections of 24 CFR 982.401 as outlined in the following sections.

SRO: Housing Quality Standards

The standards in this section apply in place of Sec. 982.401 (b) (sanitary facilities), Sec. 982.401(c) (food preparation and refuse disposal), and Sec. 982.401(d) (space and security). Since the SRO units will not house children, the housing quality standards in Sec. 982.401(j), concerning lead-based paint, do not apply to SRO housing.

Performance requirements

SRO housing is subject to the additional performance requirements as outlined in this section. Sanitary Facilities, and Space and Security Characteristics must meet local code standards for

SRO housing. In the absence of applicable local code standards for SRO housing, the following standards apply:

Sanitary Facilities

- Sanitary facilities: Require at least one flush toilet that can be used in privacy, and a lavatory basin, bathtub or shower, in proper operating condition, must be supplied for each six persons or fewer residing in the SRO housing.

- If SRO units are leased only to males, flush urinals may be substituted for not more than one-half the required number of flush toilets. However, there must be at least one flush toilet in the building.

- Every lavatory basin and bathtub or shower must be supplied at all times with an adequate quantity of hot and cold running water.

- All of these facilities must be in proper operating condition, and must be adequate for personal cleanliness and the disposal of human waste. The facilities must utilize an approvable public or private disposal system.

- Sanitary facilities must be reasonably accessible from a common hall or passageway to all persons sharing them. These facilities may not be located more than one floor above or below the SRO unit. Sanitary facilities may not be located below grade unless the SRO units are located on that level.

Space and Security

- No more than one person may reside in an SRO unit.

- A SRO unit must contain at least one hundred ten square feet of floor space.

- A SRO unit must contain at least four square feet of closet space for each resident (with an unobstructed height of at least five feet). If there is less closet space, space equal to the amount of the deficiency must be subtracted from the area of the habitable room space when determining the amount of floor space in the SRO unit. The SRO unit must contain at least one hundred ten square feet of remaining floor space after subtracting the amount of the deficiency in minimum closet space.

- Exterior doors and windows accessible from outside an SRO unit must be lockable.

- Access doors to a SRO unit must have locks for privacy in proper operating condition.

An SRO unit must have immediate access to two or more approved means of exit, appropriately marked, leading to safe and open space at ground level, and any means of exit required by State and local law.

- The resident must be able to access a SRO unit without passing through any other unit.

Sprinkler system

- A sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as State or local law may require must be installed in each building. The term ”major spaces" means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

Congregate housing: Housing quality standards.

The standards in this section apply in place of Sec. 982.401(c) (food preparation and refuse disposal). Congregate housing is not subject to the HQS acceptability requirement in Sec. 982.401(d)(2)(i) that the dwelling unit must have a kitchen area.

Performance requirements

Congregate housing is subject to the additional performance requirements as outlined in this section.

Food preparation and refuse disposal

- The unit must contain a refrigerator of appropriate size.

- There must be central kitchen and dining facilities on the premises.

- The dining facilities:
    - Must be located within the premises, and accessible to the residents;
    - Must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner;
    - Must be used to provide a food service that is provided for the residents, and that is not provided by the residents; and
    - Must be for the primary use of residents of the congregate units and be sufficient in size to accommodate the residents.

- There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

Group home: Housing quality standards.

HACSB may not give approval to reside in a group home unless the unit, including the portion of the unit available for use by the assisted person under the lease, meets the housing quality standards. The standards in this section apply in place of Sec. 982.401(b) (sanitary facilities), Sec. 982.401(c) (food preparation and refuse disposal), Sec. 982.401(d) (space and security), Sec. 982.401(g) (structure and materials) and Sec. 982.401(l) (site and neighborhood).

Performance requirements

Group Home Housing is subject to the additional performance requirements as outlined in this

section.

- The entire unit must comply with the HQS.

Sanitary facilities.

- There must be a bathroom in the unit.

- The unit must contain, and an assisted resident must have ready access to:
  A flush toilet that can be used in privacy
  A fixed basin with hot and cold running water; and
  A shower or bathtub with hot and cold running water

- All of these facilities must be in proper operating condition, and must be adequate for personal cleanliness and the disposal of human waste. The facilities must utilize an approvable public or private disposal system.

- The unit may contain private or common sanitary facilities. However, the facilities must be sufficient in number so that they need not be shared by more than four residents of the group home.

- Sanitary facilities in the group home must be readily accessible to and usable by residents, including persons with disabilities.

Food preparation and service

- The unit must contain a kitchen and a dining area.

- There must be adequate space to store, prepare, and serve foods in a sanitary manner.

- Food preparation and service equipment must be in proper operating condition.

- The equipment must be adequate for the number of residents in the group home.

- The unit must contain the following equipment:
  - A stove or range, and oven;
  - A refrigerator; and
  - A kitchen sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.

- There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

- The unit may contain private or common facilities for food preparation and service.

Space and security

- The unit must provide adequate space and security for the assisted person.

- The unit must contain a living room, kitchen, dining area, bathroom, and other

appropriate social, recreational or community space.

- The unit must contain at least one bedroom of appropriate size for each two persons.
- Doors and windows that are accessible from outside the unit must be lockable.

Structure and material

- The unit must be structurally sound to avoid any threat to the health and safety of the residents, and to protect the residents from the environment.
- Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, loose surface materials, severe buckling or noticeable movement under walking stress, missing parts or other significant damage. The roof structure must be firm, and the roof must be weather tight.
- The exterior or wall structure and exterior wall surface may not have any serious defects such as serious leaning, buckling, sagging, cracks or large holes, loose siding, or other serious damage.
- The condition and equipment of interior and exterior stairways, halls, porches, walkways, etc., must not present a danger of tripping or falling.
- Elevators must be maintained in safe operating condition.
- The group home must be accessible to and usable by a resident with disabilities.

Site and neighborhood.

- The site and neighborhood must be reasonably free from disturbing noises and reverberations and other hazards to the health, safety, and general welfare of the residents.
- The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps, instability, flooding, poor drainage, septic tank back-ups, sewage hazards or mud slides, abnormal air pollution, smoke or dust, excessive noise, vibrations or vehicular traffic, excessive accumulations of trash, vermin or rodent infestation, or fire hazards.
- The unit must be located in a residential setting.

Shared housing: Housing quality standards

HACSB may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards. The Standards in this Section apply in place of Sec. 982.401 (d)(space and security).

Performance requirements

Facilities available for family

- The facilities available for the use of an assisted family in shared housing under the family's lease must include (whether in the family's private space or in the common space):
    - a living room,
    - sanitary facilities in accordance with Sec. 982.401(b), and
    - food preparation and refuse disposal facilities in accordance with Sec. 982.401(c).

Space and security

- The entire unit must provide adequate space and security for all its residents (whether assisted or unassisted).

- Each unit must contain private space for each assisted family, plus common space for shared use by the residents of the unit. Common space must be appropriate for shared use by the residents.

- The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family may not be less than the family unit size.

- A zero or one bedroom unit may not be used for shared housing.

Manufactured home: Housing quality standards.

A manufactured home must meet all the HQS performance requirements and acceptability criteria in Sec. 982.401. In addition to Sec. 982.401 a manufactured home also must meet the following requirements:

Performance requirement

- A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.

- Acceptability criteria. A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

10.9 EMERGENCY REPAIR ITEMS[7]

The following items are considered emergency in nature and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice by the Inspector:

Lack of security for the unit
Waterlogged ceiling in imminent danger of falling
Major plumbing leaks or flooding
Natural gas leak or fumes
Electrical problem which could result in shock or fire

[7] 24 CFR 982.401 (a)

No heat when outside temperature is below 50° F. and temperature inside unit is below 60 ° F
Utilities not in service
No running hot water
Broken glass where someone could be injured
Obstacle which prevent tenant's entrance or exit
Lack of functioning toilet

HACSB may give a short extension (not more than 24 additional hours) whenever the responsible party cannot be notified or it is impossible to affect the repair within the 24-hour period.

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to effect the repair, proper authorities will be notified by HACSB.

If the emergency repair item(s) are not corrected in the time period required by HACSB, and the owner is responsible, the housing assistance payment will be abated and the HAP contract will be terminated.

If the emergency repair item(s) are not corrected in the time period required by HACSB, and it is an HQS breach which is a family obligation, HACSB will terminate the assistance to the family and the owner's payment will not be abated for the breach of HQS.

10.10 CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)[8]

When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by HACSB, the assistance payment to the owner will be abated.

Abatement

A Notice of Abatement will be sent to the owner, and the abatement will be effective from the day after the date of the failed inspection. The notice is generally for 30 calendar days, depending on the nature of the repair(s) needed.

HACSB will inspect abated units within seven days of the owner's notification that the work has been completed.

If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS.

Termination of Contract

If the owner is responsible for repairs, and fails to correct all the deficiencies cited prior to the end of the abatement period, the owner will be sent a HAP Contract Proposed Termination

[8] 24 CFR 982.405, 982.453

notice. Prior to the effective date of the termination, the abatement will remain in effect.

If repairs are completed before the effective termination date, the termination will be rescinded by HACSB if the tenant chooses to remain in the unit. Only two Housing Quality Standards inspections will be conducted after the termination notice is issued.

10.11 DETERMINATION OF RESPONSIBILITY[9]

Certain deficiencies are considered the responsibility of the family:

Tenant-paid utilities not in service.

Failure to provide or maintain family-supplied appliances.

Damage to the unit or premises caused by a household member or guest beyond normal wear and tear.

The owner is responsible for all other HQS violations.

The owner is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. HACSB may terminate the family's assistance on that basis.

10.12 CONSEQUENCES IF FAMILY IS RESPONSIBLE

If non-emergency violations of HQS are determined to be the responsibility of the family, HACSB will require the family make any repair(s) or corrections within **30 calendar** days. If the repair(s) or correction(s) are not made in this time period, HACSB will terminate assistance to the family. Extensions in these cases must be approved by a **HACSB's Inspector**. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

[9] 24 CFR 982.404, 982.54(d)(14)

Chapter 11

PAYMENT STANDARDS, RENT REASONABLENESS, AND RENTS TO OWNERS

INTRODUCTION

HACSB is responsible to ensure that the rents charged by owners are reasonable based upon objective comparables in the rental market. When HACSB has determined that the unit meets HQS standards, that the rent is reasonable, and the lease meets program requirements, HACSB will make timely payments to the owner and notify the owner of the procedures for rent adjustments. This Chapter explains HACSB's procedures for adjustments to the Payment Standards, determination of rent-reasonableness, payments to owners, and rent adjustments.

11.1 PAYMENT STANDARDS IN THE VOUCHER PROGRAM[1]

The Payment Standard is initially set by HACSB at the Fair Market Rent in effect at the time the Annual Contributions Contract for the first increment of voucher funding is approved by HUD. The Payment Standard is used to determine the maximum subsidy which can be paid by HACSB on behalf of the family.

The maximum subsidy for each family is determined by the Payment Standard for the voucher size issued to the family, less the family's Total Tenant Payment (TTP). The TTP represents 30% of the family's monthly adjusted income.

The voucher size issued to the family is based on HACSB's Subsidy Standards. The payment standard for the family is based on the *lesser of* the payment standard for the voucher size issued and the payment standard for the unit selected.

11.2 ADJUSTMENTS TO PAYMENT STANDARDS [2]

Payment Standards may be adjusted to increase Housing Assistance Payments in order to keep families' rents affordable. HACSB will not raise the Payment Standards so high that the number of families that can be assisted under available funding is substantially reduced. Nor will HACSB raise Standards if the need is solely to make "high end" units available to voucher holders.

HACSB will review the Payment Standard annually to determine whether an adjustment should be made for some or all unit sizes. HACSB may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMR for that unit size. HUD approval is not required to establish a payment standard amount in that range ("basic range").

HACSB may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

Assisted Families' Rent Burdens

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[1] 24 CFR 982.503

[2] 24 CFR 982.505

HACSB will review reports showing the percent of income used for rent by voucher families to determine the extent to which the rent burden is more than **40% (forty percent)** of income.

Availability of Suitable Vacant Units Below the Payment Standard

HACSB will review its rent reasonableness database and vacancy rate data to determine whether there is an ample supply of vacant units below the Payment Standard.

Quality of Units Selected

HACSB may review the quality of units selected by participant families before determining any change to the Payment Standard to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

HACSB Decision Point

HACSB may review the quality and size of units where the Rents to Owner are above the payment standard by more than 25% (twenty-five percent). If more than 50% (fifty percent) of families have selected above-average units or have selected larger units than the voucher size, HACSB may elect not to increase the payment standard or continue the analysis.

If the analysis continues, HACSB will divide those rents between contracts within the first year and after the first year. If the rent to an Owner is more than 25% (twenty-five percent) above the average, in any bedroom size, HACSB may continue the analysis. If not, HACSB may elect not to increase the payment standard for certain bedroom sizes.

Financial Feasibility

Before increasing the Payment Standard, HACSB may review the budget and the project reserve, to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, HACSB will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

Lowering of the Payment Standard

Statistical analysis may reveal the Payment Standard should be lowered, in which case, the Payment Standard should not be less than 90% of the current FMR. If the FMR is lowered, the Payment Standard may not exceed the FMR except in those cases where families are held harmless until they move to a different dwelling unit or have a change in family composition which would affect their voucher size.

File Documentation

A file will be retained by HACSB for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

11.3 RENT REASONABLENESS DETERMINATIONS [3]

HACSB may not approve a lease until it has been determined that the initial rent to the owner is a reasonable rent.

HACSB must also re-determine rent reasonableness:

- Before any increase in the rent to owner;
- If there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect 1 year before the contract anniversary; or
- If directed by HUD.

HACSB will determine and document that the approved rent for each unit:

- Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and
- Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

At least three comparable units will be used for each rent determination, one of which must be from the first category above if possible. All comparables must be based on the rent that the unit would command if leased in the current market. Leased in the current market means that the unit has been leased within the last 180 days.

The data for other unassisted units will be gathered from newspapers, realtors, professional associations, inquiries of owners, market surveys, and other available sources.

The market areas for rent reasonableness are census tracts within HACSB's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following items will be used for rent reasonableness documentation:

Square Footage
Number of Bedrooms
Facilities
Location
Number of Bathrooms
Quality
Amenities
Date Built
Unit Type
Management and Maintenance Services

[3] 24 CFR 982.507

Rent Reasonableness Data Base/Average Contract Rents

HACSB maintains an automated database which includes data on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis and purged when it is more than 24 months old.

HACSB will compare the Payment Standards to average rents in its Rent Reasonableness Database and to the average Contract Rents by unit size.

11.4 MAKING PAYMENTS TO OWNERS

The Housing Assistance Payment (HAP) to the owner is the lesser of the payment standard for the family minus the total tenant payment; or the gross rent (contract rent plus the applicable utility allowance) minus the total tenant payment.

The HAP contract must be in the form required by HUD and the term of the HAP contract must be the same as the term of the lease.

Once the HAP Contract is executed, HACSB begins processing payments to the landlord. A copy of the HAP contract is given to the Finance Department showing the effective date and the amount of the HAP. HAP checks are disbursed by the Finance Department and mailed to the owner each month. In lieu of payment by check, owners may choose to have the payments made by direct deposit to their bank account.

Checks that are not received will not be re-issued until a request has been received from the payee and a stop payment has been placed on the original check.

11.5 RENT ADJUSTMENTS [4]

Rent to Owner Increases

HACSB may review a sample of the units to determine how often owners are increasing rents after the first year of the lease and the average percent of increase by bedroom size. The sample will be divided into units with and without the highest cost utility included.

A comparison will then be made to the applicable annual adjustment factor to determine whether owner increases are excessive in relation to the published annual adjustment factor. Owners may not request rent adjustments in the voucher program to be effective prior to the expiration of the first term of the lease.

The owner must notify HACSB and the tenant of any changes in the amount of the rent to owner at least sixty days before any such changes go into effect, and any such changes shall be subject to rent reasonableness requirements.

Upon receipt of the owner's sixty-day written notice to the family and to HACSB, HACSB will advise the owner and the family as to whether the rent is reasonable and shall approve or disapprove the rent increase.

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[4] 24 CFR 982.519, 982.308(g)

Disapproval of Requests for Adjustment

If HACSB rejects the owner's request for rent adjustment as exceeding rent reasonableness and the owner rejects HACSB's determination, the owner may offer the tenant a new lease (after receiving HACSB's approval) with a sixty-day notice to the tenant. If the tenant refuses or the owner does not offer a new lease, the owner may institute court action to terminate tenancy for a business or economic reason in accordance with the lease after giving 30 days notice to HACSB and the family as required by law. HACSB will issue a new voucher to the family.

After the tenant has begun searching for a new housing unit and/or after court action has been initiated, the owner may decide to accept the current lease. If the owner and tenant agree, the lease can continue.

If the tenant accepts the offer of a new lease, an RFTA must be submitted and the requested rent subject to rent reasonableness for the voucher program.

If a new lease is executed, a new Contract must also be executed.

Chapter 12

RECERTIFICATIONS[1]

INTRODUCTION

In accordance with HUD requirements, HACSB will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulation. It is a HUD requirement that families report all changes in household composition. This Chapter defines HACSB's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

12.1 ANNUAL ACTIVITIES[2]

There are two activities the HACSB must conduct on an annual basis.

- Recertification of Income, Assets and Family Composition
- HQS Inspection

HACSB produces a monthly report of units under contract to ensure that timely reviews of contract rent, housing quality, and factors related to Total Tenant Payment can be processed. Requests for rent adjustments and other monetary changes will be transmitted to the Housing Management Department.

Reexamination of the family's income and composition must be conducted at least annually.

For Annual inspections: See Chapter 10, "Housing Quality Standards and Inspections"

For Rent Adjustments: See Chapter 11, "Payment Standards, Rent Reasonableness and Rent to Owner."

12.2 ANNUAL RECERTIFICATION/REEXAMINATION[3]

Families are required to be recertified at least annually. When families move to another dwelling unit, an annual recertification may be scheduled (unless a recertification has occurred in the last 120 days) and the anniversary date may be changed.

Income limits are not used to determine continued eligibility at recertification unless the family is moving under portability and changing their form of assistance.

Reexamination Notice to the Family

HACSB will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least 90 days in advance of the anniversary date. If

[1] 24 CFR 982.516

[2] 24 CFR 982.516, 982.405

[3] 24 CFR 982.516

requested as an accommodation by a person with a disability, HACSB will provide the notice in an accessible format. HACSB will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

HACSB's procedure for conducting annual recertifications will be:

> To schedule an annual recertification by mailing a notice to the family.
> Notification will include time and date of appointment as well as location of appointment.

Completion of Annual Recertification

HACSB will have all recertifications for families completed before the anniversary date. This includes notifying the family of any changes in rent at least 30 days before the scheduled date of the change in family rent.

Persons with Disabilities

Persons with disabilities, who are unable to come to HACSB's office will be granted an accommodation of conducting the interview at the person's home or by mail, only upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information

HACSB will require the family to complete a Personal Declaration Form prior to all recertification interviews.

The HACSB representative will interview the family and enter the information provided by the family on the recertification form, review the information with the family and have them sign the form.

HACSB will require the family to complete a Personal Declaration Form prior to all recertification interviews.

Requirements to Attend

The following family members will be required to attend the recertification interview:

> All adult household members including household members who will be 18 years of age or older at the effective date of the recertification. All adult household members includes live in attendants.

If all adult household members are unable to attend the interview:

> The appointment may be rescheduled

Failure to Respond to Notification to Recertify

The written notification must state which family members are required to attend the interview. The family may call to request another appointment date up to two business days prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with the HACSB**,** the HACSB will reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, HACSB will:

Send the family a notice of termination of subsidy and offer them an informal hearing

Exceptions to these policies may be made by a Housing Management Specialist if the family is able to document that it was an emergency situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

Documents Required From the Family

In the notification letter to the family, HACSB will include instructions for the family to bring the following:

- Documentation of income for all family members
- Documentation of liquid and non-liquid assets
- Documentation of any deductions/allowances
- Personal Declaration Form completed by head of household and signed by all adult household members
- Social Security cards and birth certificates for all family members, if not previously submitted
- Original documents to determine lawful entry into the U.S. for all household members, if not previously submitted
- Copies of most recent Federal and State income tax returns and W-2s for all family members who filed
- Dissolution of marriage and/or child support documents/marriage license
- Financial Aid award letter/TANF Notice of Action
- Health/Life insurance policy number(s) and name and address of carrier
- Any ongoing prescription costs not reimbursed by insurance (only applicable to participants who are disabled, handicapped or 62 years of age or older)
- Name and address of child care provider
- Vehicle registration(s), DMV picture identification

Verification of Information

HACSB will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than 120 days old at effective date of re-exam.

Tenant Rent Increases

If it is determined that there is an increase in the tenant rent portion, a thirty-day notice will be mailed to the family prior to the effective date of the anniversary.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the month following the thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date.

Tenant Rent Decreases

If tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by HACSB.

12.3 REPORTING INTERIM CHANGES[4]

HUD requires program participants to report all changes in household composition to HACSB between annual reexaminations. This includes additions to the household due to birth, adoption and court-awarded custody. The family must obtain HACSB and owner approval prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. HACSB will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

Increases in Income

Families will be required to report increases in household income which result in a change of more than $200.00 per month.

Families will be required to report all changes in household income which result from a new income source**.**

Decreases in Income

Participants may report a decrease in income and other changes that would reduce the amount of tenant rent, such as an increase in allowances or deductions. HACSB must calculate the change if a decrease in income is reported.

[4] 24 CFR 982.516

HACSB Errors

If HACSB makes an error in the calculation of tenant rent at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error. The family will not be charged retroactively for miscalculated rent. Families will be given decreases, when applicable; retroactive to when the decrease for the change would have been effective if calculated correctly.

Other Interim Reporting Issues

An interim reexamination may affect the date of the annual recertification.

An interim reexamination will be scheduled for families with zero/unstable income at least every 90 calendar days.

Any changes reported by participants other than those listed in this section will be notated in the file by the staff person but will not be processed between regularly scheduled annual re-certifications.

12.4 NOTIFICATION OF RECERTIFICATION RESULTS[5]

The HUD form 50058 will be completed and transmitted as required by HUD.

A Notice of Rent Change will be mailed to both the owner and the tenant; copies of each will be maintained in HACSB files. Signatures are not required by HACSB. If the family disagrees with the rent adjustment they may request an informal hearing.

12.5 TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)[6]

HACSB requires that families report interim changes to HACSB within **30** days from the date when the change occurred. Any information, document or signature needed from the family which is needed to verify the change must be provided within 30 days of the change.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

Procedures when the Change is Reported in a Timely Manner

HACSB will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increases in Tenant Rent are effective on the first of the month following at least thirty days notice.

Decreases in the Tenant Rent are effective the first of the month following the date the change was verified.

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[5] HUD Notice PIH 98-6

[6] 24 CFR 982.516(c)

The change may be implemented based on documentation provided by the family, pending third-party written verification.

Procedures when the change is not reported by the tenant in a timely manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be required to sign a repayment agreement or make a lump sum payment.

Decrease in Tenant Rent will be effective on the first of the month following completion of the determination of rent by the HACSB and not retroactively.

Procedures when the change is not processed by HACSB in a timely manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the HACSB in a timely manner.

In this case, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by the HACSB.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

12.6 REPORTING OF CHANGES IN FAMILY COMPOSITION[7]

All changes in family composition must be reported within 30 calendar days of the occurrence.

Increases in Family Size

Increases other than by birth, adoption or court-awarded custody must have the prior approval of the owner and HACSB.

If an addition would result in overcrowding according to HQS maximum occupancy standards:

HACSB will issue a larger voucher (if needed under the Subsidy Standards) for additions to the family in the following cases:

Addition by marriage

Addition of a minor who is a member of the nuclear family who had been residing elsewhere.

Addition of an HACSB-approved live-in attendant. (Additional bedrooms will not

[7] 24 CFR 982.516(c)

be provided for family members of the live in attendant)

Addition due to birth, adoption or court-awarded custody. (17 and younger only)

If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger sized unit due to overcrowding, the change in Voucher shall be made effective immediately.

12.7 CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES[8]

Under the Non-citizens rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

"Mixed" families who were participants on June 19, 1995, shall continue receiving full assistance if they meet the following criteria:

- HACSB implemented the Non-Citizen Rule prior to November 29, 1996 AND
- The head of household or spouse is a U.S. citizen or has eligible immigrant status; AND
- All members of the family other than the head, the spouse, parents of the head, parents of the spouse, and children of the head or spouse are citizens or eligible immigrants. The family may change the head of household to qualify under this provision.

[8] 24 CFR 5.518

Chapter 13

MOVES WITH CONTINUED ASSISTANCE/PORTABILITY[1]

INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within HACSB's jurisdiction, or to a unit outside of HACSB's jurisdiction under Portability procedures. The regulations also allow HACSB the discretion to develop policies which define any limitations or restrictions on moves. This Chapter defines the procedures for moves, both within and outside of, HACSB's jurisdiction, and the policies for restriction and limitations on moves.

13.1 ALLOWABLE MOVES

A family may move to a new unit if:

- The assisted lease for the old unit has terminated because HACSB has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.

- The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).

- The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to owner) for owner breach or otherwise.

13.2 RESTRICTIONS ON MOVES[2]

Families will be permitted to move outside HACSB's jurisdiction under portability procedures during the initial year of assisted occupancy.

HACSB will deny permission to move if there is insufficient funding for continued assistance. In addition HACSB will deny permission to move if:

The family has violated a Family Obligation
The family has an outstanding debt to HACSB
The family has an outstanding debt to an owner in conjunction with a previous Section 8 tenancy.

The Director of Housing Management may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

[1] 24 CFR 982.314
[2] 24 CFR 982.314, 982.552

13.3 PROCEDURE FOR MOVES[3]

Issuance of Voucher

If the family has not been recertified within the last 120 days, HACSB will issue the voucher to move after conducting the recertification.

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits.

Notice Requirements

Briefing sessions emphasize the family's responsibility to give the owner and HACSB proper written notice of any intent to move.

The family must give the owner the required number of days written notice of intent to vacate specified in the lease and must give a copy to HACSB simultaneously.

Time of Contract Change

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move.

In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves.

13.4 PORTABILITY[4]

Portability applies to families moving out of or into HACSB's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the initial HA's jurisdiction. The unit may be located in the jurisdiction of a PHA anywhere within the United States that administers a tenant based Section 8 program.

[3] 24 CFR 982.314
[4] 24 CFR 982.353

13.5 OUTGOING PORTABILITY[5]

A voucher holder or participant family has the right to receive tenant-based voucher assistance in accordance with requirements of this part to lease a unit outside the initial PHA jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program.

When a family requests to move outside of HACSB's jurisdiction, the request must specify the area to which the family wants to move. If there is more than one PHA in the area in which the family has selected a unit, HACSB will choose the receiving PHA.

Families will be permitted to exercise portability during the initial 12-month period after admission to the program.

Restrictions on Portability

Portability will not be permitted to a family if:

- The family is in violation of a family obligation.
- The family owes money to any PHA.

Outgoing Portability Procedures

HACSB will provide pre-portability counseling for those families who express an interest in portability. If the family is utilizing portability for their initial lease-up, HACSB will determine if the family is within the income limit of the receiving HA.

HACSB will notify the receiving PHA that the family wishes to relocate into its jurisdiction.

HACSB will advise the family how to contact and request assistance from the receiving PHA.

HACSB will notify the receiving PHA that the family will be moving into its jurisdiction.

HACSB will provide the following documents and information to the receiving PHA:

- Information on the HUD portability form, including a copy of the family's voucher with issue and expiration dates and formal recognition of the family's ability to move under portability.
- The most recent HUD 50058 form and verifications.

[5] 24 CFR 982.353, 982.355

- Declarations and verifications of U.S. citizenship/eligible immigrant status.
- Current information related to eligibility and rent payments.
- The Administrative Fee Schedule for billing purposes.

The Receiving HA must notify HACSB within 90 calendar days of the following:

- If the receiving PHA decides to absorb the family into their own program.
- If the family leases up or fails to submit a Request for Tenancy Approval by the required date.
- If assistance to a portable family is terminated by the receiving PHA.
- If the family requests to move to an area outside the receiving PHA's jurisdiction.

Payment to the Receiving PHA

HACSB will requisition funds from HUD, based on the anticipated lease-ups of portable vouchers in other PHA's jurisdictions. Payments for families in other jurisdictions will be made to other PHA's when billed or in accordance with other HUD approved procedures for payment.

When billed, HACSB will reimburse the receiving PHA for 100% of the Housing Assistance Payment and 80% of the Administrative Fee (at the initial HA's rate), and any other HUD-approved fees.

13.6 INCOMING PORTABILITY[6]

Absorption or Administration

HACSB will accept a family with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, the family will be issued a "Portability" voucher by HACSB with the same start date. HACSB may grant extensions in accordance with this Administrative Plan.

HACSB may absorb all incoming portable families provided that there is funding available.

When HACSB does not absorb the incoming voucher, it will administer the Initial PHA's voucher however, HACSB's policies will prevail.

[6] 24 CFR 982.354, 982.355

For initial lease-up, the family must be within HACSB's income limits. For participants, HACSB may issue a voucher but if the form of assistance changes, the family must be within HACSB's Low Income limits.

HACSB will issue a "Portability voucher" according to its own subsidy standards. If the Family has a change in family composition which would change the voucher size, HACSB will change to the proper size based on its own subsidy standards.

HACSB will decide whether to extend the "Portability voucher" and for what period of time. However, if the family decides not to lease-up in HACSB's jurisdiction, the family must request an extension from the initial PHA.

Income and TTP of Incoming Portables

As the receiving PHA, HACSB will conduct a recertification interview but only verify the information provided if the documents are missing or are over 120 days old, whichever is applicable, or there has been a change in the family's circumstances.

If the family's income exceeds the income limit of HACSB, the family will not be denied assistance unless the family is an applicant (and over the income limit).

If the family's income is such that a $0 subsidy amount is determined prior to lease-up in HACSB's jurisdiction, HACSB will refuse to enter into a contract on behalf of the family at $0 assistance.

Requests for Tenancy Approval

A briefing will be mandatory for all portability families.

When the family submits a Request for Tenancy Approval, it will be processed using HACSB's policies. If the family does not submit a Request for Tenancy Approval or does not execute a lease, the initial PHA will be notified within 30 calendar days by HACSB.

If the family leases up successfully, HACSB will notify the initial PHA within 30 calendar days, and the billing process will commence.

If HACSB denies assistance to the family, HACSB will notify the initial PHA within 30 calendar days and the family will be offered a review or hearing.

HACSB will notify the Family of its responsibility to contact the initial PHA if the Family wishes to move outside HACSB's jurisdiction under continued portability.

Terminations

HACSB will notify the initial PHA in writing of any termination of assistance within 30 calendar days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by HACSB, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the initial PHA.

Required Documents

As the Receiving PHA, HACSB will request the following documents from the initial PHA:

- A copy of the family's voucher, with issue and expiration dates, formally acknowledging the family's ability to move under portability.
- The most recent HUD 50058 form and verifications.
- Declarations and verifications of U.S. citizenship/eligible immigrant status.
- Current information related to eligibility and rent payments.
- The Administrative Fee Schedule for billing purposes.

Billing Procedures

As the receiving PHA, HACSB will bill the initial PHA on a monthly basis for Housing Assistance Payments. The billing cycle for other amounts, including Administrative Fees and Special Claims will be monthly unless requested otherwise by the initial PHA.

HACSB will bill 100% of the Housing Assistance Payment and 80% of the Administrative Fee (at HACSB's rate) and any other HUD-approved fees, for each "Portability" voucher leased as of the first day of the month.

HACSB will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify HACSB of changes in the Administrative Fee amount to be billed.

Chapter 14

CONTRACT TERMINATIONS

INTRODUCTION [1]

The Housing Assistance Payments (HAP) Contract is the contract between the owner and HACSB which defines the responsibilities of both parties. This Chapter describes the circumstances under which the contract can be terminated by HACSB and the owner, and the policies and procedures for such terminations.

14.1 CONTRACT TERMINATION [2]

The term of the HAP Contract must be the same as the term of the lease. The Contract between the owner and HACSB may be terminated by HACSB, or by the owner, or by the tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by HACSB to the owner after the month in which the Contract is terminated. The owner must reimburse HACSB for any subsidies paid by HACSB for any period after the contract termination date.

If the family continues to occupy the unit after the Section 8 contract is terminated, the family is responsible for the total amount of rent due to the owner.

After a HAP contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit. If the move from the old unit overlaps with the lease up of the new unit, HACSB may prohibit payment of double subsidy and may consider whether the move was initiated by the tenant as well as the reason for the move.

14.2 TERMINATION BY THE FAMILY- MOVES [3]

The family cannot move from the unit until after the initial term of the lease unless the landlord and the family mutually agree in writing to terminate the lease and HACSB approves the move. After the initial term of the lease, the family must give a minimum of 30-days written notice to the landlord and provide a copy to HACSB. The notice period to the landlord is determined by the lease, but may not exceed 60 days.

Violence Against Women Act (VAWA)

The Violence Against Women Reauthorization Act of 2005 provides that “a family may move to another jurisdiction under the tenant-based assistance program if the family has complied with all other obligations of the Section 8 program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she

[1] 24 CFR 982.309
[2] 24 CFR 982.311
[3] 24 CFR 982.314

remained in the assisted dwelling unit."

14.3 TERMINATION BY THE OWNER: EVICTIONS [4]

If the owner wishes to terminate the lease, the owner is required to serve proper notice to the tenant and/or evict as per the notice procedures in the HUD regulations and State/local law. The owner must provide HASCB with a copy of the eviction notice.
If required, the owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

Grounds

During the term of the lease (the initial term of the lease or any extension term), the owner may only terminate the tenancy on the following grounds:

- Serious or repeated violation of the lease;
- Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;
- Criminal activity or alcohol abuse; or
- Other good cause.

Criminal activity

The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a resident's control commits any of the following types of criminal activity:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents; (including property management staff residing on the premises);
- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate the tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, that is a felony under the laws of the place from which the individual flees or;
- Violating a condition of probation or parole under Federal or State law.

The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

[4] 24 CFR 982.310

The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.

Other good cause for termination of tenancy [5]

During the initial lease term, other good cause for termination of tenancy must be something the family did or failed to do.

During the initial lease term or during any extension term, other good cause includes:

- Disturbance of neighbors,
- Destruction of property, or
- Living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, such good cause includes:

- The tenant's failure to accept the owner's offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use or for a purpose other than use as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, the owner's desire to rent the unit for a higher rent).

Eviction by court action

The owner may only evict the tenant from the contract unit by instituting a court action.

Owner notice of grounds

At or before the beginning of a court action to evict the tenant, the owner must give the tenant a notice that specifies the grounds for termination of tenancy. The notice may be included in or combined with any owner eviction notice.

The owner must give HACSB a copy of any owner eviction notice at the same time the owner notifies the tenant.

Eviction notice means a notice to vacate, or a complaint or other initial pleading used to begin an eviction action under State or local law.

HACSB will continue housing assistance payments until the family moves or is evicted from the unit.

If the action is finalized in court, the owner must provide HACSB with the documentation, including notice of the lock-out date.

HACSB must continue making housing assistance payments to the owner in accordance with the Contract as long as the tenant continues to occupy the unit and the Contract is not violated. By endorsing the monthly check from HACSB, the owner certifies that the

[5] 24 CFR 982.312

tenant is still in the unit, the rent is reasonable and s/he is in compliance with the contract.

If the eviction is not due to a serious or repeated violation of the lease, and if HACSB has no other grounds for termination of assistance, HACSB will issue a new voucher so that the family can move with continued assistance.

Foreclosure of Residential Property

Pursuant to the foreclosure of any residential property, there are obligations imposed on the immediate successors/new owners who desire to have the existing tenants vacate. They must provide tenants residing in such property with at least a 90-day written notice to vacate the property. In addition to the 90 day notice, the successor/new owner takes interest in the property subject to the remaining term of the existing lease. Exception to this last requirement is when the successor intends to occupy the unit as a primary residence. However, regardless of these exceptions, the tenant must still be provided a minimum of a 90-day notice to vacate.

A demand upon any Section 8 Voucher recipient to vacate a foreclosed property prior to sale of the property shall not constitute "other good cause" as per HUD's regulations on termination of tenancy. However, the owner may terminate the tenancy effective on the date of the transfer to the owner if the successor/new owner will occupy the unit as a primary residence; and has provided the tenant with a notice to vacate at least 90-days before the effective date of the transfer.

Should 90-day notice not have been provided prior to the transfer of ownership, the HAP contract and lease in place prior to foreclosure, survives the foreclosure. HAP contract payments will transfer to the new owner of the property and will remain in effect pursuant to the term of the existing lease and/or of the 90-day notice.

Security Deposits and other debts owed by tenant [6]

When the tenant moves out of the dwelling unit, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

Upon vacating the unit, if the tenant owes any debt to the owner and/or is not in good standing with the owner, HACSB may refuse to certify the tenant to move with continued assistance.

HACSB may refuse to certify the tenant to move with continued assistance if any debt owed to HACSB is outstanding and/or the tenant has defaulted on payment arrangements made with HACSB.

14.4 TERMINATION OF THE CONTRACT BY HACSB [7]

[6] CFR 982.313
[7] CFR 982.403, CFR 982.454, CFR 982.455

The term of the HAP contract terminates when the lease terminates, when HACSB terminates program assistance for the family, or when the owner has breached the HAP contract. (See Chapter 16/Disapproval of Owner)

HASCB may also terminate the contract if:

- The entire family is absent from the unit (see Chapter 6/Factors Related to Total Tenant Payment Determination)
- The family is required to move from a unit which is overcrowded.
- Funding is no longer available under the ACC.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.

Notice of Termination

HACSB will provide the owner and family with at least thirty days written notice of termination of the contract.

Chapter 15

DENIAL OR TERMINATION OF ASSISTANCE

INTRODUCTION

HACSB may deny or terminate assistance for a family because of the family's action or failure to act. This Chapter describes when HACSB is required to deny or terminate assistance, HACSB's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract. It also presents the policies that govern voluntary and involuntary terminations of assistance.

15.1 GROUNDS FOR DENIAL/TERMINATION[1]

HUD requires that HACSB terminate assistance for certain offenses and when the family no longer requires assistance. HUD permits HACSB to terminate assistance for certain other actions or failures to act on behalf of the family. In addition, a family may at any time decide to stop receiving Section 8 HCV assistance with proper notification to HACSB.

FAMILY CHOOSES TO TERMINATE ASSISTANCE

An assisted family may request at any time that HACSB terminate the family's assistance.

The request to terminate assistance must be made in writing and signed and dated by the head of household, spouse, or co-head. Before terminating the family's assistance, HACSB will give the family and owner written notice as specified in this chapter.

MANDATORY DENIAL AND TERMINATION[2]

HUD requires that HACSB must deny assistance to applicants, and terminate assistance for participants for the following reasons:

Eviction[3]

HACSB must terminate assistance whenever a family is evicted from a unit assisted under the Section 8 HCV program for a serious or repeated violation of the lease. Incidents of actual or threatened violence, dating violence, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

[1] 24 CFR 982.552, 982.553
[2] 24CFR 982.552 (b)(10)(d)
[3] 24 CFR 982.552 (b)(2), Pub. L. 109-162

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. However, HACSB will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures as described in this policy. Upon consideration of such alternatives and factors, HACSB may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

Failure to Provide Consent[4]

HACSB must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a reexamination.

Failure to Document Citizenship[5]

HACSB must terminate assistance if:

- a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status;
- a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or
- a family member, as determined by HACSB, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. Such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Provide Social Security Documentation[6]

HACSB must terminate assistance if a participant family fails to provide the documentation or certification required for any family member who obtains a social security number or joins the family.

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[4] 24 CFR 982.552(b)(3)

[5] 24 CFR 982.552(b)(4) and 24 CFR 5.514(c)

[6] 24 CFR 5.218(c)

Methamphetamine Manufacture or Production[7]

HACSB must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

Failure of Students to Meet Ongoing Eligibility Requirements[8]

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, and is not residing with his/her parents in an HCV assisted household, HACSB must the terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and HACSB policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

FAMILY NO LONGER REQUIRES ASSISTANCE[9]

As a family's income increases, the amount of HACSB subsidy goes down. If the amount of HCV assistance provided by HACSB drops to zero and remains at zero for 180 consecutive calendar days the family's assistance terminates automatically.

If a participating family receiving zero HAP assistance experiences a change in circumstances that would cause the HAP payment to rise above zero, the family must notify HACSB of the changed circumstances and request an interim reexamination before the expiration of the 180-day period.

OTHER AUTHORIZED REASONS FOR TERMINATION OF ASSISTANCE[10]

HUD grants HACSB the authority to deny program assistance for an applicant, or terminate program assistance for a participant, for a number of additional circumstances. However, The Violence Against Women Reauthorization Act of 2005 explicitly prohibits HACSB or any PHA from considering incidents or actual threatened domestic violence, dating violence, or stalking as reasons for terminating the assistance of a victim of such violence. HACSB will terminate assistance for participants for the following reasons:

- If the family violates any family obligation under the program as listed in 24 CFR 982.551.

- If any member of the family has ever been evicted from federally assisted housing in the last five years

[7] 24 CFR 982.553(b)(1)(ii)

[8] 24 CFR 982.552(b)(5) and FR 4/10/06

[9] 24 CFR 982.455

[10] 24 CFR 982.552 (b)

- If any PHA has ever terminated assistance under the voucher program for any member of the family.

- If any member of the family commits drug-related criminal activity, or violent criminal activity.

- If any member of the family is a registered sex offender or subject to a life time registration requirement.

- If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

- If the family currently owes rent or other amounts to HACSB or to another PHA in connection with Section 8 or Public Housing assistance under the 1937 Act.

- If the family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

- If the family breaches an agreement with any PHA to pay amounts owed to a PHA, or amounts paid to an owner on behalf of a family by a PHA.

- If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.

- If the family has engaged in or threatened abusive or violent behavior toward HACSB personnel.

  "Abusive or violent behavior towards HACSB personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

  "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

  Any behavior which constitutes sexual harassment toward HACSB personnel will be cause for termination.

  Actual physical abuse or violence will always be cause for termination.

- Any member of the family whose drug or alcohol abuse interferes with the health, safety or peaceful enjoyment of other project residents.

Refer to Chapter 2, "Eligibility for Admission" for further information.

FAMILY SELF SUFFICIENCY (FSS)

Failure to fulfill the obligations and conditions of the FSS contract is grounds for termination of assistance.

HACSB will terminate the assistance for FSS families who fail to comply with the FSS Contract of Participation without good cause.

15.2 "ONE STRIKE" POLICY

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of the Housing Authority of the City of Santa Barbara to fully endorse and implement a policy which is designed to:

- Help create and maintain a safe and drug-free community
- Keep our program participants free from threats to their personal and family safety
- Support parental efforts to instill values of personal responsibility and hard work
- Help maintain an environment where children can live safely, learn and grow up to be productive citizens
- Assist families in their vocational/educational goals in the pursuit of self-sufficiency

Administration

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

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

Copies of this policy will be made readily available to applicants and participants upon request.

Screening of Applicants

In an effort to prevent drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by the Notice 96-27, HACSB will endeavor to screen applicants as thoroughly and fairly as possible.

Such screening will apply to any member of the household who is 18 years of age or older or who is an emancipated minor.

HUD Definitions

Drug related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance. Drug related criminal activity is applicable to on or off the premises, not just on or near the premises.

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

Standard for Violation

HACSB will deny participation in the program to applicants and terminate assistance to participants in cases where HACSB determines there is reasonable cause to believe that the person is illegally using a controlled substance or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where HACSB determines that there is a pattern of illegal use of a controlled substance or pattern of alcohol abuse.

HACSB will consider the use of a controlled substance or alcohol to be a *pattern* if there is more than one incident during a six month period.

"Engaged in or engaging in" violent criminal activity means any act within the past three years by applicants or participants, household members, or guests which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person of another, which resulted in arrest and/or conviction of the applicant or participant, household members, or guests.

The existence of the above-referenced behavior by any household member or guest, regardless of the applicant or participant's knowledge of the behavior shall be grounds for denial or termination of assistance.

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

Drug Related and Violent Criminal Activity

Ineligibility if Evicted for Drug Related Activity: Persons evicted from Public Housing, Indian Housing, Section 23 or any Section 8 program because of drug-related criminal activity are ineligible for admission to the Section 8 program for a three-year period beginning on the date of such eviction.

Applicants will be denied assistance if they have been:

arrested/convicted/evicted from a unit assisted under the Housing Act of 1937 due to violent criminal activity within the last three years prior to the date of the eligibility interview.

Participants will be terminated who have been:

arrested/convicted/evicted from a unit assisted under the Housing Act of 1937 due to drug-related or violent criminal activity within the last three years prior to the date of the notice to terminate assistance, and whose activities have created a disturbance in the building or neighborhood.

If the family violates the lease for drug-related or violent criminal activity, HACSB will terminate assistance.

In appropriate cases, HACSB may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, HACSB may consider individual circumstances with the advice of juvenile court officials.

HACSB may waive the requirement regarding drug-related criminal activity if:

The person demonstrates successful completion of a credible rehabilitation program approved by HACSB, or

The circumstances leading to the eviction no longer exist.

Termination of Assistance for Participants

If the family violates the lease for drug-related or violent criminal activity, HACSB will terminate assistance.

In appropriate cases, HACSB may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, HACSB may consider individual circumstances with the advice of juvenile court officials.

15.3 APPROACH TO TERMINATION OF ASSISTANCE

HACSB is required by regulation to terminate a family's assistance if certain program rules are violated. For other types of offenses, the regulations give HACSB the discretion to either terminate the family's assistance or to take another action. This section of Chapter 15 discusses the various actions HACSB may choose to take when it has discretion, and outlines the criteria HACSB will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notice that must be provided before terminating assistance.

15.4 METHOD OF TERMINATION[11]

[11] 24 CFR 982.552(a)(3)

The way in which HACSB terminates assistance depends upon individual circumstances. HUD permits HACSB to terminate assistance by:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to approve a request for tenancy or to enter into a new HAP contract, or
- Refusing to process a request for or to provide assistance under portability procedures.

Denial of assistance for an applicant may include any or all of the following:

- Denial of placement on HACSB's waiting list
- Denial or withdraw of a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

15.5 ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, HACSB may require that any household member who participated in or was responsible for an offense no longer resides in the unit.

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon HACSB request.

Repayment of Family Debts

If a family owes amounts to HACSB, as a condition of continued assistance, HACSB will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from HACSB of the amount owed.

15.6 CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

HUD regulations permit HACSB to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted.

HACSB will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

Consideration of Circumstances[12]

HACSB is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

HACSB will consider the following factors when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other residents.
- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or a victim of domestic violence, dating violence, or stalking
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully.
- HACSB will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.
- In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family.

Reasonable Accommodation[13]

If the family includes a person with disabilities, HACSB's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, HACSB will determine whether the behavior is related to the disability. If so, upon the family's request, HACSB will determine whether alternative measures are appropriate as a reasonable accommodation. HACSB will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance.

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[12] 24 CFR 982.552(c)(2)(i)

[13] 24 CFR 982.552(c)(2)(iv)

15.7 TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS[14]

The Violence Against Women Reauthorization Act of 2005 (VAWA) provides that "criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking."

VAWA also gives HACSB the authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant."

VAWA does not limit the authority of HACSB to terminate the assistance of any participant if HACSB "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance."

Victim Documentation

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or immediate family member of the participant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, HACSB will require the individual to submit documentation affirming that claim.

The documentation must include two elements:

- 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, and

- One of the following:

  A police or court record documenting the actual or threatened abuse, or

  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

[14] Pub.L. 109-162, Pub.L. 109-271

that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The required certification and supporting documentation must be submitted to HACSB within 14 business days after HACSB issues their written request. The 14-day deadline may be extended at HACSB's discretion. If the individual does not provide the required certification and supporting documentation within 14 business days, or the approved extension period, HACSB may proceed with assistance termination.

If HACSB can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant's tenancy is not terminated, HACSB will bypass the standard process and proceed with the immediate termination of the family's assistance.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives HACSB the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others…without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority supersedes any local, state, or other federal law to the contrary. However, if HACSB chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance.

When the actions of a participant or other family member result in an HACSB decision to terminate the family's assistance and another family member claims that the actions involve criminal acts of physical violence against family members or others, HACSB will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame, or any approved extension period, HACSB will terminate the perpetrator's assistance. If the victim does not provide the certification and supporting documentation, as required, HACSB will proceed with termination of the family's assistance.

If HACSB can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the participant's tenancy is not terminated, HACSB will bypass the standard process and proceed with the immediate termination of the family's assistance.

Confidentiality Requirements

All information provided to HACSB 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 data base 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.

15.8 TERMINATION NOTICE

If a family's assistance is to be terminated, whether voluntarily or involuntarily, HACSB must give written notice to the family that specifies:

- The reasons for which assistance has been terminated
- The effective date of the termination
- The family's right to an informal hearing

HACSB also must give the owner or property manger notice that specifics the effective date of termination of assistance.

When termination is initiated by HACSB, and an informal hearing is not requested or the hearing results in an upholding of HACSB's decision, a final notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing HACSB, 30 days notice will not be given. In these cases, the notice to terminate will be sent at the time HACSB learns the family has vacated the unit.

When a family requests to be terminated from the program they must do so in writing to HACSB. HACSB will then send a confirmation notice to the family and the owner within 10 business days of the family's request, but no later than the termination effective date (as requested by the family).

Notice of Termination Based on Citizenship Status

HACSB must terminate assistance if:

- A family fails to submit required documentation within the required timeframe concerning any family member's citizenship or eligible immigration status;
- Evidence of citizenship and eligible immigration status is submitted timely, but US Citizenship and Immigration Services' (USCIS) primary and secondary verification does not verify eligible immigration status of a family; or
- HACSB determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. Such termination must be for a period of at least 24 months.

The notice of termination must advise the family of the reasons their assistance is being terminated, that they may be eligible for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, that they have the right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and that they have the right to request an informal hearing with HACSB either upon completion of the USCIS appeal or in lieu of the USCIS appeal.

The notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination.

15.9 HOW TERMINATION OF ASSISTANCE AFFECTS THE HAP CONTRACT AND LEASE

When the family's assistance is terminated, the HAP contract terminates automatically. It is the owner's discretion to allow the family to remain in the unit under the current lease, pursue eviction or offer the family a new lease.

15.10 FAMILY OBLIGATIONS[15]

1. The family must supply any information that HACSB or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 812). "Information" includes any requested certification, release or other documentation.

2. The family must supply any information requested by HACSB or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

3. The family must disclose and verify Social Security Numbers (as provided by 24 CFR part 750) and must sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 813.

4. All information supplied by the family must be true and complete.

5. *HQS breach caused by family*. The family is responsible for an HQS breach caused by the family as described in 982.404(b).

6. *Allowing PHA inspection.* The family must allow HACSB to inspect the unit at reasonable times and after reasonable notice.

7. *Violation of the lease.* The family may not commit any serious or repeated violation of the lease.

8. The family must not damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises.

9. The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease.

10. *Family notice of move or lease termination*. The family must notify the owner and, at the same time, notify HACSB before the family moves out of the unit or terminates the lease upon notice to the owner.

11. The family must promptly give HACSB a copy of any owner eviction notice.

12. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

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[15] 24 CFR 982.551

13. The composition of the assisted family residing in the unit must be approved by HACSB. The family must notify HACSB in writing within 30 days from the date of the change of the birth, adoption or court-awarded custody of a child. The family must request HACSB approval to add any other family member as an occupant of the unit.

14. The family must notify HACSB in writing within 30 days if any family member no longer resides in the unit.

15. If HACSB has given approval, a foster child or a live-in attendant may reside in the unit. If the family does not request approval or HACSB approval is denied, the family may not allow a foster child or live-in attendant to reside with the assisted family.

16. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.

17. The family must not sublease or let the unit.

18. The family must not assign the lease or transfer the unit.

19. *Absence from the unit.* The family must supply any information or certification requested by HACSB to verify that the family is living in the unit, or relating to family absence from the unit, including any HACSB requested information or certification on the purposes of family absences. The family must cooperate with HACSB for this purpose. The family must promptly notify HACSB in writing within 30 days from the date of absence from the unit.

20. The family must not own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space).

21. *Fraud and other program violations.* The members of the family or guest of family member must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.

22. *Crime by household members.* The members of the family or guest of family member may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

23. *Alcohol abuse by household members.* The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

24. An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in

accordance with HUD requirements) Federal, State or local housing assistance program.

25. The family cannot receive Section 8 tenant-based program housing assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless HACSB has determined (and has notified the owner and the family of such determination) that approving rental of the unit, not withstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

Enforcing Family Obligations

Explanations and Terms

The terms **"Promptly" and "Reasonable**" when used with the Family Obligations always means within 30 days. Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

HQS Breach: The Housing Inspector and/or Supervisor will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by the Housing Inspector and/or supervisor.

Lease Violations: One or more of the following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease.
- If the owner notifies the family of termination of assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and HACSB determines that the cause is a serious or repeated violation of the lease based on available evidence.
- If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and
- If there are police reports, neighborhood complaints or other third party information, and HACSB has verified the information.

Notification of Eviction:

If a subsidized family is served an eviction notice to terminate tenancy and does not provide a copy to HACSB, any request for assistance to move will be denied.

Additional Household Members:

HACSB will deny a families request to add additional family members who are:

- Persons who have been evicted from Public Housing.
- Persons who have previously violated a family obligation listed in 24CFR 982.51 of the HUD regulations.
- Persons who have been part of a family whose assistance has been terminated under the Certificate or Voucher program.
- Persons who commit drug-related criminal activity or violent criminal activity.
- Persons who are registered sex offenders or subject to a lifetime registration requirement.
- Persons who do not meet HACSB's definition of family.
- Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Persons who currently owe rent or other amounts to HACSB or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- Persons who have engaged in or threatened abusive or violent behavior toward HACSB personnel.

Family Member Moves Out

Families are required to notify HACSB in writing if any family member leaves the assisted household. When the family notifies HACSB, they must furnish the following information:

- The date the family member moved out.
- The new address, if known, of the family member.
- A statement as to whether the family member is temporarily or permanently absent.

Limitation on Profit-making Activity in Unit

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.

If HACSB determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.

If HACSB determines the business is not legal, it will be considered a program violation.

Interest in Unit

The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad (except in shared housing units).

Fraud

In each case, HACSB will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

15.11 ZERO ($0) ASSISTANCE TENANTS

HAP Contracts Prior to 1/1/96

For contacts which were effective prior to 1/1/96, HACSB is liable for unpaid rent and damages if the family vacates during the allowable 12 months after the last HAP payment. HACSB must perform all of the functions normally required, such as reexaminations and inspections. The participant will be notified of the right to remain on the program at $0 assistance for 12 months. If the family is still in the unit after 12 months, the assistance will be terminated.

HAP Contracts after 1/1/96[16]

For contracts effective after 1/1/96, HACSB has no liability for unpaid rent or damages, and the family may remain in the unit at $0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the assistance will be terminated. If within the 180 day timeframe an owner rent increase or a decrease in the Total Tenant Payment cause the family to be eligible for a housing assistance payment, HACSB will resume assistance payments for the family.

In order for a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

15.12 OPTION NOT TO TERMINATE FOR MISREPRESENTATION[17]

If the family has misrepresented any facts that caused HACSB to overpay assistance, HACSB may choose not to terminate and may offer to continue assistance provided that the family executes a repayment agreement and makes payments in accordance with the agreement or reimburses HACSB in full.

15.13 MISREPRESENTATION IN COLLUSION WITH OWNER[18]

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[16] 24 CFR 982.455 (a)

[17] 24 CFR 982.551, 982.552 (c)

[18] 24 CFR 982.551, 982.552 (c)

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, HACSB will deny or terminate assistance.

In making this determination, HACSB will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

15.14 MISSED APPOINTMENTS AND DEADLINES

It is a Family Obligation to supply information, documentation, and certification as needed for HACSB to fulfill its responsibilities. HACSB schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow HACSB to inspect the unit and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying HACSB may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow HACSB to inspect the unit.

The family will be given information about the requirement to keep appointments, and the number of times appointments will be rescheduled as specified in this Plan.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions
- Verification Procedures
- Voucher Issuance and Briefings
- Housing Quality Standards and Inspections
- Recertifications
- Appeals: Hearings and Conferences

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- **Medical emergency**
- **Family emergency**

Procedure when Appointments are Missed or Information not Provided

For most purposes in this Plan, the family will be given two opportunities to reschedule appointments for the above outlined events, before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing, and the family does not have a history of non-compliance the notice will be rescinded.

Chapter 16

OWNERS

INTRODUCTION

It is the policy of HACSB to recruit owners to participate in the program, and to provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of HACSB. HUD regulations define when HACSB must disallow an owner participation in the program, and provide HACSB discretion to disapprove or otherwise restrict the participation of owners in certain supplementary categories. This Chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

16.1 OWNER RECRUITMENT AND RETENTION

Recruitment

HACSB is responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the HACSB's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the HACSB to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the HACSB's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, HACSB must identify and recruit new owners to participate in the program.

HACSB will conduct owner outreach to ensure that owners are familiar with the program and its advantages. HCASB will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Holding owner recruitment/information meetings at least once a year
- Participating in community based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners and real estate brokers associations
- Outreach strategies will be monitored for effectiveness, and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, HACSB will also provide the kind of customer service that will encourage participating owners to remain active in the program.

HACSB activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

HACSB will provide owners with a handbook that explains the program, including HUD and HACSB policies and procedures, in easy-to-understand language.

HACSB will give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated HACSB contact person.
- Coordinating inspection and leasing activities between HACSB, the owner, and the family.
- Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.
- Providing other written information about how the program operates, including answers to frequently asked questions.

16.2 BASIC HCV PROGRAM REQUIREMENTS

HUD requires HACSB to aid families in their housing search by providing the family with a list of landlords or other parties known to HACSB who may be willing to lease a unit to the family, or to help the family find a unit.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential tenant. HACSB has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval[1], which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to HACSB, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit.

HUD regulations stipulate that an assisted tenancy can be approved only under certain conditions.

The owner must be qualified to participate in the program.[2] Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. In addition, the owner must document legal ownership of the specified unit.

[1] RFTA, Form HUD 52517
[2] 24 CFR 982.306

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. HACSB will inspect the owner's dwelling unit at various stages of HCV program participation, to ensure that the unit continues to meet HQS requirements. See chapter 10 for guidelines as to the HQS standards, as well as the process for HQS inspections at initial lease-up and throughout the family's tenancy.

HACSB must determine that the cost of the unit is reasonable. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 11 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, HACSB must determine that the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income.[3] See chapter 6 for a discussion of the calculation of family income.

The dwelling lease must comply with all program requirements. Owners are encouraged to use their standard leases when renting to an assisted family. However, the HCV program requires that the Tenancy Addendum, which helps standardize the tenancy requirements for all assisted families, be added word-for-word to that lease. See chapter 9 for a discussion of the dwelling lease.

HACSB and the owner enter into a formal contractual relationship by executing the Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HAP contract execution process. Specific HAP contract provisions and responsibilities are discussed later in this chapter.

[3] 24 CFR 982.305(a)

16.3 OWNER RESPONSIBILITIES[4]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Performing all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to HACSB information required under the HAP contract
- Collecting from the family any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from HACSB), and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services (unless paid by the family under the lease)
- Making modifications to a dwelling unit occupied or to be occupied by a disabled person[5]
- Comply with the Violence Against Women Reauthorization Act of 2005 (VAWA) when screening and terminating tenants.

16.4 OWNER QUALIFICATIONS

HACSB does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where HACSB may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program.[6]

Owners Barred from Participation[7]

HACSB must not approve the assisted tenancy if HACSB has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may also direct HACSB not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

[4] 24 CFR 982.452
[5] 24 CFR 100.203
[6] 24 CFR 982.306(e)
[7] 24 CFR 982.306(a) and (b)

Leasing to Relatives[8]

HACSB will not approve an RFTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. HACSB may make an exception in this situation if renting from a family member is requested reasonable accommodation for a family member with a disability. The owner is required to certify that no such familial relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest[9]

HACSB will not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of HACSB (except a participant commissioner)
- Any employee of HACSB, or any contractor, subcontractor or agent of HACSB, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. In these cases HACSB must submit a waiver request to the local HUD Field Office for determination.

In considering whether to request a conflict of interest waiver from HUD, HACSB will consider factors relating to the reasons for waiving the requirement; consistency with state and local laws; the existence of alternative housing available to families; the individual circumstances of a particular family; the specific duties of individuals whose positions present a possible conflict of interest; the nature of any financial investment in the property and plans for disclosure/divestiture; and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request[10]

HUD regulations permit HACSB, at HACSB's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions.

If HACSB disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units.

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[8] 24 CFR 982.306(d)
[9] 24 CFR 982.161
[10] 24 CFR 982.306(c)

HACSB will refuse to approve a request for tenancy or will disapprove of an owner if HACSB becomes aware that any of the following are true:

HUD or other agency directly related has informed HACSB that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24;

HACSB has been directed by HUD that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending or;

HACSB has been directed by HUD that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.

At the discretion of HACSB an owner may be denied participation in the program for any of the following:

The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

The owner has engaged in drug-related criminal activity or any violent criminal activity.

The owner has a history or practice of failing to terminate tenancy of tenants in units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:

- Threatens the right to peaceful enjoyment of the premises by other residents;
- Threatens the health or safety of other residents, employees of HACSB, or of owner employees or other persons engaged in management of the housing;
- Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises;
- Is engaged in drug-related criminal activity or violent criminal activity; or

The owner has a history or practice of renting units that fail to meet State or Local housing codes.

Unless their lease was effective prior to June 17, 1998, HACSB must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister or brother of any family member. HACSB will waive this restriction as a reasonable accommodation for a family member who is a person with disabilities.

At its discretion, HACSB may require the family and or owner to certify whether they are related to each other in any way.

16.5 OWNER RESTRICTIONS AND PENALTIES[2]

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, HACSB will restrict the owner from future participation in the program for a period of time commensurate to the seriousness of the offense. HACSB may at its discretion also terminate some or all contracts with the owner.

Before imposing any penalty against an owner HACSB will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

See Program Integrity Addendum for guidance as to how owner fraud will be handled.

16.6 CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT[11]

The HAP contract cannot be assigned to a new owner without the prior written consent of HACSB.

An owner under a HAP contract must notify HACSB in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by HACSB.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that HACSB finds acceptable. The new owner must provide HACSB with a copy of the executed agreement.

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in this plan. of this chapter.

HACSB must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 10 business days of receiving the owner’s request, HACSB will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to HACSB that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;
- A copy of the owner’s IRS Form W-9, Request for Taxpayer Identification Number (TIN) and certification, or the social security number of the new owner;
- The effective date of the HAP contract assignment;

[11] HUD-52641

- A written agreement to comply with the terms of the HAP contract; and
- Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, HACSB will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, HACSB will process the leasing in accordance with the policies in this policy.

Chapter 17

COMPLAINTS AND APPEALS

INTRODUCTION

This Chapter describes the policies, procedures and standards to be used when families disagree with an HACSB decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. The informal hearing requirements as defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of the HACSB. It is the policy of the HACSB to ensure that all families have the benefit of all protections due to them under the law.

17.1 COMPLAINTS TO HACSB

HACSB will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. HACSB may require that complaints other than HQS violations be put in writing. HQS complaints may be reported by telephone.

Categories of Complaints

All of the following complaints will be referred to Housing Management:

Complaints from families: If a family disagrees with an action or inaction of HACSB or an owner.

Complaints from owners: If an owner disagrees with an action or inaction of the HACSB or a family.

Complaints from staff: If a staff person reports an owner or family either violating or not complying with program rules.

Complaints from the general public: Complaints or referrals from persons in the community in regard to the HACSB, a family or an owner.

17.2 PREFERENCE DENIALS[1]

Note: If HACSB denies a preference to an applicant, and the applicant disagrees with the decision, the applicant is entitled to a meeting. This is different from an informal review or hearing. The person who made the decision to deny the preference, or any other HACSB representative, may conduct the meeting. The meeting is limited only to the circumstances pertaining to the preference denial.

When HACSB denies a preference to an applicant, the family will be notified in writing of the specific reason for the denial and offered the opportunity for a meeting with HACSB staff to discuss the reasons for the denial and to dispute HACSB's decision.

[1] 24 CFR 5.415

The person who conducts the meeting must be:

Any employee of the HACSB Housing Management Department at the Office Assistance II level or above.

17.3 INFORMAL REVIEW PROCEDURES FOR APPLICANTS[2]

Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. The exception is that when an applicant is denied assistance for citizen or eligible immigrant status, the applicant is entitled to an informal hearing.

When HACSB determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible,
- The procedure for requesting a review if the applicant does not agree with the decision and
- The time limit for requesting a review.

HACSB must provide applicants with the opportunity for an informal review for decisions denying:

- Listing on HACSB's waiting list
- Issuance of a Voucher
- Participation in the program

Informal reviews are not required for established policies and procedures and HACSB determinations such as:

- Discretionary administrative determinations by the HACSB
- General policy issues or class grievances
- A determination of the family unit size under HACSB subsidy standards
- Determination not to approve an extension or suspension of a Voucher term.
- Determination not to grant approval of the tenancy
- Determination that unit is not in compliance with HQS
- Determination that unit is not in accordance with HQS due to family size or composition
- Determination to deny assistance on the basis of ineligible immigration status as contained in 24 CFR part 5

[2] 24 CFR 982.54 (d) (12), 982.554

Procedure for Informal Review

A request for an informal review must be received in writing by the close of the business day, no later than ten(10) business days from the date of HACSB's notification of denial of assistance. The informal review will be scheduled within seven business days from the date the request is received, and may only be rescheduled once.

The informal review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person.

The Review may be conducted by:

Any staff person designated by the Housing Authority or an individual from outside HACSB.

The applicant will be given the option of presenting oral or written objections to the decision. Both HACSB and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

A notice of the Review findings will be provided in writing to the applicant within seven business days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

All criminal history information will be shredded within 30 days after HACSB's final decision.

17.4 INFORMAL HEARING PROCEDURES[3]

HACSB will provide a copy of the hearing procedures in the family briefing packet.

When HACSB makes a decision regarding the eligibility and/or the amount of assistance, participants must be notified in writing. HACSB will give the family prompt notice of such determinations which will include:

- The proposed action or decision of HACSB;
- The date the proposed action or decision will take place;
- The family's right to an explanation of the basis for HACSB's decision;
- The procedures for requesting a hearing if the family disputes the action or decision;
- The time limit for requesting the hearing;
- To whom the hearing request should be addressed; and
- A copy of HACSB's Hearing Procedures

HACSB must provide participants with the opportunity for an Informal Hearing for decisions related to any of the following HACSB determinations:

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment

[3] 24 CFR 982.555 (a-f), 982.54(d)(13)

- Appropriate utility allowance used from schedule
- Family unit size determination under HACSB subsidy standards
- Determination to terminate assistance for any reason.
- Determination to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account.

HACSB must always provide the opportunity for an informal hearing before termination of assistance.

Informal Hearings are not required for established policies and procedures and HACSB determinations such as:

- Discretionary administrative determinations by HACSB
- General policy issues or class grievances
- Establishment of HACSB schedule of utility allowances for families in the voucher program
- An HACSB determination not to approve an extension or suspension of a voucher term
- An HACSB determination not to approve a unit or lease
- An HACSB determination that an assisted unit is not in compliance with HQS (HACSB must allow for a hearing for family breach of HQS because that is a family obligation)
- An HACSB determination that the unit is not in accordance with HQS because of the family size
- An HACSB determination to exercise or not exercise any right or remedy against the owner under a HAP contract

Notification of Hearing

It is HACSB's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, HACSB will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When HACSB receives a request for an informal hearing, a hearing shall be scheduled within seven business days. The notification of hearing will contain:

- The date and time of the hearing
- The location where the hearing will be held
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense
- The right to view any documents or evidence in the possession of the HACSB upon which HACSB based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than 2 business days before the hearing date.
- A notice to the family that HACSB will request a copy of any documents or evidence the family will use at the hearing. Requested documents or evidence must be received no later than two business days before the hearing date.

HACSB's Hearing Procedures

After a hearing date is agreed to, the family may request to reschedule said hearing by way of written request which demonstrates "good cause". "Good Cause" is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Written requests to reschedule hearings must be received no later than two business days prior to the originally scheduled hearing. A maximum of two reschedules will be permitted.

If a family does not appear at a scheduled hearing and did not make rescheduling arrangements in advance, HACSB will hold the hearing and will notify the family of the results.
Families have the right to:

- Present written or oral objections to HACSB's determination.
- Examine the documents in the file which are the basis for HACSB's action, and all documents submitted to the Hearing Officer;
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue of the hearing;

- Request that HACSB staff be available or present at the hearing to answer questions pertinent to the case; and

- Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, HACSB will make the copies for the family and assess a charge of 25 cents per copy. In no case will the family or any designated representative for the family be allowed to remove the file from the HACSB's office.

In addition to other rights contained in this Chapter, HACSB has a right to:

- Present evidence and any information pertinent to the issue of the hearing;

- Be notified if the family intends to be represented by legal counsel, advocate, or another party;

- Examine and copy any documents to be used by the family prior to the hearing;

- Have its attorney present; and

- Have staff persons and other witnesses familiar with the case present.

The Informal Hearing shall be conducted by a Hearing Officer appointed by HACSB who is neither the person who made or approved the decision, nor a subordinate of that person. HACSB appoints hearing officers who are:

Staff persons of HACSB at the Housing Management Specialist level or above;

Managers from other HAs; or

Professional mediators or arbitrators.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing, if previously requested by the other party. "Documents" includes records and regulations.

The family must request an audio recording of the hearing, if desired, two business days prior to the hearing date.

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 HACSB shall take effect and another hearing will not be granted.

The Hearing Officer will determine whether the action, inaction or decision of the HACSB is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the Hearing Findings shall be provided in writing to HACSB and the family within seven business days and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount owed; and
- The date the decision goes into effect.

HACSB is not bound by hearing decisions:

- Which concern matters in which the HACSB is not required to provide an opportunity for a hearing;
- Which conflict with or contradict HUD regulations or requirements;
- Which conflict with or contradict Federal, State or local laws; or
- Which exceed the authority of the person conducting the hearing.

HACSB shall send a letter to the participant if it determines HACSB is not bound by the Hearing Officer's determination within seven business days of the hearing officer making his or her final determination. The letter shall include HACSB's reasons for the decision.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

All criminal history information will be shredded within 30 days after HACSB's final decision.

17.5 HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"[4]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while the HACSB hearing is pending but assistance to an applicant may be delayed pending the HACSB hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, HACSB will notify the applicant or participant within ten days of their right to appeal to INS within thirty days or to request an informal hearing with HACSB in lieu of, or subsequent to, the INS appeal.

[4] 24 CFR Part 5, Subpart E

If the family appeals to the INS, they must give HACSB a copy of the appeal and proof of mailing or HACSB may proceed to deny or terminate. The time period to request an appeal may be extended by the HACSB for good cause.

The request for an HACSB hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in section 18.4 of this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the HACSB will:

- Deny the applicant family,
- Defer termination if the family is a participant and qualifies for deferral, or
- Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, the HACSB will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.
- Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

17.6 MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES[5]

When applicants are denied placement on the waiting list, or the HACSB is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

[5] 24 CFR 982.204, 982.552(c)

Chapter 18

SPECIAL HOUSING TYPES[1]

INTRODUCTION

HACSB will permit the use of special housing types in its program only if the applicant/participate can demonstrate that it is needed as a reasonable accommodation for a person with a disability. Acceptable demonstration will include documentation from one or more knowledgeable professionals who are familiar with the applicant/participant and or the type of special housing requested as accommodation.

HACSB will not set aside any program funding for special housing types. As a reasonable accommodation a family may choose whether to rent housing that qualifies as a special housing type or to rent other eligible housing in accordance with requirements of the program.

Verification of Need for Reasonable Accommodation

An example of acceptable documentation to serve as verification of the need for reasonable accommodation would be a letter to HACSB describing how the special housing type requested provides the accommodation needed. The request and documentation will be reviewed, and a prompt decision will be given to the applicant/participant.

A copy of HACSB's response with supporting documentation will be maintained in the applicant/participant's file. The requested housing type must be approvable by all other HUD standards and HQS requirements in accordance with 24 CFR 982 Section M - Special Housing Types.

18.1 SINGLE ROOM OCCUPANCY[2]

HACSB has determined that there is a demand for SROs in this area. Therefore, a single person may reside in an SRO housing unit.

HACSB and the general local government approve providing assistance for SRO housing under the Section 8 voucher program.

HACSB will use a separate lease and housing assistance payment contract for each assisted person residing in a SRO.[3]

[1] 24 CFR 982.601
[2] 24 CFR 982.602
[3] 24 CFR 982.603

SRO Rent and Housing Assistance Payment [4]

The HACSB SRO payment standard will not exceed the FMR/exception rent limit for SRO housing. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

Utility Allowance

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

*Examples of a SRO would be Hotel de Riviera or The Faulding Hotel. For all other SRO housing see Shared Housing.

Housing Quality Standards:

HACSB will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SROs as regulated in 24 CFR 982.605.

In addition, a SRO unit must contain one living/sleeping room of appropriate size, be occupied by no more than one person, and have easy access to a bathroom located in a separate room which is for the exclusive use of no more than four persons/SRO units. Said bathroom shall be on the same floor as the SRO unit it serves and shall not be further than 60 feet from the SRO entrance(s).

18.2 CONGREGATE HOUSING[5]

An elderly person or a person with disabilities may reside in a congregate housing unit.

HACSB may approve a family member or live-in attendant to reside with the elderly person or person with disabilities.

HACSB will approve a live-in attendant if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Congregate Housing Lease and HAP Contract[6]

For congregate housing there will be a separate lease and HAP contract for each assisted family.

Unless there is a live-in attendant, the FMR/exception rent limit for a family that resides in a congregate housing unit is the zero-bedroom FMR/exception rent limit.

However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the FMR/exception rent limit for a family that resides in a congregate housing unit is the one bedroom FMR/exception rent limit.

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[4] 24 CFR 982.604
[5] 24 CFR 982.606
[6] 24 CFR 982.607

If there is a live-in attendant, the live-in attendant will be counted in determining the family unit size.

Housing Quality Standards

HACSB will ensure that all congregate housing units approved for the program are in compliance with all of the Housing Quality Standards for congregate housing as regulated in 24 CFR 982.609.

18.3 GROUP HOMES[7]

A group home must be licensed, certified, or otherwise approved in writing by the State, or the State's licensing department.[8]

An elderly person or a person with disabilities may reside in a State-approved group home. If approved by HACSB, a live-in attendant may reside with a person with disabilities.

HACSB must approve a live-in attendant if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Except for a live-in attendant, all residents of a group home must be elderly persons or persons with disabilities.

HACSB will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in attendant.

Group Home Lease and HAP Contract[9]

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term "pro-rata portion" means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any HACSB-approved live-in Attendant.

Group Home Rent and HAP Contract[10]

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

[7] 24 CFR 982.610
[8] 24 CFR 982.612
[9] 24 CFR 982.611
[10] 24 CFR 982.613

The reasonable rent for a group home is determined in accordance with 982.503. In determining reasonable rent HACSB will consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private.

Maximum Subsidy

Unless there is a live-in attendant, the family unit size is zero. If there is a live-in attendant, the live-in attendant will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size; or the pro-rata portion of the payment standard for the group home size.

Utility Allowance

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

Housing Quality Standards

HACSB will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

18.4 SHARED HOUSING[11]

Occupancy

An assisted family may reside in shared housing. In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment.

HACSB may approve a live-in attendant to reside with a family in order to care for a person with a disability. HACSB must approve a live-in attendant if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Other persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit. The owner of a shared housing unit may reside in the unit.

A resident owner may enter into a HAP contract with HACSB. However, housing assistance may not be paid on behalf of an owner. HACSB will not approve assistance for a person or family that is related by blood or marriage to a resident owner.

There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

[11] 24 CFR 982.615

Rent and HAP Contract

For shared housing, the term "pro-rata portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five bedroom unit, the ratio would be 3/5.

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with the guidelines set in Chapter 11.

Maximum Subsidy

For shared housing the payment standard is the lower of the payment standard for the family unit size or the pro-rata portion of the payment standard for the shared housing unit size.

If HACSB approves a live-in attendant, the live-in attendant will be counted in determining the family unit size.

Utility Allowance

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

Housing Quality Standards

HACSB will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR 982.618.

18.5 COOPERATIVE HOUSING[12]

HACSB will approve a family living in cooperative housing if it is determined that assistance under the program will help maintain affordability of the cooperative unit for low-income families. HACSB will not approve assistance for a family in cooperative housing until HACSB has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with Chapter 11. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperatives debt service, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down-payments or other payments to

[12] 24 CFR 982.619

purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus any utility.

For a cooperative, rent adjustments are applied to the carrying charge as determined in Chapter 11.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to Section 8 limitations on rent to owner. The housing assistance payment will be determined in accordance with the guidelines in Chapter 11.

HACSB may approve a live-in attendant to reside with the family to care for a person with disabilities. HACSB will approve a live-in attendant if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. If HACSB approves a live-in attendant, the live-in attendant will be counted when determining the family unit size.

Housing Quality Standards

HACSB will ensure that all cooperative housing units approved for the program are in compliance with all of the Housing Quality Standards outlined in Chapter 10 and regulated by 24 CFR 982.401.

18.6 MANUFACTURED HOMES[13]

HACSB will permit a family to lease a manufactured home and space with assistance under the program. HACSB will provide assistance for a family that owns the manufactured home and leases only the space.

HACSB may approve a live-in attendant to reside with a family to care for a person with disabilities. HACSB will approve a live-in attendant if needed as a reasonable accommodation so that the program is accessible to and usable by persons with disabilities. If HACSB approves a live-in attendant, the live-in attendant will be counted when determining the family unit size.

Housing Quality Standards[14]

A manufactured home must meet all the HQS requirements outlined in Chapter 10 and regulated by 24 CFR 982.401. In addition the manufactured home also must meet the following requirements:

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.

A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

[13] 24 CFR 982.620
[14] 24 CFR 982.621

Note: The rest of this section only applies when HACSB agrees to provide assistance to families who own the manufactured home but need to lease space.

Manufactured Home Space Rental [15]

Rent to owner for a manufactured home space will include payment for maintenance services that the owner must provide to the tenant under the lease for the space.

Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

Reasonable Rent

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by HACSB.

HACSB will not approve a lease for a manufactured home space until HACSB has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, HACSB will determine that the rent remains reasonable.

HACSB will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. HACSB will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from HACSB, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by HACSB, the owner must provide HACSB information on rents for other manufactured home space.

Housing Assistance Payments for Manufactured Home Space[16]

The FMR for a manufactured home space will be determined by 888.113 (e).

HAP for the Section 8 voucher Tenancy

For a voucher tenancy, the payment standard is used to calculate the monthly housing assistance payment for a family. The payment standard for a family renting a manufactured home space is 30% of the published FMR for a two bedroom unit manufactured home space rental. The payment standard will be determined by HACSB in accordance with this Plan.

[15] 24 CFR 982.623
[16] 24 CFR 982.623

Subsidy Calculation for the Section 8 Voucher Program

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family that is equal to the lower of:

- The payment standard minus the total tenant payment; or
- The rent paid for rental of the real property on which the manufactured home owned by the family is located ("space rent") minus the total tenant payment.

The space rent is the sum of the following as determined by HACSB:

- Rent to owner for the manufactured home space;
- Owner maintenance and management charges for the space;
- The utility allowance for tenant paid utilities.

CHAPTER 19

PROJECT-BASED ASSISTANCE PROGRAM[1]

INTRODUCTION

Note: *Until such time as HUD issues additional policy guidance and new regulations for project-based assistance, the following HACSB policy is in effect. This policy is based on the guidance provided by 24 CFR part 983, and Federal Register HUD notice, FR-4633-N-01), dated January 16, 2001.*

In accordance with recent regulatory changes to Section 232 of the Appropriations Act, HACSB intends to designate a portion of its available tenant-based voucher funding for project-based assistance. This Section 8 Project-Based Assistance (PBA) will be applied to existing units up to a maximum of 20% of the baseline number of units in HACSB's Voucher Program.

19.1 CONSISTENCY WITH HACSB's AGENCY PLAN

Project-basing of Section 8 assistance is consistent with the HACSB's Agency Plan mission and goals, by:

- Providing opportunities and assistance to people in need of affordable housing through partnerships;
- Expanding the supply of assisted housing for families in low-income ranges;
- Increasing housing and economic opportunities; and
- Preserving existing housing.

Consistent with the goals of deconcentrating poverty and increasing housing and economic opportunities, Project-Based Assistance agreements or HAP contracts entered into by HACSB will be for census tracts within HACSB's jurisdictional area which have poverty rates of less than 20 percent, unless HUD specifically approves an exception

19.2 TYPES OF HOUSING/BUILDINGS

Housing assisted under the Project-Based Program may be newly constructed, rehabilitated, or existing units. The housing may be a high-rise, elevator-accessed building for families with children if HUD determines there is no practical alternative. HACSB-owned units may be considered for this assistance in accordance with 24 CFR Part 983.

The housing may be single-room (SRO) only if:

- The property is located in an area in which there is a significant demand for the units as determined by HACSB.

[1] 24 CFR 983

- The HACSB and the unit of general local government in which the property is located approve the attaching of Project-Based Assistance to these units.

- The unit of general local government certifies to the HACSB that the property meets applicable local health and safety standards.

19.3 SUITABILITY OF EXISTING STRUCTURES

The applicant property must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964.
Housing may not be any of the following types of housing:

- Shared housing; nursing homes, and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care;

- Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions;

- Housing located in the Coastal Barrier Resources System designated under the Coastal Barrier Resources Act;

- Housing located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards; or

- A public housing or Indian housing unit.

The housing may be a high-rise elevator project for families with children if HACSB determines there is no practical alternative.

The housing may be single room occupancy (SRO) housing only if:

- The property is located in an area in which there is a significant demand for the units as determined by HACSB.

- HACSB and the unit of general local government in which the property is located approve the attaching of assistance to these units; and

- The unit of general local government certifies to HACSB that the property meets applicable local health and safety standards.

Assistance may not be attached to a unit that is occupied by an owner, however, cooperatives may be considered for this purpose.

Occupants of the units to be project-based may not receive the benefit of any of the following:

- Any other form of Section 8 assistance;
- Rent supplement;
- Section 23 housing assistance; or
- Section 236 “deep subsidy” rental assistance.

HACSB owned units may be considered for this assistance in accordance with 24 CFR Part 983.

In the event that an existing building is selected for Project-Based Assistance and the occupants of the building are existing Section 8 Tenant-Based participants, HACSB may require that Tenant-Based vouchers held by those participants be converted to Project-Based vouchers. The conversion from Tenant-Based vouchers to Project-Based vouchers may be done to the extent the number of units in the building or property are designated as Project-Based.

19.4 PUBLIC NOTICE AND OWNER APPLICATION REQUIREMENTS

HACSB will advertise through public notice in newspapers of general circulation that HACSB will accept applications for project-based assistance. The notice will:

- Be published once a week for three consecutive weeks.
- Specify an application deadline of at least 30 days after the last date of publication.
- Specify the number of units HACSB estimates to assist under the project-based program.
- State that only applications submitted in response to the advertisement will be considered.

HACSB will evaluate respondent owners/developers against general and specific criteria to determine qualifications for participation in the program. Professional and experience criteria factors will include:

- Past experience and technical competence to manage the property.
- Financial stability and capacity for quality property management.
- Previous experience with affordable housing.
- Location of the property, including access to social, educational, recreational, commercial, and health/medical facilities and services that is comparable to those found in neighborhoods consisting of unassisted, standard units of similar market rents.

HACSB will maintain documentation of responses to the notice.

19.5 APPLICATION REQUIREMENTS AND EVALUATION CRITERIA

The following procedures will be followed by HACSB in accepting and screening owner applications submitted for PBA.

Application Submission Deadline

Owner applications will be accepted until the published deadline at HACSB office indicated on the Request For Proposal (RFP). HACSB will date and time stamp all applications upon receipt. Applications received after the published deadline date will not be accepted. Postmarks are not acceptable.

Application Format

Owner applications are to be completed using the forms and/or format described in the RFP.

Incomplete Applications

If a supporting document required by the RFP is not under the control of the applicant and cannot be obtained within the filing deadline, the applicant must include a written explanation in the application detailing the cause of the delay and the anticipated date the document will be delivered. HACSB will review the information provided and accept the application, but classify it as non-responsive pending receipt of the document. The application will be re-dated upon receipt of the document. In no case will documentation be accepted more than ten (10) days after the final deadline.

If, after HACSB review, an application is found to be non-responsive or non-compliant with the RFP, written selection criteria and procedures, or HUD program regulations, it will be identified as deficient and will be returned to the applicant with notification listing the deficiencies. HACSB will give the applicant ten (10) working days to correct the deficiency. The application will not be further considered until the missing information is submitted. In cases where the application meets the minimum information requirements, but is defective through typographical or minor calculation errors, the application will be processed.

HACSB reserves the right to reject applications at any time for misinformation, errors, or omissions of any kind, no matter how far they have been processed.

Application Content

The RFP will list the property requirements for both existing and new construction projects, including the site and neighborhood standards (983.6), zoning requirements, eligible/ineligible properties (983.7), per unit minimum cost factor (rehab only; 983.8), FMR limitations (882.714), and other Federal Requirements (983.11).

The RFP will require that applications from owners must meet the requirements listed above and must contain the following information (depending upon whether or not the project is existing or new construction):

- A detailed description of the housing to be constructed or rehabilitated, including:
    - The number of units by size (square footage), bedroom count, and bathroom count;
    - Sketches of the proposed new construction or rehabilitation;
    - Unit plans;
    - A listing of amenities and services; and
    - The estimated date of completion.

- For new construction, evidence of site control must include identification and description of the proposed site, site plan and neighborhood.

- Evidence that the proposed new construction or rehabilitation is permitted by current zoning ordinances or regulations, or evidence to indicate that the needed rezoning is likely to be obtained and will not delay the project.

- The proposed contract rent per unit, including an indication of which utilities, services, and equipment are included in the rent and which are not included. For those utilities that are not included in the rent, an estimate of the average monthly cost of each unit type for the first year of occupancy.

- A statement identifying the number of persons (families, individuals, businesses and nonprofit organizations) occupying the property on the date of the submission of the application; The number of persons to be displaced, temporarily relocated or moved permanently within the building or complex;

    - The estimated cost of relocation payments and services, and the sources of funding;
    - The organization(s) that will carry out the relocation activities; and
    - Information regarding the owner and other project principals, including:

        i. The identity of the owner and other project principals and the names of officers and principal members, shareholders, investors, and other parties having a substantial interest;
        ii. Certification showing that the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs;
        iii. A disclosure of any possible conflict of interest by any of these parties that would be a violation of the Agreement or the HAP contract; and
        iv. Information on the qualifications and experience of the principal participants.

Information concerning any participant who is not known at the time of the owner's submission must be provided to HACSB as soon as the participant is known.

- The owner's plan for managing and maintaining the units.
- Evidence of financing or lender interest and the proposed terms of financing.
- The proposed term of the HAP contract; and
- Such other information as HACSB believes necessary as identified in the Public Notice, RFP/application, or in the selection and/or ranking criteria.

Application Review

Before selecting units, HACSB will determine that each application is responsive to, and in compliance with, HACSB's written selection criteria and procedures, and in conformity with HUD program regulations and requirements, including the following items:

1. Evidence of site control or property ownership.

2. Certification that the owner and other project principles are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.

3. Proposed initial gross rents are within the fair market rent limitation as described in Section 882.714 of the regulations.

4. Property meets eligibility requirements under § 983.7 (eligible and ineligible properties and HACSB owned units), § 983.11 (other Federal requirements) and § 983.6 (Site and Neighborhood Standards).

5. Property will be rehabilitated or constructed with other than assistance under the U.S. Housing Act of 1937 in accordance with § 983.9.

6. No rehabilitation or construction has begun (as evidenced by HACSB inspection).

7. For rehab only: Property meets the $1000 per assisted unit requirement under § 983.8 of the regulations (as evidenced by HACSB inspection).

   If the property meets this requirement, the HACSB will determine the specific work items needed to bring each unit to be assisted up to the HQS as described in § 983.5, other repairs needed to meet the $1000 requirement, and in the case of projects of five or more units, any work items necessary to meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973).

8. For new construction only: For projects of four or more units, HACSB will determine whether any work items necessary to meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Amendments Act of 1988 will be completed.

9. The number of current tenants (for rehab projects and existing units) that are low-income families. HACSB may not select a unit, or enter into an agreement with respect to a unit, if the unit is occupied by persons who are not eligible for participation in the program.

If a proposal does not meet the requirements as indicated above, it will be designated as non-responsive and a notice to that effect, identifying the disqualifying factor, will be sent to the applicant. Proposals that meet the requirements will be evaluated and ranked by a PBA review panel. A PBA ranking list will be prepared according to points awarded to each proposal. HACSB may, at its discretion, select one or more of the proposals submitted, or none of the proposals submitted.

For new construction projects only: HACSB must submit to the HUD field office for the site and neighborhood review only those applications determined by HACSB to be eligible for further processing pursuant to paragraph (a) of § 983.55. The applications will be submitted to the HUD field office with a certification stating that the unit or units were selected in accordance with HACSB's approved unit selection policy. HACSB's submission will not exceed the number of uncommitted units for which the HACSB is authorized to designate as project-based assistance in connection with new construction. If the number of units contained in applications HACSB has determined to be eligible for further processing, exceeds the number for which HACSB is

authorized to designate as project-based assistance, HACSB may submit only the top-ranked applications.

19.6 RANKING AND SELECTION FACTORS

The following factors will be used by HACSB to rank and select applications for the PBA Program. Each factor is comprised of several components with an associated point value. HACSB may include additional factors to address local objectives for the specific RFP being published. The total points awarded to an application will be the aggregate of the component subtotals for each factor.

Factor Description and Points

FACTOR	POINTS
A. Site or Location	25
B. Design (Not applicable to existing properties.)	30
C. Previous experience of owner and participants in development, marketing and management of affordable low-income housing.	35
D. Feasibility of the project as a whole (including likelihood of financing and marketability of new construction).	50

Factor Components

A. SITE		
1.	Residential in nature (based on zoning).	5
2.	Adequate in size, exposure and contour to accommodate the number and type of units proposed; adequate utilities (water, sewer, gas, electricity) and streets available to serve the site. (Not applicable to existing properties.)	5
3.	Promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of low-income persons.	5
4.	Accessible to social, recreational, educational, commercial, and health facilities and services equivalent to those typically found in similar, unassisted neighborhoods.	5
5.	Does not require excessive time or cost to travel to places of employment providing a range of jobs for lower-income workers. (Less rigid for elderly projects.)	5
6.	**For NEW CONSTRUCTION projects only (items #6 & 7):** Site is not located in area of minority concentration OR meets HUD's requirements regarding sites with minority concentration. (If this criteria is NOT MET, subtract 2.5 points from total.)	
7.	Neighborhood is not seriously detrimental to families and is not predominated by substandard dwellings or other undesirable conditions unless there is actively in progress a concerted program to remedy such situations. (If this criteria is NOT MET, subtract 2.5 points from total.) (Not applicable to existing properties.)	

B. DESIGN		
1.	Design or rehab plans improve livability, viability and safety of home for residents. (Not applicable to existing properties.)	5
2.	Design is appropriate for planned use (considering needs of special tenant population, etc.). (Not applicable to existing properties.)	5
3.	Adequate utilities, parking and street access.	10
4.	A portion or all of units will be made accessible to the handicapped.	10

C. PREVIOUS EXPERIENCE OF APPLICANT AND RELATED PARTICIPANTS IN DEVELOPMENT, MARKETING AND MANAGEMENT		
1.	Number of housing projects/units developed (as primary or co-sponsor).	5
2.	Number of low-income/affordable housing projects/units developed.	5
3.	Number of housing project/units marketed and current occupancy rate.	5
4.	Number of low-income/affordable housing projects/units marketed and current occupancy rate.	5
5.	Number of years of project management experience, including number of projects and units. (If applicant uses a property management company, include same information for that company.)	5
6.	Number of years of low-income/affordable housing management experience. (If applicant uses a property management company, include same information for that company.)	5
7.	Evidence of minority and/or women owning 50% or more of business.	5

D. FEASABILITY OF THE PROJECT AS A WHOLE (including likelihood of financing and marketability)		
1.	Evidence that financing is secured, or notes of commitment obtained. (Not applicable to existing properties.)	20
2.	Evidence that PBA will be utilized, or that existing tenants qualify for assistance if under PBA.	10
3.	Evidence that local Fair Market Rents will provide sufficient funds to assist financial stability.	20

E. LOCAL OBJECTIVES		
1.	Rehabilitation can be completed within 12 months of approval/execution of Agreement to Enter into HAP. (Not applicable to existing properties.)	20
2.	Emphasis on meeting priority needs of the community.*	20
3.	Supportive services offered to tenants.	5

*Priority Needs would be those indicated in the Consolidated Plan for a particular community or any other official document that indicates a community's needs as it related to housing. Applicants will be asked for justification/documentation of how their project meets priority needs.

Assistance may not be attached to a unit that is occupied by an owner; however, cooperatives may be considered for this purpose.

19.7 PARTIALLY ASSISTED BUILDINGS

HACSB will ensure that the number of units that may have project-based assistance does not exceed the maximum of 25% of the total units in any one building. Exceptions to the 25% maximum are project-based units in single family properties and units specifically designated for elderly families or disabled families (as defined in 5 CFR 5.403), or families receiving supportive services.

19.8 CHOICE TO MOVE WITH CONTINUED ASSISTANCE

A family may move out of a project-based unit after 12 months of assisted occupancy. HACSB will offer the family available tenant-based rental assistance, either under the voucher program or under another comparable program as will be defined in HUD regulations. If another program is defined, it will be comparable to the voucher program in terms of income, assistance, and rent contribution.

If no voucher is available when the family wishes to move, the family will be given the next available voucher (or comparable assistance if identified by HUD), ahead of families on the waiting list. Targeted vouchers, such as the Family Unification Program, cannot be used for this purpose.

19.9 CONTRACT TERM AND EXTENSION

HACSB will use a Project-Based Assistance Housing Choice Voucher Program HAP Contract, in conjunction with HUD's Tenancy Addendum, as the binding agreement between the owner and HACSB. The HAP contract between the owner and HACSB may be for a term of 1 to 10 years. However, payments under the contract are subject to the future availability of appropriations and the future availability of funding under the Annual Contributions Contract.

Whatever the initial term of the HAP contract with the owner, HACSB may extend that term for such period as it determines to be appropriate to achieve long-term affordability of housing or to expand housing opportunities. However, all term extensions are also subject to the future availability of appropriated funds.

19.10 GROSS RENT, RENT TO OWNER, AND RENT ADJUSTMENTS

The HAP contract with the owner will establish gross rents that do not exceed 110% of the HACSB-established FMR or any HUD-approved exception payment standard. Gross rent includes the rent to owner plus the allowance for tenant-paid utilities. The HAP contract will provide for adjustments of rent to owner during the contract term which must be reasonable in comparison with rents charged for comparable units in the private, unassisted rental market. The maximum rent limits apply both to the initial rent to owner and to adjustments of rent during the HAP contract term.

The HAP, calculated in accordance with 24 CFR 983.260, is the gross rent minus the total tenant payment. The family share, calculated in accordance with 24 CFR 983.260, is determined by subtracting the amount of the HAP from the gross rent.

19.11 TENANT SELECTION AND WAITING LIST REQUIREMENTS

As described below, HACSB may establish a separate waiting list for each project-based site. As applicable, each waiting list will be established and maintained as follows:

1. Families currently residing in the project-based units will be given the opportunity to apply for and qualify for Section 8 assistance. If they qualify, a preference will be assigned and they will be considered first for the unit in which they reside. (HACSB local preferences established for tenant-based assistance, as described in Chapter 4, may not apply to the Project Based Assistance Program.)

2. Other families residing in the same complex/building will be given the opportunity to apply for and qualify for Section 8 assistance. If they qualify and no project-based unit is available at that time, a preference will be assigned and they will be placed on that complex's project-based waiting list.

3. Applicants who may already be on the owner's affordable-rent waiting list will be given the opportunity to apply for and qualify for Section 8 assistance. If they qualify, a preference will be assigned and they will be placed on the project-based waiting list (i.e., the owner's previous affordable-rent waiting list) with the same date and time order as on the owner's list. The owner may not accept nor place any subsequent applicants on the project-based waiting list. Any additional applicants received by the owner shall be referred to HACSB for the application and qualification process. However, the owner may choose to establish and maintain a waiting list for units other than the project-based ones.

4. If units become available and each current project-based waiting list is exhausted, HACSB may notify applicants on the Section 8 tenant-based waiting list of the availability of the Project-Based Assistance Program.

Note: Once the project-based waiting list for a complex is exhausted, all future tenants for the project-based units will be selected from the HACSB's Section 8 tenant-based waiting list.

In addition to meeting all tenant-based program requirements and income qualifications identified in Chapter 2, tenants in the project-based units may not receive benefit of any of the following:

- Any other form of Section 8 assistance;
- Rent supplement;
- Section 23 housing assistance; or
- Section 236 “deep subsidy” rental assistance.

Under the project-based assistance program, HACSB will follow the same income targeting requirements as for the tenant-based program (refer to Chapter 4, Section F).

Section 8 tenant-based assistance applicants who reject an offer of a project-based unit or who are rejected by the owner will retain their position on the tenant-based list.

19.12 UNIT INSPECTION AND HOUSING QUALITY STANDARDS

Units assisted with tenant-based or project-based assistance must meet HUD’s HQS guidelines before entering into a HAP contract (refer to Chapter 10). However, HACSB is not required to inspect each assisted unit in a project annually, but may conduct an annual inspection of a representative sample of the project-based units in a project. Existing units may not require more than a $1,000 expenditure per assisted unit (including the unit’s prorated share of work to be done on common areas or systems) to comply with HQS.

19.13 VACANT UNITS

HACSB may, at its discretion, provide continued assistance for a unit that becomes vacant (after commencement of assisted occupancy by a family) for up to 60 days. Payment will be made only if the vacancy is not the fault of the owner and the owner takes reasonable actions to minimize the likelihood and extent of vacancies.

If no family rents a vacant unit within 120 days, commencing on the first day of the month when the vacancy occurs, HACSB may terminate its commitment for any additional housing assistance payments for the unit for the balance of the HAP contract term. HACSB may use any amounts saved to provide other voucher assistance.

APPENDIX 1

INCOME LIMIT SCHEDULE FOR SECTION 8 PROGRAM

THE HOUSING AUTHORITY
OF THE
CITY OF SANTA BARBARA, CALIFORNIA

The following are the Income Limits for Admission in terms of Annual Income:

INCOME LIMITS FOR HACSB HOUSING PROGRAMS		
Number of Persons:	Extremely Low Income:	Low Income:
1 person	15,550	41,450
2 persons	17,800	47,400
3 persons	20,000	53,300
4 persons	22,200	59,200
5 persons	24,000	63,950
6 persons	25,800	68,700
7 persons	27,550	73,450
8 persons (plus)	29,350	78,150

* At least 75 % of new admissions annually must be at or below 30 % of the area median income.

APENDIX 2

SCHEDULE OF FAIR MARKET RENTS

Effective 10-1-06

Unit Size	Amount
SRO	$ 642*
Studio	$ 856
1-BDR	$ 956
2-BDR	$1,073
3-BDR	$1,413
4-BDR	$1,613
5-BDR	$1,854**

* This figure is 75% of the Studio Fair Market Rent of $856
** This figure is 115% of the 4-BDR Fair Market Rent of $1,613

146% EXCEPTION TO FAIR MARKET RENTS
Effective: 09-10-2007

Unit Size	Amount
SRO	$862
STUDIO	$1150
1-BDR	$1340
2-BDR	$1654
3-BDR	$2178
4-BDR	$2486
5-BDR	$2858

* This figure is 75% of the Studio Fair Market Exception Rent of $1,150
** This figure is 115% of the 4-BDR Fair Market Exception Rent of $2,486

**** Use the Exception Rents effective 09-10-2007 until further notice**

APPENDIX 3

SECTION VIII EXISTING HOUSING ALLOWANCES FOR
TENANT FURNISHED UTILITIES AND OTHER SERVICES

Locality: Santa Barbara City

ELECTRICITY:	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR+
1. Basic	$20	28	36	44	56	64
2. Cooking	7	8	9	9	12	14
3. Domestic Hot Water	4	7	10	13	18	20
4. Heating	5	7	9	12	15	16
5. All Electric	36	50	64	78	99	114

NATURAL GAS:	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR+
1. Space Heating	$5	7	9	12	15	16
2. Cooking	7	7	9	10	12	14
3.Domestic Hot Water	5	9	11	13	19	21
4.Space Heating plus Cooking, plus Domestic Hot Water	17	23	29	35	46	51

UTILITY OR SERVICE:	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR+
WATER	$11	17	22	30	33	39
SEWER	10	14	20	30	34	40
TRASH	9	11	14	25	25	25
RANGE	2	2	2	2	2	2
REFRIGERATOR	3	3	3	3	3	3

APPENDIX 4

CENSUS TRACTS COVERED BY THE EXCEPTION RENTS

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NOTE:
06=CALIFORNIA
083= SANTA BARBARA COUNTY

APPENDIX 5

PRORATION POLICY

It is the policy of the Housing Authority of the City of Santa Barbara to utilize the "time cost method" as our method of proration for staff time and overhead expenses. This means that staff time is on a direct charge basis via time cards, and overhead costs are allocated on the basis of the number of units in a given program. Equipment, supplies and staff time to be charged against specific preliminary fees for a given Section 8 allocation shall be subject to HUD approval.

APPENDIX 6

OPERATING RESERVE EXPENDITURE THRESHOLD

It is the policy of the Housing Authority of the City of Santa Barbara to have the Housing Authority Commission approve all expenditures of Section 8 operating reserves in excess of $5,000. Expenditures in excess of this $5,000 threshold shall be approved by the Housing Authority Commission and include a finding that the expenditure is necessary and reasonable and consistent with state and local law.

PROGRAM INTEGRITY ADDENDUM[1]

INSTRUCTION: *HAs vary widely in the resources they commit to the prevention, detection and disposition of tenant fraud and other types of program abuse. Because of this, you should view this Chapter as a menu from which to select and* ***build*** *the policies which best match your resources. You are encouraged to obtain a copy of the "Tenant Integrity Program" Training Manual from HUD's Inspector General.*

Regardless of resources, however, HACSB should establish procedures for how allegations of fraud or abuse will be reviewed and processed.

INTRODUCTION

The US Department of HUD conservatively estimates that 200 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families are either totally ineligible, or are receiving benefits which exceed their legal entitlement.

HACSB is committed to assuring that the proper level of benefits is paid to all participating families, and that housing resources reach only income-eligible families so that program integrity can be maintained.

HACSB will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines HACSBs policies for the prevention, detection and investigation of program abuse and fraud.

[1] 24 CFR 792.101 to 792.204, 982.54

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will HACSB undertake an inquiry or an audit of a participating family arbitrarily. HACSB's expectation is that participating families will comply with HUD requirements, provisions of the certificate or voucher, and other program rules. HACSB staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, HACSB has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and, when indicators of possible abuse come to HACSB' s attention, to investigate such claims.

HACSB will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

1. **Referrals, Complaints, or Tips.** HACSB will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

2. **Internal File Review.** A follow-up will be made if HACSB staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, HACSB's knowledge of the family, or is discrepant with statements made by the family.

3. **Verification of Documentation.** A follow-up will be made if HACSB receives independent verification or documentation which conflicts with representations in the family's file (such as public record information or credit bureau reports, reports from other agencies).

B. STEPS HACSB WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

HACSB management and staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

1. ***Things You Should Know.*** This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify HACSB's expectations for cooperation and compliance.

2. **Program Orientation Session.** Mandatory orientation sessions will be conducted by HACSB staff for all prospective program participants, either prior to or upon issuance of a certificate or voucher. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a "Program Briefing Certificate" to confirm that all rules and pertinent regulations were explained to them.

3. **Resident Counseling.** HACSB will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

4. **Review and explanation of forms.** Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

5. **Use of Instructive Signs and Warnings.** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse

6. **Participant Certification.** All family representatives will be required to sign a "Participant Certification" form, as contained in HUD's Participant Integrity Program Manual.

C. STEPS HACSB WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

HACSB Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

1. **Quality Control File Reviews.** Prior to initial certification, and at the completion of all subsequent recertifications, 5% of files will be reviewed. Such reviews shall include, but are not limited to:

   - Assurance that verification of all income and deductions is present.
   - Changes in reported Social Security Numbers or dates of birth.
   - Authenticity of file documents.
   - Ratio between reported income and expenditures.
   - Review of signatures for consistency with previously signed file documents
   - All forms are correctly dated and signed.

2. **Observation.** HACSB Management and Occupancy Staff (to include inspection personnel) will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

   Observations will be documented in the family's file.

3. **Public Record Bulletins** may be reviewed by Management and Staff.

4. **State Wage Data Record Keepers.** Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits

5. **Credit Bureau Inquiries.** Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

- At the time of final eligibility determination
- When an allegation is received by HACSB wherein unreported income sources are disclosed.
- When a participant's expenditures exceed his/her reported income, and no plausible explanation is given.

D. HACSB'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

HACSB staff will encourage all participating families to report suspected abuse to the Housing Management Department. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The HACSB will not follow up on allegations which are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

1. **File Review.** An internal file review will be conducted to determine:

   If the subject of the allegation is a client of HACSB and, if so, to determine whether or not the information reported has been previously disclosed by the family.

   It will then be determined if HACSB is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

2. **Conclusion of Preliminary Review.** If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, HACSB will initiate an investigation to determine if the allegation is true or false.

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E. OVERPAYMENTS TO OWNERS

If the landlord has been overpaid as a result of fraud, misrepresentation or violation of the HAP Contract, HACSB may terminate the HAP Contract and arrange for restitution to HACSB and/or family as appropriate.

HACSB will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be debited in order to repay HACSB or the tenant, as applicable.

F. HOW HACSB WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If HACSB determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file, or a person designated by the Executive Director to monitor the program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, HACSB will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries. In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.

Verification of Credit. In cases where the financial activity conflicts with file data, a *Verification of Credit* form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to HACSB's review.

Other Agencies. Investigators, case workers or representatives of other benefit agencies may be contacted.

Public Records. If relevant, HACSB will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members. HACSB will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the HACSB office. A high standard of courtesy and professionalism will be maintained by HACSB staff person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

G. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY HACSB

Documents and other evidence obtained by HACSB during the course of an investigation will be considered "work product" and will either be kept in the participant's file, or in a separate "work file." In either case, the participant's file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among HACSB Staff unless they are involved in the process, or have information which may assist in the investigation.

H. CONCLUSION OF HACSB'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Director of Housing Management or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

I. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, HACSB will review the facts to determine:

1. The type of violation (procedural, non-compliance, fraud).

2. Whether the violation was intentional or unintentional.

3. What amount of money (if any) is owed by the family.

4. If the family is eligible for continued occupancy.

J. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, HACSB will propose the most appropriate remedy based upon the type and severity of the violation.

1. **Procedural Non-compliance.** This category applies when the family "fails to" observe a procedure or requirement of HACSB, but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family.

Examples of non-compliance violations are:

Failure to appear at a pre-scheduled appointment.
Failure to return verification in time period specified by HACSB.

(a) **Warning Notice to the Family.** In such cases a notice will be sent to the family which contains the following:

A description of the non-compliance and the procedure, policy or obligation which was violated.

The date by which the violation must be corrected, or the procedure complied with.

The action which will be taken by HACSB if the procedure or obligation is not complied with by the date specified by HACSB.

The consequences of repeated (similar) violations.

2. **Procedural Non-compliance - Overpaid Assistance.** When the family owes money to HACSB for failure to report changes in income or assets, HACSB will issue a Notification of Overpayment of Assistance. This Notice will contain the following:

- A description of the violation and the date(s).

- Any amounts owed to HACSB.

- A deadline date response period.

- The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Participant Fails to Comply with HACSB's Notice If the Participant fails to comply with HACSB's notice, and a family obligation has been violated, HACSB will initiate termination of assistance.

Participant Complies with HACSB's Notice When a family complies HACSB's notice, the staff person responsible will meet with him/her to discuss and explain the Family Obligation or program rule which was violated. The staff person will complete a Participant Counseling Report, give one copy to the family and retain a copy in the family's file.

3. Intentional Misrepresentations. When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by HACSB, HACSB will evaluate whether or not:

- The participant had knowledge that his/her actions were wrong, and

- The participant willfully violated the family obligations or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing certificate, Personal Declaration and Things You Should Know are adequate to establish knowledge of wrong-doing.

The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

(a) An admission by the participant of the misrepresentation.

(b) That the act was done repeatedly.

(c) If a false name or Social Security Number was used.

(d) If there were admissions to others of the illegal action or omission.

(e) That the participant omitted material facts which were known to him/her (e.g., employment of self or other household member).

(f) That the participant falsified, forged or altered documents.

(g) That the participant uttered and certified to statements at a interim (re)determination which were later independently verified to be false.

4. **Dispositions of Cases Involving Misrepresentations**. In all cases of misrepresentations involving efforts to recover monies owed, HACSB may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution: If HACSB has established criminal intent, and the case meets the criteria for prosecution, HACSB will:

Refer the case to the local State or District Attorney, notify HUD's RIGI, and terminate rental assistance.

Refer the case to HUD's RIGI, and terminate rental assistance.

Administrative Remedies: HACSB will:

Terminate assistance and demand payment of restitution in full.

Terminate assistance and execute an administrative repayment agreement in accordance with HACSB's Repayment Policy.

Terminate assistance and pursue restitution through civil litigation.

Continue assistance at the correct level upon repayment of restitution in full.

Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with HACSB's repayment policy.

5. The Case Conference for Serious Violations and Misrepresentations. When HACSB has established that material misrepresentation(s) have occurred, a Case Conference will be scheduled with the family representative and HACSB staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by HACSB. The purpose of such conference is to review the information and evidence obtained by HACSB with the participant, and to provide the participant an opportunity to explain any document findings which conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by HACSB. The family will be given the opportunity days to furnish any mitigating evidence.

A secondary purpose of the Participant Conference is to assist HACSB in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, HACSB will consider:

The duration of the violation and number of false statements.

The family's ability to understand the rules.

The family's willingness to cooperate, and to accept responsibility for his/her actions

The amount of money involved.

The family's past history

Whether or not criminal intent has been established.

The number of false statements.

6. **Notification to Participant of Proposed Action.** HACSB will notify the family of the proposed action no later than 14 days after the case conference by certified mail.

Reserved

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF	Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.
ACC	Annual Contributions Contract
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement a statute.
CPI	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
CR	Contract Rent
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FmHA	Farmers Home Administration
FMR	Fair Market Rent
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GFC	Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TTP).
GR	Gross Rent
HA	Housing Agency
HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Plan
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards

HUD	The Department of Housing and Urban Development or its designee.
HURRA	Housing and Urban/Rural Recovery Act of 1983
IG	Inspector General
IGR	Independent Group Residence
IPA	Independent Public Accountant
IRA	Individual Retirement Account
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau
PMSA	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
QC	Quality Control
RFLA	Request for Lease Approval
RFP	Request for Proposals
RRP	Rental Rehabilitation Program
SRO	Single Room Occupancy
SSMA	Standard Statistical Metropolitan Area. Has been replaced by MSA, Metropolitan Statistical Area.
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
URP	Utility Reimbursement Payment

B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

ADMINISTRATIVE PLAN. The HUD required written policy of the HA governing its administration of the Section 8 Certificate and Voucher program. The Administrative Plan and any revisions must be approved by the HA's board and a copy submitted to HUD.

ABSORPTION. In portability, the point at which a receiving HA stops billing the initial HA for assistance on behalf of a portability family. The receiving HA uses funds available under the receiving HA consolidated ACC.

ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE"). Account established by HUD from amounts by which the maximum payment to the HA under the consolidated ACC (during an HA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

ADJUSTED INCOME. Annual income, less allowable HUD deductions.

ADMINISTRATIVE FEE. Fee paid by HUD to the HA for administration of the program.

ADMINISTRATIVE FEE RESERVE (Formerly "Operating reserve"). Account established by HA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

ADMISSION. The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and a HA. Under the contract HUD agrees to provide funding for operation of the program, and the HA agrees to comply with HUD requirements for the program.

ANNUAL INCOME. The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

APPLICANT. (or applicant family). A family that has applied for admission to a program, but is not yet a participant in the program.

"AS-PAID" STATES. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

ASSETS. (See Net Family Assets.)

ASSISTED TENANT. A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

BUDGET AUTHORITY. An amount authorized and appropriated by the Congress for payment to HAs under the program. For each funding increment in a HA program, budget authority is the maximum amount that may be paid by HUD to the HA over the ACC term of the funding increment.

CERTIFICATE. A Certificate issued by the PHA under the Section 8 Rental Assistance Program declaring a family to be eligible for participation in this program and stating the terms and conditions for such participation.

CERTIFICATE OR VOUCHER HOLDER. A family holding a voucher or certificate with unexpired search time.

CERTIFICATE PROGRAM. Rental certificate program.

CHILD CARE EXPENSES. Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

CO-HEAD. An individual in the household who is equally responsible for the lease with the Head of Household. (A family never has a Co-head and a Spouse and; a Co-head is never a Dependent).

CONGREGATE HOUSING. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

COOPERATIVE. A dwelling unit owned and or shared by a group of individuals who have individual sleeping quarters and share common facilities such as kitchen, living room and some bathrooms.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT. (Consolidated ACC). See 24 CFR 982.151.

CONTIGUOUS MSA. In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial HA is located.

CONTINUOUSLY ASSISTED. An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the certificate or voucher program.

CONTRACT. (See Housing Assistance Payments Contract.)

CONTRACT AUTHORITY. The maximum annual payment by HUD to an HA for a funding increment.

CONTRACT RENT. In the Section 8 Certificate Program, Contract Rent is the total rent paid to the owner, including the tenant payment and the HAP payment from the PHA.

DEPENDENT. A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

DISABILITY ASSISTANCE EXPENSE. Anticipated costs for care attendants and auxiliary apparatus for disabled family members which enable a family member (including the disabled family member) to work.

DISABLED PERSON. A person who is any of the following:

(1) A person who has a disability as defined in section 223 of the Social Security Act. (42 U.S.C.423).

(2) A person who has a physical, mental, or emotional impairment that:

(i) Is expected to be of long-continued and indefinite duration;

(ii) Substantially impedes his or her ability to live independently; and

(iii) Is of such a nature that ability to live independently could be improved by more suitable housing conditions.

(3) A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

DISABLED FAMILY. A family where the head or spouse meet any of the above criteria for disabled person.

DISPLACED PERSON/FAMILY. A person or family displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

DOMICILE. The legal residence of the household head or spouse as determined in accordance with State and local law.

DRUG-RELATED CRIMINAL ACTIVITY. The illegal manufacture, sale, distribution, use, or the possession with intent to manufacture, sell distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802).

DRUG TRAFFICKING. The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

ELDERLY HOUSEHOLD. A family whose head or spouse or whose sole member is at least 62 years of age; may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and wellbeing.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBILITY INCOME. May 10, 1984, regulations deleted Eligibility Income, per se, because Annual Income is now for eligibility determination to compare to income limits.

ELIGIBLE FAMILY (Family)**.** A family is defined by the HA in the Administrative Plan, which is approved by HUD.

EXCEPTIONAL MEDICAL OR OTHER EXPENSES. Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income. It is no longer used.

EXCEPTION RENT. In the certificate program an initial rent (contract rent plus any utility allowance) in excess of the published FMR. In the certificate program the exception rent is

approved by HUD, or the HA under prescribed conditions, and is used in determining the initial contract rent. In the voucher program the HA may adopt a payment standard up to the exception rent limit approved by HUD for the HA certificate program.

EXCESS MEDICAL EXPENSES. Any medical expenses incurred by elderly or disabled families in excess of 3% of Annual Income which are not reimbursable from any other source.

EXTREMLY LOW INCOME. See Income Targeting.

FAIR MARKET RENT (FMR). The rent including the cost of utilities (except telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the **Federal Register**.

FAMILY. * "Family" includes but is not limited to:

(a) An Elderly Family or Single Person as defined in 24 CFR 5.403(b),

(b) The remaining member of a tenant family, and

(c) A Displaced Person

*** "family" can be further defined by the HA.**

FAMILY OF VETERAN OR SERVICE PERSON. A family is a "family of veteran or service person" when:

1. The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

2. The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM). The program established by an HA to promote self-sufficiency of assisted families, including the provision of supportive services.

FAMILY SHARE. The amount calculated by subtracting the housing assistance payment from the gross rent.

FAMILY UNIT SIZE. The size of the Certificate or Voucher issued to the family based on the HA's subsidy standards.

FMR/EXCEPTION RENT LIMIT. The section 8 existing housing fair market rent published by HUD headquarters or any exception rent. In the certificate program the initial contract rent for a dwelling unit plus any utility allowance may not exceed the FMR/exception rent limit (for the dwelling unit or for the family unit size). In the voucher program the HA may adopt a payment standard up to the FMR/exception rent limit.

FOSTER CHILD CARE PAYMENT. Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

FULL-TIME STUDENT. A person who is carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

FUNDING INCREMENT. Each commitment of budget authority by HUD to an HA under the consolidated annual contributions contract for the HA program.

GROSS FAMILY CONTRIBUTION. Changed to Total Tenant Payment.

GROSS RENT. The sum of the Contract Rent and the utility allowance. If there is no utility allowance, Contract Rent equals Gross Rent.

GROUP HOME. A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

HAP CONTRACT. (See Housing Assistance Payments contract.)

HEAD OF HOUSEHOLD. The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

HOUSING AGENCY. A state, county, municipality or other governmental entity or public body authorized to administer the program. The term "HA" includes an Indian housing authority (IHA). ("PHA" and "HA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Section 8 Programs.

HOUSING ASSISTANCE PAYMENT. The monthly assistance payment by an HA. The total assistance payment consists of:

(1) A payment to the owner for rent to owner under the family's lease.

(2) An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

HOUSING ASSISTANCE PAYMENTS CONTRACT. (HAP contract). A written contract between an HA and an owner in the form prescribed by HUD headquarters, in which the HA agrees to make housing assistance payments to the owner on behalf of an eligible family.

HOUSING ASSISTANCE PLAN. (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING CHOICE VOUCHER. See voucher.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD REQUIREMENTS. HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

HURRA. The Housing and Urban/Rural Recovery Act of 1983 legislation that resulted in most of the 1984 HUD Regulation changes to the definition of income, allowances, and rent calculations.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate x total cash value of assets. Calculation used when assets exceed $5,000.

INCOME TARGETING. Not less than 75% of new admissions to the tenant-based voucher assistance program must have incomes at or below 30% of the area median income.

INITIAL HA. In portability, the term refers to both:

(1) An HA that originally selected a family that later decides to move out of the jurisdiction of the selecting HA; and

(2) An HA that absorbed a family that later decides to move out of the jurisdiction of the absorbing HA.

INITIAL PAYMENT STANDARD. The payment standard at the beginning of the HAP contract term.

INITIAL RENT TO OWNER. The rent to owner at the beginning of the HAP contract term.

INCOME. Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY. Annual Income.

INDIAN. Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

INDIAN HOUSING AUTHORITY (IHA). A housing agency established either:

(1) By exercise of the power of self-government of an Indian Tribe, independent of State law, or

(2) By operation of State law providing specifically for housing authorities for Indians.

INTEREST REDUCTION SUBSIDIES. The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

INVOLUNTARILY DISPLACED PERSON. Involuntarily Displaced Applicants are applicants who meet the HUD definition for the federal preference.

JURISDICTION. The area in which the HA has authority under State and local law to administer the program.

LANDLORD. This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

LARGE VERY LOW INCOME FAMILY. Prior to the 1982 regulations, this meant a very low income family which included six or more minors. This term is no longer used.

LATE FEES. If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term, the PHA shall pay the owner penalties in accordance with generally accepted practices and law, as applicable in the local housing market, governing penalties for late payment by a tenant. However, the PHA shall not be obligated to pay any late payment penalty if HUD determines that late payment by the PHA is due to factors beyond the PHA's control. Moreover, the PHA shall not be obligated to pay any late payment penalty if housing assistance payments by the PHA are delayed or denied as a remedy for owner breach of the HAP contract (including any of the following PHA remedies: recovery of overpayments, suspension of housing assistance payments, abatement or reduction of housing assistance payments, termination of housing assistance payments and termination of the contract).

LEASE.

(1) A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the HA.

(2) In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the HA. The lease form must be in the standard form used in the locality by the owner.

LEASE ADDENDUM. In the lease between the tenant and the owner, the lease language required by HUD.

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who:

(1) Is determined to be essential to the care and well-being of the person.

(2) Is not obligated for the support of the person.

(3) Would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE. A preference used by the HA to select among applicant families without regard to their federal preference status.

LOW-INCOME FAMILY. A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. For admission to the certificate program, HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.

MANUFACTURED HOME. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type. See 24 CFR 982.620 and 982.621.

MANUFACTURED HOME SPACE. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624

MARKET RENT. The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Section 8 Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MAXIMUM INITIAL RENT BURDEN. A family must not pay more than 40% of adjusted income for rent when the family first receives Section 8 tenant-based assistance. This requirement is applicable each time a participant moves to a new unit.

MEDICAL EXPENSES. Those total 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. A deduction for Elderly Households only. These allowances are given when calculating adjusted income for medical expenses in excess of 3% of Annual Income.

MINOR. A member of the family household (excluding foster children and emancipated minors) other than the family head or spouse who is under 18 years of age.

MINIMUM TENANT RENTS. Minimum of $25.00, no more than $50.00.

MIXED FAMILY. A family with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3).

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME. 1/12 of the Annual Income.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NEGATIVE RENT. Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).

NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NET FAMILY CONTRIBUTION. Former name for Tenant Rent.

NON CITIZEN. A person who is neither a citizen nor a national of the United States.

OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards] Standards established by an HA to determine the appropriate number of bedrooms for families of different sizes and compositions.

OVER-FMR TENANCY (OFTO). In the Certificate program: A tenancy for which the initial gross rent exceeds the FMR/exception rent limit.

OWNER. Any persons or entity having the legal right to lease or sublease a unit to a participant.

PARTICIPANT. A family that has been admitted to the HA's certificate program or voucher program. The family becomes a participant on the effective date of the first HAP contract executed by the HA for the family (First day of initial lease term).

PAYMENT STANDARD. In a voucher or over-FMR tenancy, the maximum subsidy payment for a family (before deducting the family contribution). For a voucher tenancy, the HA sets a payment standard in the range from 90 to 110 percent of the current FMR/exception rent limit. For an over-FMR tenancy, the payment standard equals the current FMR/exception rent limit.

PERSONS WITH DISABILITIES. Individuals with any condition or characteristic that renders a person an individual with a handicap as defined in 24 CFR 8.2.

PORTABILITY. Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial HA.

PREMISES. The building or complex in which the dwelling unit is located, including common areas and grounds.

PRIVATE SPACE. In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

PUBLIC ASSISTANCE. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA). A state, county, municipality, or other governmental entity or public body authorized to administer the programs. The term "PHA" includes an Indian housing authority (IHA). ("PHA" and "HA" mean the same thing.) In this rule, a "PHA" is referred to as a "housing agency" (HA).

QHWRA. Quality Housing Work Responsibility Act of 1998.

RANKING PREFERENCE. A preference used by the HA to prioritize persons on the waiting list.

REASONABLE RENT. A rent to owner that is not more than rent charged:

(1) For comparable units in the private unassisted market; and

(2) For comparable unassisted units in the premises.

RECEIVING HA. In portability: An HA that receives a family selected for participation in the tenant-based program of another HA. The receiving HA issues a certificate or voucher and provides program assistance to the family.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There are annual and interim recertifications.

REGULAR TENANCY. In the Certificate program: A tenancy other than an over-FMR tenancy.

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other family members have left and become unassisted.

RENT TO OWNER. The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

RESIDENT ASSISTANT. A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or wellbeing. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Section 8 assistance nor contribute a portion of his/her income or resources towards the expenses of these individuals.

SECRETARY. The Secretary of Housing and Urban Development.

SECURITY DEPOSIT. A dollar amount which can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SERVICE PERSON. A person in the active military or naval service (including the active reserve) of the United States.

SINGLE PERSON. A person living alone or intending to live alone.

SINGLE ROOM OCCUPANCY. A single room occupancy (SRO) unit must contain one living/sleeping room of appropriate size, be occupied by no more than one person, and have easy access to a bathroom located in a separate room which is for the exclusive use of no more than four persons/SRO units. Said bathroom shall be on the same floor as the SRO units it serves and shall not be further than 60 feet from the SRO entrance (s).

An SRO unit need not have a "kitchen area" in accordance with CFR 982.401 (C) or HUD handbook 7420.7 Chg. 3 (Rev. November 1979).

An SRO unit need not have a bathroom located within the unit as required by CFR 982.401 (b)(1)(2). A bathroom, however, located in a separate room and designated for the exclusive use of no more than four persons/SRO units must be provided and located on the same floor and within 60 feet as the SRO unit it serves and, be accessible by an interior corridor.

An emergency exit plan shall be developed and explained to the occupants. Regular fire inspections shall be conducted by appropriate local officials. First aid supplies and fire extinguishers shall be readily accessible throughout the building in which an SRO is located. Smoke detectors shall be provided and emergency phone numbers (e.g., police, ambulance, fire department) shall be available at each phone and provided to each occupant. All emergency and safety features and procedures shall meet applicable State and local standards.

SPECIAL ADMISSION. Admission of an applicant that is not on the HA waiting list or without considering the applicant's waiting list position.

SPECIAL HOUSING TYPES. See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

SPOUSE. The husband or wife of the head of the household.

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

1. Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

2. Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

3. Direct loans pursuant to Section 202 of the Housing Act of 1959; or

4. Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

5. Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

6. A Public Housing Project.

SUBSIDY STANDARDS. Standards established by an HA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

SUBSTANDARD UNIT. Substandard housing is defined by HUD for use as a federal preference.

SUSPENSION/TOLLING. Stopping the clock on the term of a family's certificate or voucher, for such period as determined by the HA, from the time when the family submits a request for HA approval to lease a unit, until the time when the HA approves or denies the request.

TENANT. The person or persons (other than a live-in-aide) who executes the lease as lessee of the dwelling unit.

TENANT RENT. (Formerly called Net Family contribution.) The amount payable monthly by the family as rent to the owner (including a PHA in other programs). Where all utilities (except telephone) and other essential housing services are supplied by the owner, Tenant Rent equals Total Tenant Payment. Where some of all utilities (except telephone) and other essential housing services are not supplied by the owner and the cost thereof is not included in the amount paid as rent to the owner, Tenant Rent equals Total Tenant Payment less the Utility Allowance in the Certificate Program. In the Voucher Program, Tenant Rent is Rent to Owner less HAP.

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

UNIT. Residential space for the private use of a family.

UNUSUAL EXPENSES. Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

UTILITIES. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE. If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

UTILITY REIMBURSEMENT PAYMENT. The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

VACANCY LOSS PAYMENTS. (For contracts effective prior to 10/2/95) When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the Contract Rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the PHA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

VERY LARGE LOWER-INCOME FAMILY. Prior to the change in the 1982 regulations this was described as a lower-income family which included eight or more minors. This term is no longer used.

VERY LOW INCOME FAMILY. A Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the Certificate and Voucher Programs.

VETERAN. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

VIOLENT CRIMINAL ACTIVITY. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

VOUCHER PROGRAM. The rental voucher program.

WAITING LIST ADMISSION. An admission from the HA waiting list.

WAITING LIST. A list of families organized according to HUD regulations and HA policy who are waiting for subsidy to become available.

WELFARE ASSISTANCE. Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, state, or local governments.

WELFARE RENT. This concept is used ONLY for Section 8 Certificate tenants who receive welfare assistance on an "AS-PAID" basis. It is not used for the Housing Voucher Program.

(1) If the agency does NOT apply a ratable reduction, this is the maximum a public assistance agency COULD give a family for shelter and utilities, NOT the amount the family is receiving at the time the certification or recertification is being processed.

(2) If the agency applies a ratable reduction, welfare rent is a percentage of the maximum the agency could allow.

C. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE

CHILD. A member of the family other than the family head or spouse who is under 18 years of age.

CITIZEN. A citizen or national of the United States.

EVIDENCE. Evidence of citizenship or eligible immigration status means the documents which must be submitted to evidence citizenship or eligible immigration status.

HA. A housing authority- either a public housing agency or an Indian housing authority or both.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD. Department of Housing and Urban Development.

INS. The U.S. Immigration and Naturalization Service.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NONCITIZEN. A person who is neither a citizen nor national of the United States.

PHA. A housing authority which operates Public Housing.

RESPONSIBLE ENTITY. The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the HA).

SECTION 214. Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214.

SPOUSE. Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, but not by public and Indian housing programs. *Common-law marriage not in State of California.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT B

Public Housing

Administions and Continued Occupancy Policy (ACOP)

(CA076b01)

ADMISSIONS AND CONTINUED OCCUPANCY POLICY

FOR THE

PUBLIC HOUSING PROGRAM

Approved by the HACSB Board of Commissioners: December 3, 2008 (Fully Restated)

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Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

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

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

1.1 THE GOAL OF HACSB'S PUBLIC HOUSING PROGRAM

HACSB is committed to providing quality, affordable housing that is decent and safe, to eligible families in this community. We strive to make the best use of all available resources so that our residents may live in an environment that is clean, well maintained and attractive. Our goal is to manage our public housing units in a manner that is consistent with good, financially sound property management practices. By taking advantage of available community and government resources, we intend to provide our residents with as many opportunities as possible to become economically self-sufficient. We endeavor to instill pride and a desire for an enhanced quality of life for our residents and their families. We are committed to serving our residents and this entire community in a manner that demonstrates professional courtesy, empathy and respect.

1.2 LOCAL OBJECTIVES

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

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

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

To avoid concentrations of economically and socially deprived families in any one or all of HACSB's public housing developments.

To lawfully deny the admission of applicants, or the continued occupancy of residents, whose habits and practices reasonably may be expected to adversely affect the health, safety, comfort or welfare of other residents or HACSB employees.

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

To provide opportunities for upward mobility for families who desire to achieve self-

sufficiency.

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

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

1.3 PURPOSE OF THE POLICY

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

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

1.4 FAIR HOUSING POLICY[1]

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

Title VI of the Civil Rights Act of 1964

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

Executive Order 11063

Section 504 of the Rehabilitation Act of 1973

The Age Discrimination Act of 1975

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

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

HACSB shall not discriminate because of race, color, sex, religion, familial status, disability, national origin, **marital status, or sexual orientation** in the leasing, rental, or other disposition of housing or related facilities, including land, that is part of any project or projects under HACSB's jurisdiction covered by a contract for annual contributions under the United States Housing Act of 1937, as amended, or in the use or occupancy thereof.

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

The Housing Authority of the City of Santa Barbara, at 808 Laguna St. Santa Barbara, CA 93101 is accessible to persons with disabilities.

1 24 CFR 982.53(c)

HACSB shall not:

Deny any family or individual the opportunity to apply for housing under the public housing program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, handicap or disability or sexual orientation;

Provide housing that is different from that provided to others;

Subject a person to segregation or disparate treatment;

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

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

Deny a person access to the same level of services.

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

1.5 SERVICE AND ACCOMMODATIONS POLICY

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

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

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

Federal Americans with Disabilities Act of 1990

- With respect to an individual, the term "disability" means:

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

  A record of such impairment; or

  Being regarded as having such an impairment

- Those "regarded as having such an impairment" may include those with conditions such as obesity or cosmetic disfigurement, and individuals perceived to be at high risk of incurring a work-related injury.

- Individuals with contagious diseases who do not pose a direct threat to others are covered by the Act. AIDS victims and those who test positive for the HIV virus are considered to have a disability.

- An individual who has an infectious or communicable disease that is transmitted to others through the handling of food, the risk of which cannot be eliminated by reasonable accommodation, may be refused an assignment or a continued assignment to a job involving food handling. The Secretary of Health and Human Services annually will publish a list of those diseases that are transmitted through food handling.

- Rehabilitated alcohol and drug users are considered to be persons with disabilities for purposes of the Act. However, current alcohol and drug users can be held to the same qualification standards for job performance as other employees.

Undue Hardship

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

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

The nature and cost of the accommodation needed;

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

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

Verification of a Request for Accommodation

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

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

Reasonable Accommodation

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

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

Recertification by Mail

As a reasonable accommodation HACSB may permit the family to submit annual and interim recertification forms through the mail, every other year with the approval of the Director of Housing Management.

Home Visits

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

Requests for home visit recertifications must be received by HACSB at least 5 business days before the scheduled appointment date in order for the request to be considered.

HACSB may consider home visit recertifications which are requested after the scheduled appointment has been missed, according to the number of allowed rescheduled appointments noted in Chapter 11, "Recertifications".

Other Accommodations

HACSB utilizes organizations which provide assistance for hearing- and sight-impaired persons when requested.

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

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

1.6 TRANSLATION OF DOCUMENTS

The Housing Authority has bilingual staff to assist Spanish speaking families and will translate documents into Spanish as deemed feasible by HACSB.

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

- Number of families in Santa Barbara area who do not speak English and speak the other language.
- Estimated cost to HACSB per client of translation of English written documents into the other language.
- Evaluation of the need for translation by the bi-lingual staff and by agencies that work with the non-English speaking clients.
- The availability of local organizations to provide translation services to non- English speaking families.

1.7 PUBLIC HOUSING MANAGEMENT ASSESSMENT SYSTEM (PHAS) OBJECTIVES[2]

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

HACSB is continuously assessing its program and consistently strives to make improvements.

[2] 24 CFR 901 & 902

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

1.8 FAMILY OUTREACH

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

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

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

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

1.9 PRIVACY RIGHTS

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

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

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

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

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

1.10 POSTING OF REQUIRED INFORMATION

HACSB will maintain a bulletin board in a conspicuous area of the central office and community rooms which will contain:

A notice that any or all of the following are available upon request:

Statement of policies and procedures governing Admission and Continued Occupancy Policy (ACOP)

Information on application submittal

Directory of HACSB's housing sites

Income limits for admission

Current schedule of routine maintenance charges

A copy of the lease

HACSB's grievance procedures

Security Deposit Charges

Information on preferences

Schedule of Utility Allowances

In addition posted in the lobby of the main office will be:

A Fair Housing Poster

An Equal Opportunity in Employment poster

Required public notices

1.11 TERMINOLOGY

The Housing Authority of the City of Santa Barbara is referred to as "**HACSB**" or "Hou**sing Authority**" throughout this document.

The Admissions and Continued Occupancy Policy for the Public Housing Program is referred to throughout this document as "**Policy**"

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

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

"**Landlord**" refers to HACSB.

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

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

See Glossary for other terminology.

Chapter 2

ELIGIBILITY FOR ADMISSION[1]

INTRODUCTION

This Chapter defines both HUD's and HACSB's criteria for admission and denial of admission to the program. The policy of HACSB is to strive for objectivity and consistency in applying these criteria to evaluate the qualifications of families who apply. HACSB is responsible for ensuring that every individual and family admitted to the Public Housing program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by HACSB to confirm eligibility and determine the level of the family's assistance. HACSB staff will review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by HACSB pertaining to their eligibility.

2.1 QUALIFICATION FOR ADMISSION

It is HACSB's policy to admit qualified applicants only. To be eligible for the Public Housing program:

The applicant family must:

- Qualify as a family as defined by HUD and HACSB.
- Have an annual income at or below the low income limits for occupancy established by HUD and posted separately in HACSB offices.

  The Quality Housing and Work Responsibility Act of 1998 authorizes PHAs to admit families whose income does not exceed the low-income limit (80% of area median income) once HACSB has met the annual 40% targeted income requirement of extremely low-income families (families whose income does not exceed 30% of area median income).

- Provide social security number information for all family members or provide written certification that they do not have social security numbers;
- Consent to HACSB's collection and use of family information as provided for in HACSB provided consent forms

HACSB must in addition determine that the current or past behavior of household members does not include activities that are prohibited by HUD or HACSB.

Timing for the Verification of Qualifying Factors

The qualifying factors of eligibility will not be verified until the family is in a position on the waiting list to be offered a housing unit.

[1] 24 CFR 960.201

2.2 FAMILY COMPOSITION DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

Family

To be eligible for admission, an applicant must qualify as a family. A Family may be a single person or a group of persons. Family as defined by HUD includes a family with a child or children, two or more elderly or disabled persons living together, one or more elderly or disabled persons living with one or more live-in attendants, or a single person.

A group of persons is defined by HACSB as two or more persons who intend to share residency whose income and resources are available to meet the family's needs, and will live together in HACSB housing.

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

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law, but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family's composition changes.

Occupancy by Police Officers

In order to provide an increased sense of security for Public Housing residents HACSB may allow Public Housing units to be occupied by police officers.

Police officers will not be required to be income eligible to qualify for admission to HACSB's Public Housing program.

Household

Household is a broader term that includes additional people who, with HACSB's permission, live in a Public Housing unit, such as live-in attendants, foster children, and foster adults.

FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while living in Public Housing, only one of the new families will continue to be assisted.

If a court determines the disposition of property between members of the applicant or resident family in a divorce or separation decree, HACSB will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, HACSB will determine which family retains their placement on the waiting list, or will continue in occupancy, taking into consideration the following factors:

- The interest of any minor children, including custody arrangements,

- The interest of any ill, elderly, or disabled family members,
- Any possible risks to family members as a result of domestic violence or criminal activity, and
- The recommendations of social service professionals.

Remaining Member of a Tenant Family[2]

The HUD definition of family includes the **remaining member of a tenant family**, which is a member of a resident family who remains in the unit when other members of the family have left the unit.[3] Household members such as live-in attendants, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only remaining members of a tenant family and there is no family member able to assume the responsibilities of the head of household, see Chapter 6.

HEAD OF HOUSEHOLD[4]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head or spouse.

- The family may designate any qualified family member as the head of household.
- The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

SPOUSE, CO-HEAD, AND OTHER ADULT

A family may have a **spouse** or **co-head**, but not both.[5]

Spouse means the marriage partner of the head of household.

Marriage partner includes the partner in a "common law" marriage as defined in State law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under State law may be designated as a spouse.

A **co-head** is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head.

Minors who are emancipated under state law may be designated as a co-head.

Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in attendants are not considered other adults.

[2] 24 CFR 5.403
[3] PH Occ GB, p. 26
[4] 24 CFR 5.504(b)
[5] HUD-50058 IB, p. 13

DEPENDENT[6]

A **dependent** is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except for the following persons whom can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in attendants. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

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 51 percent or more of the time.
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, HACSB will make the determination based on available documents such as court orders, school records, medical records or an IRS return showing which family has claimed the child for income tax purposes.

FULL-TIME STUDENT[7]

A **full-time student** (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution. Identifying each FTS is important because:

- Each family member that is an FTS, other than the head, spouse, or co-head, qualifies the family for a dependent deduction and
- The income of such an FTS is treated differently from the income of other family members.

ELDERLY PERSONS AND ELDERLY FAMILY

An **elderly person** is a person who is at least 62 years of age.

An **elderly family** is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

PERSONS WITH DISABILITIES AND DISABLED FAMILY[8]

Persons with Disabilities

Under the Public Housing program, special rules apply to persons with disabilities and to any family whose head, spouse, or co-head is a person with disabilities.

These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

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6 24 CFR 5.603
7 24 CFR 5.603
8 24 CFR 5.403

HACSB must make all aspects of the Public Housing program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A **disabled family** is one in which the head, spouse, or co-head is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent HACSB from denying admission for reasons related to alcohol and drug abuse following the policies found this Chapter, or from enforcing the lease.

GUESTS[9]

A **guest** is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

HACSB's lease provides that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests. The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere on or near HACSB premises.

A resident family must notify HACSB when overnight guests will be staying in the unit for more than 3 days. A guest can remain in the unit no longer than 14 days during any 12 month period.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 20 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the Public Housing unit more than 50 percent of the time, are not subject to the time limitations of guests as described above.

Former residents who have been evicted are not permitted as overnight guests.

Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence constitutes violation of the lease.

FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone.

A **foster child** is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

[9] 24 CFR 5.100

Foster children and foster adults that are living with an applicant or resident family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in the following Section.

ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, and illness.

Definitions of Temporarily and Permanently Absent

Generally an individual who is or is expected to be absent from the Public Housing unit for less than 180 consecutive days considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the Public Housing unit for 180 consecutive days or more is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

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 HACSB indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care[10]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

If a child has been placed in foster care, HACSB 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.

Absent Head, Spouse, or Co-head

An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Individuals Confined for Medical Reasons

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, HACSB 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.

[10] 24 CFR 5.403

Return of Permanently Absent Family Members

The family must request HACSB approval for the return of any adult family members that HACSB has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this chapter.

LIVE-IN ATTENDANT

Live-in attendant means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons,
- Is not obligated for the support of the persons, and
- Would not be living in the unit except to provide the necessary supportive.

HACSB must approve a live-in attendant if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by a family member with disabilities.

A live-in attendant is a member of the household, not the family, thus the income of the attendant is not considered in income calculations.[11] Relatives may be approved as live-in attendants if they meet all of the criteria defining a live-in attendant. However, a relative who serves as a live-in attendant is not considered a family member and would not be considered a remaining member of a tenant family.

A family's request for a live-in attendant must be made in writing. Written verification will be required from a reliable, knowledgeable professional of the family's choosing, such as a doctor, social worker, or case worker, that the live-in attendant is essential for the care and well-being of the elderly or disabled family member. For continued approval, the family must submit a new, written request—subject to HACSB verification—at each annual reexamination.

In addition, the family and the live-in attendant will be required to sign a certification stating that the live-in attendant is:

- Not obligated for the support of the person(s) needing the care, and
- Would not be living in the unit except to provide the necessary supportive services.

HACSB has the discretion not to approve a particular person as a live-in attendant, and may withdraw such approval, if:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The person has a history of drug-related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to HACSB or to another PHA in connection with Section 8 or Public Housing assistance under the 1937 Act.

[11] 24 CFR 5.609(c)(5)

2.3 MANDATORY SOCIAL SECURITY NUMBERS[12]

Families are required to provide verification of social security numbers for all family members prior to admission if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

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

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

State the individual's name and state that the individual has not been issued a social security number;

State that the individual will disclose the social security number, if they obtain one at a later date;

Be signed and dated.

2.4 CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS

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

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

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

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

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

2.5 OTHER ELIGIBILITY CRITERIA

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

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

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

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

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

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

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

[12] 24 CFR 5.212 & 5.216

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

Not to have ever been convicted of manufacturing or producing methamphetamine, also known as "speed;"

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

To comply with local health and safety codes.

Registered Sex offenders will automatically be ineligible for assistance.

The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 2,000,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The data base is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900"telephone service.

Denial of Admission for Previous Debts to This or Any PHA

Previous outstanding debts to HACSB or any PHA resulting from a previous tenancy in the Public Housing or Section 8 program must be paid in full prior to admission. No Payment Agreement will be accepted. Previous head, spouse or co-head is responsible for the entire debt incurred as a previous HACSB tenant. Children of the head or spouse who had incurred a debt to HACSB will not be held responsible for the parent's previous debt.

2.6 ONE STRIKE POLICY

Denial of Admission for Drug-Related and/or Other Criminal Activity

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

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

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

Support parental efforts to instill values of personal responsibility and hard work;

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

Assist families in their vocational/educational goals in the pursuit of self-sufficiency.

Administration

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

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

This policy will be readily available to applicants and tenants upon request.

HUD Definitions

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

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

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

Screening for "One Strike"

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

If in the past HACSB initiated a lease termination, which may or may not have resulted in eviction for any reason cited under the One Strike Notice, for a family, as a prior resident of Public Housing, HACSB shall have the discretion to consider all circumstances of the case regarding the extent of participation by non-involved family members.

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

If the screening indicates that any family member has been arrested, convicted or evicted within the prior 3 years for drug-related or violent criminal activity, HACSB shall obtain verification through police/court records.

FBI and Law Enforcement Records

HACSB will do a name check only through its local law enforcement agency to access information.

HACSB acknowledges that a name check only may result in an inconclusive result without a positive fingerprint comparison. The results of an inconclusive name check will not be used to deny an applicant admission to housing.

If the channeling agency indicates to HACSB that there is a criminal history record indexed in the Interstate Identification Index which might belong to the applicant, HACSB must submit an applicant fingerprint card to the Federal Bureau of Investigation(FBI) through the appropriate channel in order to verify whether the criminal record is in fact the applicant's. Should the applicant instead elect to withdraw their application, no further action will be necessary.

To gain the full content of the National Crime Investigation Center (NCIC) data through the FBI approved channeling agent, the HACSB will submit an applicant fingerprint card to the channeling agent.

Standard for Violation

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

HACSB may waive this requirement if:

> The person demonstrates successful completion of a rehabilitation program approved by HACSB, or
>
> The circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated.

No member of the applicant's family may have engaged in drug related or violent criminal activity within the past 3 years.

HACSB will permanently deny admission to Public Housing persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. Premises is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

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

HACSB will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous 6 months.

Engaged in or engaging in or recent history of drug related criminal activity means any act within the past 3 years by applicants or participants, household members, or guests which involved drug-related criminal activity including, without limitation, drug-related criminal activity, possession and/or use of narcotic paraphernalia, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

Engaged in or engaging in or recent history of criminal activity means any act within the past 3 years by applicants or participants, household members, or guests which involved criminal activity that would threaten the health, safety or right to peaceful enjoyment of the Public Housing premises by other residents or employees of HACSB, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

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

HACSB will waive the requirement regarding drug-related criminal activity if:

> The person demonstrates successful completion of a credible rehabilitation program approved by HACSB, or

The individual involved in drug-related criminal activity is no longer in the household because the person is incarcerated.

HACSB may permit eligibility for occupancy and impose conditions that the involved family member(s) does not reside in the unit. HACSB will consider evidence that the person is no longer in the household such as divorce decree/incarceration/death/restraining order/copy of a new lease with the owner's telephone number and address/or other substantiating evidence**.**

Other criminal activity

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

For the purposes of this policy, this is construed to mean that a member of the current family has been arrested, convicted or evicted of any criminal or drug-related criminal activity within the past 3 years.

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

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

No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing programs.

Evidence

HACSB must have evidence of the violation.

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

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

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

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

Obtaining Information From Drug Abuse Treatment Centers

HACSB will inquire of all applicants who respond in the affirmative whether they are currently receiving treatment or have ever received treatment at a drug abuse treatment facility.

All applicants who respond in the affirmative will be required to sign a written consent authorizing the HA to receive information from the drug abuse treatment facility stating only whether the facility has reasonable cause to believe that the applicant is currently engaging in the illegal use of a controlled substance.

***NOTE**: The following 4 options are not optional, if HACSB elects to have any applicant sign drug abuse treatment facility consent form.*

HACSB will maintain such information received from a drug abuse treatment facility in a manner that respects its confidentiality.

Such confidential information will be reviewed by the Housing Specialist who will make a decision as to the outcome of the review.

Such confidential information will not be misused or improperly disseminated and will be destroyed not later than 5 days after the date on which HACSB gives final approval for admission.

If the application is denied, the information will be destroyed within 5 days following the date on which the statute of limitations for commencement of a civil action from the applicant based upon the denial of admission has expired.

Confidentiality of Criminal Records

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

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

Misuse of the above information by any employee will be grounds for termination of employment. Penalties for misuse are contained in Manual of Policies and Procedures.

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

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

HACSB will document in the family's file the family circumstances of the criminal report and the date the report was destroyed.

Hearings

(See Chapter 13 "Complaints, Grievances and Appeals")

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

2.7 SCREENING FOR SUITABILITY[13]

In developing its admission policies, the aim of HACSB is to attain a tenant body composed of families with a broad range of incomes and to avoid concentrations of the most economically deprived families and families with serious social problems. Therefore, it is the policy of HACSB to deny admission to applicants whose habits and practices may reasonably be expected to have a

[13] 24 CFR 960.204, 960.205

detrimental effect on the operations of the development or neighborhood, or on the quality of life for its residents.

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

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

Applicants must be able to demonstrate the ability and willingness to comply with the terms of the lease, either all or with assistance which they can demonstrate that they have or will have at the time of admission. The availability of assistance is subject to verification by HACSB.

HACSB's minimum age for admission as head of household is 18 (or emancipated individual), to avoid entering into leases which would not be valid or enforceable under applicable law.

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

HACSB will complete a credit check and rental history check on all applicants.

HACSB shall rely upon sources of information which may include, but not be limited to, HACSB records, personal interviews with the applicant or tenant, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians or the police department.

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

HACSB will complete a home visit at the current residence of all applicants who have had landlord verifications returned to HACSB with unfavorable comments concerning their housekeeping habits.

Factors to be considered in the screening are housekeeping habits, rent paying habits, prior history as a tenant, criminal records, the ability of the applicant to maintain the responsibilities of tenancy, and whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety or welfare of other residents, or the physical environment, or the financial stability of the project.

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

> The applicant's past performance in meeting financial obligations, especially rent.
>
> Eviction or a record of disturbance of neighbors sufficient to warrant a police call, destruction of property, or living or housekeeping habits at present or prior residences.
>
> Any history of criminal activity on the part of <u>any</u> applicant family member involving criminal acts, including drug-related criminal activity.
>
> Any history or evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy by neighbors.
>
> Any history of initiating threats or behaving in a manner indicating an intent to assault employees or other tenants.

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

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

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

Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare.[14]

Adversely affect the physical environment or financial stability of the project. Violate the terms and conditions of the lease.[15]

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

Rent Paying Habits

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

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

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

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

Screening Applicants Who Claim Mitigating Circumstances

Mitigating circumstances are facts relating to the applicant's record of unsuitable rental history or behavior, which, when verified would indicate both:

(1) the reason for the unsuitable rental history and/or behavior; and

(2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, and the applicant's prospect for lease compliance is an acceptable one, justifying admission.

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

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[14] 24CFR 960.205(b)

[15] 24CFR 8.3

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

Examples of Mitigating Circumstances

Evidence of successful rehabilitation;

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

Evidence of successful and sustained modification of previous disqualifying behavior.

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

> The applicant's ability to substantiate through verification the claim of mitigating circumstances and his/her prospects for improved future behavior; and
>
> The applicant's overall performance with respect to all the screening requirements.

Qualified and Unqualified Applicants

Information which has been verified by HACSB will be analyzed and a determination will be made with respect to:

> The eligibility of the applicant as a *family;*
>
> The eligibility of the applicant with respect to income limits for admission;
>
> The eligibility of the applicant with respect to citizenship or eligible immigration *status*;
>
> Preference category to which the family is entitled.

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

Applicants who are determined to be unqualified for admission will be promptly notified with a Notice of Denial of Admission stating the reason for the denial. HACSB shall provide applicants an opportunity for an informal hearing (see Chapter 13 "Complaints, Grievances, and Appeals.")

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

HACSB will make every effort to accurately estimate an approximate date of occupancy. However, the date given by HACSB does not mean that applicants should expect to be housed by that date. The availability of a suitable unit to offer a family is contingent upon factors not directly controlled by HACSB, such as turnover rates, and market demands as they affect bedroom size and the 40 % targeted income requirement.

Documenting Findings

An authorized representative of HACSB shall document any pertinent information received relative to the following:

Criminal Activity - includes the activities listed in the definition of criminal activity in this Chapter.

Pattern of Violent Behavior - includes evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy of neighbors.

Pattern of Drug Use - includes a determination by the HACSB that the applicant has exhibited a pattern of illegal use of a controlled substance which might interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Drug Related Criminal Activity - includes a determination by the HACSB that the applicant has been involved in the illegal manufacture, sale, distribution, use or possession of a controlled substance.

Pattern of Alcohol Abuse - includes a determination by the HACSB that the applicant's pattern of alcohol abuse might interfere with the health, safety or right to peaceful enjoyment of the premises by other residents.

Initiating Threats - or behaving in a manner indicating an intent to assault employees or other tenants.

Abandonment of a Public Housing Unit - without advising HACSB officials so that staff may secure the unit and protect its property from vandalism.

Non-Payment of Rightful Obligations - including rent and/or utilities and other charges owed to the HACSB or any PHA.

Intentionally Falsifying an Application for Leasing - including uttering or otherwise providing false information about family income and size, using an alias on the application for housing, or making any other material false statement or omission intended to mislead.

Record of Serious Disturbances of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior - consists of patterns of behavior which endanger the life, safety, or welfare of other persons by physical violence, gross negligence or irresponsibility; which damage the equipment or premises in which the applicant resides, or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicant's inability to adapt to living in a multi-family setting. Includes judicial termination of tenancy in previous housing on the grounds of nuisance or objectionable conduct, or frequent loud parties, which have resulted in serious disturbances of neighbors.

Grossly Unsanitary or Hazardous Housekeeping - includes the creation of a fire hazard through acts such as hoarding rags, papers, or other materials; severe damages to premises and equipment, if it is established that the family is responsible for the condition; seriously affecting neighbors by causing infestation, foul odors, depositing garbage in halls; or serious neglect of the premises. This category does not include families whose housekeeping is found to be superficially unclean or due to lack of orderliness, where such conditions do not create a problem for neighbors.

Destruction of Property from previous rentals**.**

Whether Applicant or Tenant is Capable of Maintaining the Responsibilities of tenancy In the case of applicants for admission, the person's present living arrangements and a statement obtained from applicant's physician, social worker, or other health professional will be among factors considered in making this determination. The availability of a live-in attendant will be considered in making this determination.

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

HACSB may waive the policies prohibiting admission in these circumstances if the person demonstrates to the HACSB's satisfaction that the person is no longer engaging in illegal use of a controlled substance or abuse of alcohol and has successfully completed a supervised drug or alcohol rehabilitation program.

Prohibited Criteria for Denial of Admission

Applicants will not be rejected because they:

Have no income;

Are not employed;

Do not participate in a job training program;

Will not apply for various welfare or benefit programs;

Have children;

Have children born out of wedlock;

Are on welfare;

Are students. (Exception Non-citizen students as defined by HUD)

2.8 HEARINGS

If information is revealed that would cause the HACSB to deny admission to the household and the person disputes the information, s/he shall be given an opportunity for an informal hearing according to HACSB's hearing procedures outlined in Chapter 13, “Complaints, Grievances and Appeals.”

Chapter 3

APPLICATIONS AND THE WAITING LIST

INTRODUCTION

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

3.1 HOW TO APPLY

Any family who wishes to reside in public housing or any HACSB housing programs must complete a written application form when application-taking is open. HACSB will ensure the accessibility of the application process.

The application process will be a two step process.

The initial step requires 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. This will be done in the form of a pre-application, which will be dated and time-stamped.

Pre-applications will be made available during HACSB's normal office hours, as well as online at www.hacsb.org. Families may also request-by telephone or mail- that an application form is sent to them. Applications sent via mail will be done so via first class mail.

Completed application must be returned to HASCB by mail, fax, or submitted in person to HACSB's central office during normal business hours. Only completed applications will be accepted by HACSB for processing. Applications will be notified of incomplete applications by telephone or the application will be sent to the applicant via mail to the mailing address listed on the application to be completed.

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

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

HACSB maintains a single community-wide waiting list for all its developments.

Duplicate applications, including applications from a segment of an applicant household, will not be accepted.

Pre-applications will not require interviews. Information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

3.2 ACCESSIBILITY OF THE APPLICATION PROCESS

Persons with Disabilities

HACSB will provide reasonable accommodation to the needs of individuals with disabilities. HACSB strives to make the application taking facility and the application process fully accessible or to all applicants. If determined not to be fully accessible HACSB will provide an alternate approach to application process that provides equal access.

Limited English Proficiency

HACSB will have staff available to assist in the translation of documents and pre-applications into Spanish.

3.3 PLACEMENT ON THE WAITING LIST

HACSB will review each completed application received to assess the family eligibility or ineligibility and to determine placement on the waiting list. HACSB will place on the waiting list those families for whom the list is open unless determined ineligible. When the family is determined to be ineligible HACSB will notify the family in writing of their ineligibility and the reasons for their ineligibility. When the family is determined to be eligible, they will be placed on the applicant waiting list.

No applicant has the right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

HACSB's waiting list is organized in such a manner as to allow HACSB to accurately identify and select families in the proper order, according to the admissions policies in this Policy.

Ineligible for Placement on the Waiting List

If HACSB can determine from the information provided that a family is determined to be ineligible, HASCB will send written notification of the ineligibility determination to the applicant. The notice will specify the reasons for ineligibility, and will inform the family of its right to request and informal hearing and explain the process for doing so.

Eligible for Placement on the Waiting List

HACSB will send written notification of the preliminary eligibility determination upon receipt of a completed application.

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.

Applicants will be placed on the waiting list according HACSB preference(s) and the date and time their complete application is received by HACSB.

HACSB 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 HACSB 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.

3.4 OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

HACSB is permitted to close the waiting list, if it has an adequate pool of families to fill its developments. The decision to close the waiting list will be based on the number of applications available for a particular size and type of unit, and the ability of HACSB to house an applicant in an appropriate unit within a reasonable period of time and within HACSB's objectives in this chapter.

Opening the Waiting List

If HACSB has maintained a closed waiting list, it may be reopened at any time. HACSB will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. The notice will specify where, when, and how applications are to be received. If the list is only to be reopened for certain categories of families, this information will be contained in the notice.

HACSB will give public notice by publishing the relevant information in suitable media outlets including, but not limited to: The Santa Barbara News-Press, The Santa Barbara Independent, HACSB's website (www.hacsb.org), and local English and Spanish broadcasted radio stations.

To reach persons who cannot read the newspapers, HACSB will distribute fact sheets to the broadcasting media, and initiate personal contacts with members of the news media and community service personnel. HACSB will also utilize public service announcements.

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

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

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

3.5 REPORTING CHANGES IN FAMILY CIRCUMSTANCES

While the family is on the waiting list, the family must inform HACSB in writing of changes in family size or composition, income, preference status, or contact information, including current residence, mailing address, and phone number.

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.

3.6 UPDATING THE WAITING LIST

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

To update the waiting list, HACSB will send an update request via first class mail to families on the wait list to determine whether the family continues to be interested in, and to qualify for, the program. The update request will be sent to the last known address HACSB has on file for the family. The update request will specify a deadline by which the update must be returned to HACSB filled out by the family.

Failure to respond to the update within 30 days will result in the applicant's name being removed from the waiting list.

An extension of 30 days to respond will be granted, if requested and needed as a reasonable accommodation for a person with a disability.

If a letter is returned by the Post office without a forwarding address, the applicant will be removed without further notice and the envelope and letter will be maintained in the file.

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failure to act on part of the applicant prevents HACSB from making an eligibility determination; therefore no informal hearing is required.

3.7 COMPLETION OF A FULL APPLICATION

See Chapter 4 "Tenant Selection and Unit Assignment"

All preferences claimed on the pre-application or while the family is on the waiting list will be verified after the family is selected from the waiting list, and prior to completing the full application.

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

Applicants on the waiting list who will be selected in the near future will be sent a letter. The letter will notify the applicant of an application interview and request the applicant to bring all documents which verify all factors to be verified. Factors to be verified will be listed in the letter.

Applicants will be required to complete a Personal Declaration Form in their own handwriting, unless assistance is needed, or a request for accommodation is made by a person with a disability. Applicant will then be interviewed by HACSB staff to review the information on the full application form.

The HACSB interviewer will complete the full application form with answers and personal declaration form supplied by the applicant. The applicant will sign and certify that all information is complete and accurate.

Requirement to Attend Interview

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

All adult family members must attend the interview and sign the housing application. Exceptions

may be made for adult students attending school out of state or for members for whom attendance would be a hardship.

It is the applicant's responsibility to reschedule the interview if s/he misses the appointment. If the applicant does not reschedule or misses one scheduled meetings, HACSB will reject the application.

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than 10 days from the original appointment date.

If an applicant fails to appear for their interview without prior approval of HACSB, their application will be denied unless they can provide acceptable documentation to HACSB that an emergency prevented them from calling.

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

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal hearing. (See Chapter 13)

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

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

If HACSB determines at or after the interview that additional information or document(s) are needed, HACSB will request the document(s) or information in writing. The family will be given 7 business days to supply the information.

If the information is not supplied in this time period, HACSB will provide the family a notification of denial for assistance

3.8 PROCESSING APPLICATIONS

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

Income targeting (24 CFR 5.607) (Section 513 of the 1998 Act amending Section 16 of the 1937 Act)

Preference verification

Family composition and type (elderly/non elderly)

Annual Income

Assets and Asset Income

Deductions from Annual Income

Social security numbers of all family members

Information used in applicant screening

Citizenship or eligible immigration status

Criminal history report

Credit and rental history

Landlord references and housekeeping inspections

3.9 FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, HACSB will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by HACSB, and the tenant suitability determination.

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

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

Chapter 4

TENANT SELECTION AND UNIT ASSIGNMENT[1]

(Includes Preferences)

INTRODUCTION

Applicants will be listed in sequence based upon date and time the application is received, the size and type of unit they require, and factors of preference or priority. In filling an actual or expected vacancy, HACSB will offer the dwelling unit to an applicant in the appropriate sequence, with the goal of accomplishing deconcentration of poverty and income-mixing objectives. HACSB will make the final offer of the unit once it is accepted. This Chapter describes HACSB's policies with regard to selecting applicant families from the waiting list, admission preferences, and the number of unit offers that will be made to applicants selected from the waiting list.

4.1 HACSB's Objectives

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

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

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

[1] 24 CFR 960.204

4.2 WAITING LIST PREFERENCES

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

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

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

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

An applicant will not be granted any preference if any member of the family has been evicted from any federally assisted housing during the past three years because of drug-related criminal activity.

HACSB may grant an exception to such a family if:

> The responsible member has successfully completed a rehabilitation program.
>
> The evicted person was not involved in the drug related or violent criminal activity that occasioned the eviction.
>
> The evicted person is no longer involved in any drug related criminal activity.
>
> If an applicant makes a false statement in order to qualify for a Local Ranking preference, HACSB will deny the preference.

Preferences assigned will be based on the pre-application submitted by the family. All preferences claimed will be verified.

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

4.3 LOCAL RANKING PREFERENCES[2]

Ranking preferences are used to prioritize applicants. The following categories will receive a ranking preferences:

POINTS

(4 points)	Displacement Preference: Families or persons displaced by governmental action or disaster
(2 points)	Residency Preference: Applicants who either live or work within the South coast region of Santa Barbara County (as defined by the Census tracts listed in Appendix 3) or have been hired to work in the jurisdiction of HACSB
(2 points)	Unassisted Preference: Families or persons NOT currently receiving any form of ongoing housing assistance, (e.g. residing in state, local or privately subsidized development, receiving rental assistance on a regular basis, etc.)
(1 point)	Veteran Preference: Current members of the military, veterans, or surviving spouses of veterans

Local preferences will be used to select among applicants on the waiting list. A public hearing must be held before HACSB adopts any local preference.

The hearing will be publicized and generally be held as part of a regularly scheduled HACSB Commission Meeting.

HACSB uses the following Local Preferences:

In selection of applicants for admission, HACSB will give preference to applicants who are otherwise eligible for assistance and who:

1) Have a disability requiring the accessibility features of a vacant unit.

2) Are being offered a unit to facilitate the operation of the Housing Authority's programs and/or meet the special needs of the client (e.g. families that need to move closer to specific medical or social services require relocation from a Public Housing unit, etc.).

Treatment of Single Applicants[3]

All families with children, elderly families and disabled families will have an admission preference over "Other Singles".

[2] 24 CFR5.410
[3] 24 CFR 5.405

Singles

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

Singles Preference

Single persons who are not elderly, disabled or displaced will not be admitted before elderly, disabled and displaced families of up to two persons, regardless of preference.

4.4 FACTORS OTHER THAN PREFERENCES THAT AFFECT SELECTION OF APPLICANTS

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

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

4.5 INCOME TARGETING

HACSB will monitor its admissions to ensure that at least 40 percent of families admitted to Public Housing in each fiscal year qualify as extremely low income. Extremely low income families are those families with an annual income at or below 30% of area median income within HACSB's jurisdiction.

As HACSB dully administers a Section 8 HCV program, admissions of extremely low-income families to the HVC program during HACSB's fiscal year that exceed the 75% minimum target requirement for the voucher program, shall be credited against the basic targeting requirement in the Public Housing program for the same fiscal year.

Under these circumstances the fiscal year credit to the Public Housing program must not exceed the lower of the following amounts:

- Ten percent of the Public Housing waiting list admission during the HACSB's fiscal year
- Ten percent of the waiting list admissions to HACSB's Section 8 HCV program during the fiscal year; or
- The number of Public Housing units that 1) are in Public Housing projects located in census tracts having a poverty rate of 30% or more, and 2) are made available for occupancy by and actually occupied in that year by, families other than extremely low-income families.

Low Income Family Admissions

Once HACSB has met the 40% targeted income requirement for new admissions of extremely low-income families, HACSB will fill the remainder of its new admission units with families whose incomes do not exceed 80% of the HUD approved area median income.

HACSB will fill the remaining 60% of its new admissions by alternating between very low and low

income families.

4.6 UNITS DESIGNATED FOR THE ELDERLY

In accordance with the 1992 Housing Act, elderly families with a head, spouse or sole member at least 62 years of age will receive a preference for admission to such units or buildings covered by a HUD-approved allocation plan, except for the units which are accessible, which may be offered to persons with disabilities.

HACSB's allocation plan approved by HUD on January 14, 1997 designates two developments know as Presidio Springs (110) and Vista La Cumbre (32) as elderly only units. In addition, there are 11 handicapped accessible units at Presidio Springs and 4 handicapped-accessible units at Vista La Cumbre which will remain available to persons of all ages who need the features of these units.

4.7 UNITS DESIGNATED FOR THE DISABLED

In accordance with the 1992 Housing Act, disabled families with a head, spouse or sole member who qualifies as a person with disabilities as defined in 24 CFR 945.105 will receive a preference for admission to units that are covered by a HUD-approved allocation plan.

HACSB has in its housing inventory an additional 44 one-bedroom units, which will remain available for persons with disabilities.

4.8 MIXED POPULATION UNITS

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). If the project was not so reserved at its inception, HACSB has obtained HUD approval to give preference in tenant selection for all units in the development (or portion of development) to elderly families and disabled families. These projects formerly were known as elderly developments.

In accordance with the 1992 Housing Act, elderly families are those whose head of household, spouse, co-head or sole member is at least 62 years of age. Disabled families are those whose head of household, spouse, co-head or sole member is a person with disabilities. HACSB will not establish a limit on the number of elderly and disabled families that occupy a mixed population development. In selecting elderly and disabled families to fill these units, HACSB 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. HACSB may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

4.9 GENERAL OCCUPANCY UNITS

General occupancy units are designed to house all populations of eligible families. In accordance with HACSB's occupancy standards, eligible families not needing units designed with special features or units designed for special populations will be admitted to HACSB's general occupancy units.

HACSB will use its local preference system as stated in this chapter for admission of eligible families to its general occupancy units.

All families with children, elderly families and disabled families will have an admission preference over Other Singles.

4.10 DESIGNATED NON SMOKING COMPLEXES

HACSB owned and managed properties have been designated as Non-Smoking effective April 1, 2010. All residents and their guests must refrain from smoking inside the apartments, balconies, patios and in common areas of the complex. Certain properties wherein the size and layout allow for such will have designated smoking areas. Designated smoking areas will be clearly identified and residents who choose to smoke must do so only within the posted area(s).

4.11 DECONCENTRATION OF POVERTY AND INCOME MIXING

Objectives: It is the policy of HACSB to avoid concentrations of the most economically and socially disadvantaged in any one or all of HACSB's developments and buildings within said developments. It is HACSB's policy to instead house families with a broad range of incomes, representative of the range of incomes of low-income families within HACSB's jurisdiction, and those with rent paying ability sufficient to achieve financial stability of the HUD-aided housing units.

Tenant Selection: As among eligible families of the size and composition appropriate to available dwelling units and within the established ranges of rent, the tenants shall be selected on the basis of the preferences. To implement and achieve the objectives, HACSB shall:

- Select the household highest on the waiting list appropriate for the available unit (i.e. family and unit size must match);
- The next available unit shall be offered to the household next on the waiting list whose income is such that a broad range of income is achieved. This may be accomplished by surpassing the family ranked highest on the list based on same preferences and date and time of application;
- Following this, the next available unit will be offered to the household highest on the waiting list appropriate for the available unit. This process of highest on the waiting list, to broad range of income, to back again, shall be repeated on an ongoing basis.

In each fiscal year at least 40 percent of families admitted to Public Housing must have incomes that do not exceed 30 percent of the area median income. Other admissions must be at or below 80 percent of the area median income.[4]

Order of Selection

HACSB will select families 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 completed application is received by HACSB.

When selecting applicants from the waiting list HACSB will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. HACSB will offer the unit to the highest ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

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.

[4] 24 CFR 5.607

Factors such as de-concentration of poverty or income mixing and income targeting will also be considered in accordance with HUD requirements and HACSB policy.

4.12 ACCESSIBLE UNITS: ELDERLY AND DISABLED UNITS

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

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

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

> First, to a current occupant of another unit of the same development, or other Public Housing developments under HACSB's control, who has a disability that requires the special features of the vacant unit.
>
> Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

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

4.13 PLAN FOR UNIT OFFERS

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

> To offer the first qualified applicant based on tenant selection an offer of a unit of the appropriate size.

Unit offers will be made to the first qualified applicant by mailing of a preliminary offer of available unit letter. The offer letter will indicate that an applicants name has been reached on our Public Housing wait list based on preferences and date and time of application. All preferences will be verified prior to final offer of a unit.

4.14 TIME-LIMIT FOR ACCEPTANCE OF UNIT

Applicants must accept a unit offer within 14 days of the date of the offer is made. If a response in not received within 4 days of the date the offer is made, an applicant may be bypassed to avoid further vacancy loss. Applicants who respond and accept the unit or those who decline with good cause within the 14 days will retain their place on the waiting list. Offers made by the telephone will be confirmed by letter.

4.15 CHANGES PRIOR TO UNIT OFFER

Changes that occur during the period between removal from the waiting list and an offer of a suitable unit may affect the family's eligibility or Total Tenant Payment(TTP). The family will be notified in writing of changes in their eligibility or level of benefits and offered their right to an informal review when applicable (See Chapter 13 Complaints, Grievances, and Appeals)

4.16 REFUSAL OF OFFER

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

on the waiting list.

4.17 APPLICANT STATUS AFTER REFUSAL OF UNIT OFFER

When an applicant rejects the offer of a unit without good cause HACSB will:

Drop the applicant's name on the waiting list by changing the date and time of application to the date of refusal.

Applicants Unable to Take Occupancy

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

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

An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing.[5]

Presence of lead paint in the unit offered when the applicant has children under the age specified by current law;

The family demonstrates to HACSB's satisfaction that accepting the offer will result in a situation where a family member's life, health or safety will be placed in jeopardy. The family must offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. The reasons offered must be specific to the family. Refusals due to the location of the unit alone are not considered to be good cause.

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

The unit is inappropriate for the applicant's disabilities.

Applicants with a Change in Family Size or Status

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

The family will take the appropriate place on the waiting list according to the tenant selection and assignment plan.

4.18 ACCEPTANCE OF UNIT OFFER

If the unit offered is refused for other reasons, HACSB will follow the applicable policy previously discussed.

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

After the family is selected from the waiting list, and prior to completing the full application.

[5] 24 CFR 945.303(d)

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

Applicants on the waiting list who will be selected in the near future will be sent a letter (see Chapter 4 Tenant Selection and Unit Assignment). The letter will notify the applicant of an application interview and request the applicant to bring all documents which verify all factors to be verified. Factors to be verified will be listed in the letter.

> Complete a Personal Declaration Form in their own handwriting, unless assistance is needed, or a request for accommodation is made by a person with a disability. Applicant will then be interviewed by HACSB staff to review the information on the full application form.
>
> HACSB interviewer will complete the full application form with answers and personal declaration form supplied by the applicant. The applicant will sign and certify that all information is complete and accurate.

Requirement to Attend Interview

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

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

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

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than 10 days from the original appointment date.

If an applicant fails to appear for their interview without prior approval of HACSB, their application will be denied unless they can provide acceptable documentation to HACSB that an emergency prevented them from calling.

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

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal hearing. (See Chapter 13 Complaints, Grievances and Appeals.)

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

Information provided by the applicant will be verified, including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full time

student status and other factors related to preferences, eligibility and rent calculation.

If HACSB determines at or after the interview that additional information or document(s) are needed, HACSB will request the document(s) or information in writing. The family will be given 7 business days to supply the information.

If the information is not supplied in this time period, HACSB will provide the family a notification of denial for assistance. (See Chapter 13 Complaints,Grievances and Appeals.)

4.19 PROCESSING APPLICATIONS

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

Income targeting (24 CFR 5.607) (Section 513 of the 1998 Act amending Section 16 of the 1937 Act)

Preference verification

Family composition and type (elderly/non elderly)

Annual Income

Assets and Asset Income

Deductions from Annual Income

Social Security Numbers of all family members

Information used in applicant screening

Citizenship or eligible immigration status

Criminal History Report

Credit and Rental History

Landlord references and Housekeeping Inspections

4.20 FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, HACSB will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by HACSB, and the tenant suitability determination (see Chapter 2 Eligibility for Admission).

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

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

Chapter 5

OCCUPANCY GUIDELINES

INTRODUCTION

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

5.1 DETERMINING UNIT SIZE

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

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

> One bedroom will generally be assigned for every two family members. HACSB will consider factors such as family characteristics including sex, age, or relationship, the number of bedrooms and size of sleeping areas or bedrooms and the overall size of the dwelling unit. Consideration will also be given for medical reasons and the presence of a live-in attendant.

GUIDELINES FOR DETERMINING BEDROOM SIZE

Bedroom Size	Persons in Household: (Minimum #)	Persons in Household: (Maximum #)
0 Bedroom	1	2
1 Bedroom	1	3
2 Bedrooms	2	5
3 Bedrooms	3	7
4 Bedrooms	4	9
5 Bedrooms	5	12
6 Bedrooms	8	13

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

HACSB may offer a family a unit that is larger than required by HACSB's occupancy standards, if the waiting list is short of families large enough to fill the vacancy or HACSB determines that the common area for the project is insufficient for accommodating any additional large families.

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

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

Person with Disability

HACSB will grant an exception upon request as a reasonable accommodation for persons with disabilities if the need is appropriately verified and meets the requirements in Chapter 1.

Other Circumstances

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

Persons cannot share a bedroom because of a need for medical equipment due to its size and/or function. Requests for a larger bedroom due to medical equipment must be verified by a doctor.

Requests based on health related reasons must be verified by two professionals (one must be a licensed medical professional).

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

All members of the family residing in the unit must be approved by HACSB. The family must obtain approval of any additional family member before the person occupies the unit except for additions by newborn births, adoption, or court-awarded custody, in which case the family must inform HACSB within 30 days.

To avoid vacancies, HACSB may provide a family with a larger unit than the occupancy standards permit. The family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is a suitable smaller unit available.

5.2 ACCESSIBLE UNITS

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

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

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

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

5.3 FAMILY MOVES

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

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

* See chapter 11 Recertifications for changes in unit size for tenants.

Chapter 6

Part I

DETERMINATION OF TOTAL TENANT PAYMENT[1]

INTRODUCTION

HACSB will use the methods as set forth in this Admissions Policy to verify and determine the family income at admission and at reexamination is correct. The accurate calculation of annual income and adjusted income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

This Chapter defines the allowable deductions from annual income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subpart F and further instructions set forth in HUD Notices, Memoranda and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation. HACSB's policies in this Chapter address those areas which allow HACSB discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

6.1 INCOME AND ALLOWANCES[2]

Income

Includes all monetary amounts that are received on behalf of the family. For purposes of calculating the TTP. HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income that is not specifically excluded in the regulations is counted.

Annual Income

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

Adjusted Income

Is defined as the annual income minus any HUD allowable expenses and deductions.

HUD has five allowable deductions from annual income:

- Dependent Allowance: $480 each for family members (other than the head, spouse or co-head) who are minors, and for family members who are 18 and older who are full-time students or who are disabled.

[1] 24 CFR 5.609, 5.611, 5.613, 5.615

[2] 24 CFR 5.609

- Elderly/Disabled Allowance: $400 per family for families whose head or spouse is 62 or over or disabled.

- Allowable unreimbursed medical expenses: For all family members of an eligible elderly/disabled family, to the extent the sum exceeds three percent of annual income.

- Child Care Expenses: Deducted for the care of children 12 and under when child care is necessary to allow an adult member to work, attend school, or actively seek employment.

- Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

6.2 DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT[3]

HACSB must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, HACSB must count the income of the spouse, co-head or the head of the household if that person is temporarily absent, even if that person is not on the lease.

Temporarily absent is defined as away from the unit for less than 90 days.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. HACSB will evaluate absences from the unit using this policy.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, HACSB will terminate assistance in accordance with appropriate termination procedures contained in this Policy.

Families are required both to notify HACSB before they move out of a unit and to give HACSB information about any family absence from the unit.

Families must notify HACSB if they are going to be absent from the unit for more than 60 consecutive calendar days**.**

If the entire family is absent from the assisted unit for more than 90 consecutive calendar days, the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit beyond 90 days with good cause (such as hospitalization), HACSB may continue assistance for a maximum not to exceed 180 calendar days.

HUD regulations require HACSB to terminate assistance if the entire family is absent from the unit

[3] 24 CFR 982.54 (d)(10), 982.317, 982.551

for a period of more than 180 consecutive calendar days.

“Absence” means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, HACSB may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Check with the Post Office

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days limit.

If the absence which resulted in termination of assistance was due to a person’s disability, and HACSB can verify that the person was unable to notify HACSB in accordance with the family’s responsibilities, and if funding is available, HACSB may reinstate the family as an accommodation if requested by the family and/or service provider.

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for three months or 180 consecutive days except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, HACSB will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive calendar days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with this policy.

Absence due to Incarceration

If the sole member is incarcerated for more than 90 consecutive calendar days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for three consecutive months or 180 days in a twelve-month period.

HACSB will determine if the reason for incarceration is for drug-related or violent criminal activity.

Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, HACSB will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than three months from the date of removal of the child/ren, the children will be considered permanently absent.

Absence of Adult

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, HACSB will treat that adult as a visitor for the first 90 calendar days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the assistance will be transferred to the caretaker.

If the appropriate agency cannot confirm the guardianship status of the caretaker, HACSB will review the status at 90 calendar day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, HACSB will secure verification from social services staff or the attorney as to the status.

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

When HACSB approves a person to reside in the unit as caretaker for the children, the income should be counted pending a final disposition. HACSB will work with the appropriate service agencies to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than three months, the person will be considered permanently absent.

If an adult family member leaves the household for any reason, the family must report the change in family composition to HACSB within 30 calendar days.

The family will be required to notify HACSB in writing within 30 calendar days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent.

The family member will be determined permanently absent if verification is provided.

Time extension will be granted as an accommodation upon request by a person with a disability.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

> Full time students who attend school away from the home and live with the family during school recess will be considered permanently absent from the household.

Visitors

Any adult not included on the HUD 50058 who has been in the unit more than fourteen consecutive calendar days, or a total of 30 calendar days in a 12-month period, will be considered to be living in the unit as an **unauthorized** household member.

- Absence of evidence of any other address will be considered verification that the visitor is a family member.
- Postal Check will be considered in making a determination.
- Statements from neighbors and/or the landlord will be considered in making the determination.
- Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.
- The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and HACSB will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 90 calendar days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 183 calendar days per year, the minor will be considered to be an eligible visitor and not a family member.

Reporting Additions to HACSB

Reporting changes in household composition to HACSB is both a HUD and an HACSB requirement.

The family obligations require the family to request HACSB approval to add any other family member as an occupant of the unit and to inform HACSB of the birth, adoption or court-awarded custody of a child. The family must request prior approval of additional household members in writing.

If the family does not obtain prior written approval from HACSB, any person the family has permitted to move in will be considered an unauthorized household member.

An interim reexamination will be conducted for any additions to the household, and a new lease and or lease addendum will be signed noting the addition of the household member.

Reporting Absences to HACSB

Reporting changes in household composition is both a HUD and a HACSB requirement.

If a family member leaves the household, the family must report this change to HACSB, in writing, within **30** calendar days of the change and certify whether the member is temporarily absent or permanently absent.

HACSB will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy.

6.3 ANTICIPATING ANNUAL INCOME

When annual income cannot be anticipated for a full twelve months, HACSB may:

- Average known sources of income that vary to compute an annual income, or
- Annualize current income and conduct an interim reexamination if income changes.

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

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

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

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

MINIMUM INCOME

There is no minimum income requirement. Families who report zero income are required to complete a written certification at least every 90 calendar days.

INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME[4]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, HACSB will calculate the income by using the following methodology and use the income figure which would result in a lower payment by the family:

- Exclude the income of the person permanently confined to the nursing home and give the family no deductions for medical expenses of the confined family member.
- Include the income and deductions of the member if his/her income goes to a family member.

[4] 24 CFR 982.54 (d)(10)

REGULAR CONTRIBUTIONS AND GIFTS[5]

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

Any contribution or gift received every two months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than $600.00 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures," for further definition.)

If the family's expenses exceed its known income, HACSB will question the family about contributions and gifts.

ALIMONY AND CHILD SUPPORT[6]

Regular alimony and child support payments are counted as income for calculation of TTP.

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

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

- HACSB receives verification from the agency responsible for enforcement or collection.
- The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

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

LUMP SUM RECEIPTS[7]

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

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

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

[5] 24 CFR 5.609
[6] 24 CFR 5.609
[7] 24 CFR 5.609

sum receipt:

- HACSB uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

- HACSB will calculate prospectively if the family reported the payment within 90 calendar days and retroactively to date of receipt if the receipt was not reported within that time frame.

- HACSB will calculate retroactively if the receipt occurred before but was not reported for last recertification.

Prospective Calculation Methodology

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

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

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

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

- The lump sum will be added in the same way for any interim that occurs prior to the next annual recertification.

If amortizing the payment over one year will cause the family to pay more than 10 % of the family's adjusted income (before the lump sum was added) for Total Tenant Payment, HACSB and family may enter into a Repayment Agreement for the balance of the amount over the 10% calculation. The beginning date for this repayment Agreement will start as soon as the one-year is over.

Retroactive Calculation Methodology

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

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

At HACSB's option, HACSB may enter into a repayment agreement with the family.

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

Attorney Fees

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

6.4 EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

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. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

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:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* 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.
- 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.[8]
- 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.

Calculation of the Disallowance

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."

HACSB defines prior income, or prequalifying income, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

Initial 12-Month Exclusion

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.

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.

[8] 24 CFR 5.603(b)

Second 12-Month Exclusion and Phase-In

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.

Lifetime Limitation

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.

During the 48-month eligibility period, HACSB 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).

6.5 BUSINESS INCOME

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.

Business Expenses

Net income is "gross income less business expense"

To determine business expenses that may be deducted from gross income, HACSB 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.

Business Expansion

HUD regulations do not permit HACSB to deduct from gross income expenses for business expansion.

Business expansion 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.

Capital Indebtedness

HUD regulations do not permit HACSB to deduct from gross income the amortization of capital indebtedness.

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means HACSB will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

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.

Withdrawal of Cash or Assets from a Business

HUD regulations require HACSB 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.

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, HACSB 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.

Co-owned Businesses

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.

6.6 ASSETS

There is no asset limitation for participation in the Public Housing program. However, HUD requires that HACSB include in annual income the "interest, dividends, and other net income of any kind from real or personal property". This section discusses how the income from various types of assets is determined. For most types of assets, HACSB must determine the value of the asset in order to compute income from the asset.

HACSB 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 HACSB 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) HACSB believes that past income is the best indicator of anticipated income.

Valuing Assets

The calculation of asset income sometimes requires HACSB to make a distinction between an asset's market value and its cash value.

- 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).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.
- 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.

Lump-Sum Receipts

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)

Imputing Income from Assets

When net family assets are $5,000 or less, HACSB 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, HACSB 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.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for HACSB 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.

Withdrawal of Cash or Liquidation of Investments

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.

Jointly Owned Assets

HUD regulation specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”

- If an asset is owned by more than one person and any family member has unrestricted access to the asset, HACSB 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, HACSB will prorate the asset according to the percentage of ownership. If no percentage is specified or

provided for by state or local law, HACSB will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value

HUD regulations require HACSB 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.

Minimum Threshold

HACSB 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 recertification's, the family may request an interim recertification to eliminate consideration of the asset(s).

- Assets placed by the family in non revocable 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.

Separation or Divorce

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.

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.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

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. HACSB may verify the value of the assets disposed of if other information available to HACSB does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero. In determining the value of a checking account, HACSB will use the average monthly balance for the last three months.

In determining the value of a savings account, HACSB will use the current balance.
In determining the anticipated income from an interest-bearing checking or savings account, HACSB will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

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

In determining the market value of an investment account, HACSB 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), HACSB will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

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.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs
- The value of a home currently being purchased with assistance under the PUBLIC HOUSING program Homeownership Option for the first 10 years after the purchase date of the home
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives
- Equity in real property when a family member's main occupation is real estate. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands

- Real property and capital assets that are part of an active business or farming operation

A family may have real property as an asset in two ways:

- Owning the property itself, and;
- 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.

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.

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 HACSB determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A *trust* 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).

Revocable Trusts

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. 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.

Nonrevocable Trusts

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.

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, HACSB must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset 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, except to the extent that it represents funds

invested in the account by the family member. The balance in the account is counted as an asset only if it remains accessible to the family member. An IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property held as an investment, HACSB will use the family's estimate of the value. HACSB may obtain an appraisal to confirm the value of the asset 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. Necessary items of personal property are not considered assets..

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

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 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.

6.7 PERIODIC PAYMENTS

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.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family.
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum

Lump-Sum Payments for the Delayed Start of a Periodic Payment

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.

When a delayed-start payment is received and reported during the period in which HACSB is processing an annual reexamination, HACSB will adjust the family share 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 HACSB

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone). HACSB 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..
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home
- Amounts received under the Low-Income Home Energy Assistance Program
- Amounts received under the Child Care and Development Block Grant Act of 1990
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments.

PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income 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.

6.8 WELFARE ASSISTANCE

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.

Sanctions Resulting in the Reduction of Welfare Benefits

HACSB must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The requirements are summarized below. This rule applies only if a family was receiving Public Housing assistance at the time the sanction was imposed.

Covered Families

The families covered 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.

Imputed Income

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, HACSB must include in annual income "imputed" welfare income. HACSB must request that the welfare agency inform HACSB when the benefits of a Public Housing participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits:

- At the expiration of the lifetime or other time limit on the payment of welfare benefits,
- 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
- Because a family member has not complied with other welfare agency requirements

Offsets

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

6.9 PERIODIC AND DETERMINABLE ALLOWANCES [9]

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.

Alimony and Child Support

HACSB must count alimony or child support amounts awarded as part of a divorce or separation agreement.

HACSB will count court-awarded amounts for alimony and child support unless HACSB 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.

Regular Contributions or Gifts

HACSB must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family. Temporary, nonrecurring, or sporadic income and gifts are not counted.

Examples of regular contributions include:

- Regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car

[9] 24 CFR 5.609(b)(7)

payments),

- Cash or other liquid assets provided to any family member on a regular basis
- "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 HACSB. For contributions that may vary from month to month (e.g., utility payments), HACSB will include an average amount based upon past history.

Chapter 6

Part II

ADJUSTED INCOME

Overview[10]

HUD regulations require HACSB 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

- $480 for each dependent;
- $400 for any elderly family or disabled family'
- The sum of the following, to the extent the sum exceeds three percent of annual income' Unreimbursed medical
- Unreimbursed medical expenses of any elderly family or disabled family;
- 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;
- Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education

Anticipating Expenses

Generally, HACSB 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), HACSB will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, HACSB 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. HACSB may require the family to provide documentation of payments made in the preceding year.

6.10 DEPENDENT DEDUCTION

A deduction of $480 is taken for each dependent. *Dependent* is defined as any family member other than the head, spouse, or co-head 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 attendants are never considered dependents.

[10] 24 CFR 5.611

6.11 ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family.[11] An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities.[12]

Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head, spouse, or co-head 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, HACSB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6.12 MEDICAL EXPENSES DEDUCTION[13]

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 co-head 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.

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Definition of *Medical Expenses*

HUD regulations define *medical expenses* 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.”

[11] 24 CFR 5.611(a)(2)
[12] 24 CFR 5.403
[13] 24 CFR 5.611(a)(3)(i)

The most current IRS Publication 502, *Medical and Dental Expenses,* will be used to determine the costs that qualify as medical expenses. **Summary of Allowable Medical Expenses from IRS Publication 502**	
Services of medical professionals Surgery and medical procedures that are necessary, legal, noncosmetic Services of medical facilities Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) Cost and continuing care of necessary service animals Medical insurance premiums or the cost of a health maintenance organization

6.13 DISABILITY ASSISTANCE EXPENSES DEDUCTION[14]

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.

Earned Income Limit on the Disability Assistance Expense Deduction

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.[15]

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.[16] The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, HACSB 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

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[14] 24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)
[15] 24 CFR 5.603(b)
[16] 24 CFR 5.611(a)(3)(ii)

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 HACSB 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.

Eligible Disability Expenses

Examples of auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to 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.

Eligible Auxiliary Apparatus

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.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

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 HACSB will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work.

6.14 CHILD CARE EXPENSE DEDUCTION[17]

HUD defines *child care expenses* at 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."

[17] 24 CFR 5.603(b)

Clarifying the Meaning of Child for This Deduction

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. 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.

Qualifying for the Child Care Deduction

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* 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).

In evaluating the family's request, HACSB 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.

Seeking Work

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 HACSB.

Furthering Education

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

Being Gainfully Employed

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.

Earned Income Limit on Child Care Expense Deduction[18]

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. The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

[18] 24 CFR 5.603(b)

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. HACSB 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

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, HACSB 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.

Chapter 6

Part III

CALCULATING INCOME BASED RENT

6.15 OVERVIEW OF INCOME-BASED RENT CALCULATIONS

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 HACSB.

TTP Formula[19]

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:

- 30 percent of the family's monthly adjusted income
- 10 percent of the family's monthly gross income
- A minimum rent of $50 which has been established by HACSB

HACSB has authority to suspend and exempt families from minimum rent when a financial hardship exists.

6.16 MINIMUM RENT

The minimum rent for HACSB is **$50.**

The Total Tenant Payment is the greater of:

30% of the adjusted monthly income

10% of the monthly income

The Minimum rent as established by HACSB

The minimum rent refers to a minimum total tenant payment and not a minimum tenant rent.

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

HACSB recognizes that in some instances even the minimum rent may create a financial hardship for families. HACSB will review all relevant circumstances brought to HACSB's attention regarding

[19] 24 CFR 5.628

financial hardship as it applies to minimum rent. The following section states HACSB's procedures and policies in regard to minimum rent financial hardship as set forth by the QHWRA.

HACSB Procedures for Notification to Families of Hardship Exceptions

HACSB will notify all participant families subject to a minimum rent of their right to request a minimum rent hardship exception under the law.

HACSB will notify all families at the annual recertification appointment of their right to request a minimum rent hardship exception.

HACSB will notify all families at time of lease up of their right to request a minimum rent hardship exception.

HACSB notification will advise the family that hardship exception determinations are subject to HACSB grievance procedures.

HACSB will review all tenant requests for exception from the minimum rent due to financial hardships.

Requests for minimum rent exception must state the family circumstances that qualify the family for an exception.

Exceptions to Minimum Rent

HACSB will immediately grant the minimum rent exception to all families who request it.

The Minimum Rent will be suspended until HACSB determines whether the hardship is:

Covered by statute

Temporary or long term

If HACSB determines that the minimum rent is not covered by statute, HACSB will impose a minimum rent including payment for minimum rent from the time of suspension.

HACSB will use its standard verification procedures to verify circumstances which have resulted in financial hardship, such as loss of employment, death in the family, etc.

HUD Criteria for Hardship Exception

In order for a family to qualify for a hardship exception the family's circumstances must fall into one of the following criteria:

The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance;

The family would be evicted as a result of the imposition of the minimum rent requirement;

The income of the family has decreased because of changed circumstances, including:

Loss of employment

Death in the family

Other circumstances as determined by HACSB or HUD

Temporary Hardship

If HACSB determines that a hardship is temporary, a minimum rent will be imposed, including back payment from time of suspension, but the family will not be evicted for nonpayment of rent during the 90-day period commencing on the date of the family's request for exemption.

HACSB defines temporary as less than 90 days**.**

Repayment Agreements for Temporary Hardship

HACSB will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period.

Minimum rent arrears that are less than $50 will be required to be paid in full the first month following the end of the minimum rent period.

HACSB will not enter into a repayment agreement that will take more than 6 months to pay off.

If the family goes into default on the repayment agreement for back rent incurred during a minimum rent period, HACSB will reevaluate the family's ability to pay the increased rent amount and:

Determine whether the family has the means to meet the obligation and, if so determined, initiate eviction proceedings for nonpayment of rent.

HACSB's policies regarding repayment agreements are further discussed in the chapter entitled "Family Debts to HACSB".

Retroactive Determination

HACSB will reimburse the family for minimum rent charges which took effect after October 21, 1998 that qualified for one of the mandatory exceptions.

If the family is owed a retroactive payment, HACSB will offset the family's future rent payments by the amount in which HACSB owes the family.

6.17 UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

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

When the Utility Allowance exceeds the family's Total Tenant Payment, HACSB will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant.

Resident-Paid Utilities

The following requirements apply to residents living in developments with resident-paid utilities or applicants being admitted to such developments:

> Paying the utility bill is the resident's obligation under the lease. Failure to pay utilities is grounds for eviction.

6.18 EXCESS UTILITY PAYMENTS

Residents in units where HACSB pays the utilities may be charged for excess utilities if additional appliances or equipment are used in the unit. This charge shall be applied as specified in the lease.[20]

6.19 PRORATED RENT FOR MIXED FAMILIES[21]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. HACSB must prorate the assistance provided to a mixed family. HACSB 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, HACSB must:

- 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.
- 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).
- Multiply the member maximum subsidy by the number of eligible family members.
- Subtract the subsidy calculated in the last step from the maximum rent. This is the prorated TTP.
- Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

Revised public housing maximum rents will be applied to a family's rent calculation at the first annual reexamination after the revision is adopted.

6.20 FAMILY CHOICE IN RENTS

Authority for Family to Select

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

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

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[20] 24CFR 966.4(b)(2)
[21] 24 CFR 5.520

Allowable Rent Structures

Flat Rents

HACSB has established, for each dwelling unit in public housing, a flat rental amount for the dwelling unit, which:

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

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

HACSB shall review the income of families paying flat rent not less than once every three years.

Income-Based Rents

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

30 percent of the family's monthly adjusted income;

10 percent of the family's monthly income; or

HACSB/s Minimum TTP of $ 50.00

Switching Rent Determination Methods Because of Hardship Circumstances

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

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

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

Such other situations as may be determined by HACSB.

The rental policy developed by HACSB encourages and rewards employment and self-sufficiency.

Annual Reexamination

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

the family indicates they choose flat rent, the form will be retained in the tenant file.

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

6.21 HACSB'S FLAT RENT METHODOLOGY

HACSB has set a flat rent for each public housing unit, based on the reasonable market value of the unit. HACSB's methodology is described in this Policy.

HACSB has adopted the following flat rents as follows:

Public Housing Development	Flat Rent
1 BR	$1,042
2 BR	$1,389
3 BR	$1,505
4 BR	$1,736
5 BR	$1,852

Chapter 7

VERIFICATION PROCEDURES[1]

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment (TTP) be verified by HACSB. HACSB staff will obtain written verification from independent sources when possible and will document participant files when third-party verifications are not possible. Applicants and program participants must furnish proof of their statements whenever required by HACSB, and the information they provide must be true and complete. HACSB's verification requirements are designed to maintain program integrity. This chapter explains HACSB's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. HACSB will ensure that proper authorization from the family is obtained before making verification inquiries.

7.1 METHODS OF VERIFICATION AND TIME ALLOWED[2]

HACSB will verify information through the five (5) methods of verification acceptable to HUD in the following order:

- **Up Front Income Verification (UIV)**

  The verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals is the preferred method of verifying family income.

- **Third-Party Written**

  HACSB may also require written third-party verification to substantiate claims made by an applicant or resident.

- **Third-Party Oral**

  HACSB may also use telephone verifications.

- **Review of Documents**

  HACSB will review documents, when relevant, to substantiate the claim of an applicant or resident.

- **Self -Certification**

  A notarized statement, affidavit, certification, or statement made under penalty of perjury, and witnessed by HACSB.

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.

HACSB will allow ten (10) days for return of third-party verifications and no more than an additional ten (10) days to obtain other types of verifications before going to the next method.

For applicants, verifications may not be more than sixty (60) days old at the time of voucher issuance. For participants, they are valid for 120 days from date of receipt.

- **Up Front Income Verification (UIV)**

[1] 24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230
[2] 24 CFR 982.516

The verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals is the preferred method of verifying family income.

Types of income that may be verified using Upfront Income Verification (UIV).

- Gross Wages and Salaries (including overtime pay, commission, fees, tips, bonuses, and other compensation for personal services.)
- Unemployment Compensation
- Welfare Benefits
- Social Security Benefits (including Federal and State benefits, Black Lung benefits, dual benefits.)
- Social Security (SS)
- Supplemental Security Income (SSI)
- Other income types (i.e., child support, pensions. etc.) should be verified using upfront income verification techniques if the resources are available.

Available Upfront Income Verification Techniques

HACSB may obtain upfront income verification through the following methods:

- Computer matching agreements with a federal state, or local government agency, or a private agency;
- Use of HUD's Tenant Assessment Sub-System (TASS); or
- Submit direct requests for income verifications to federal, state, or local government agencies or a private agency.
- HUD Systems Available for Upfront Income Verification.
- Use of HUD's Tenant Assessment Sub-System (TASS) and centralized UIV System are acceptable methods for verifying family income. HUD will announce the availability of the UIV System through issuance of a Public Housing (PIH) Notice or other appropriate means in the future.

  Note: HACSB must have a valid HUD Form 9886 signed by all household members who are 18 years of age or older in the participant's file.

Use of Third-Party Verification to Supplement Upfront Income Verification

Upfront Income Verification replaces, to a large extent, the more time consuming and less accurate third-party verification process of contacting individual employers identified by the family or reviewing outdated income verification documents. However, third-party verification may continue to be necessary to complement upfront income verification, for example, when the participant disputes the data. It should not be considered as an automatic substitute for other third-party verification, and may supplement other verification documentation, such as original, current participant provided documents.

Third-Party Verification

HACSB will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

Third-Party Written Verification

HACSB may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. HACSB will send a written request for verification to each required source within five (5) business days of securing a family's authorization for the release of the information and give the source ten (10) business days to respond in writing. If a response has not been received by the eleventh business day, HACSB will request third-party oral verification.

- HACSB will not accept verifications delivered by the family as third-party documents, except computerized printouts from appropriate agencies such as:
  - Social Security Administration
  - Veterans Administration
  - Santa Barbara County Social Services Agency
  - Unemployment Compensation Board
  - City or County Courts
  - Pharmacies for prescription drugs
  - District Attorney's Office for Child Support

Third-Party Oral Verification

HACSB will make a minimum of two (2) attempts, one (1) of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, HACSB staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided. If provided by telephone, HACSB must originate the call.

Review of Documents

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within ten (10) days, HACSB will notate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

HACSB may also review documents when necessary to help clarify information provided by third parties. In such cases HACSB will document in the file how HACSB arrived at a final conclusion about the income or expense to include in its calculations.

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

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

- Printed wage stubs
- Computer printouts from the employer
- Signed letters (provided that the information is confirmed by phone)
- Other documents noted in this chapter as acceptable verification
- HACSB will accept faxed documents.
- HACSB may accept e-mail attachments.
- HACSB may accept photocopies.

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

HACSB will not delay the processing of an application beyond thirty (30) days because a third-party information provider does not return the verification in a timely manner.

Self-Certification

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certification means a notarized statement, affidavit, certification, or statement made under penalty of perjury pursuant to the laws of the State of California, and must be witnessed by HACSB.

Self-certification will not be permitted for situations qualifying a family for a local preference, such as involuntarily displaced, substandard housing, CalWORKS program participant, and assisted living housing. Third-party certification will be required during the application process.

RELEASE OF INFORMATION[3]

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

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

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance. It is the family's obligation to supply any information requested by HACSB or HUD.

COMPUTER MATCHING

The 1988 McKinney Act legislation authorized state wage record keepers to release to both HUD and Housing Authorities information pertaining to wages and unemployment compensation. HUD conducts computer matching to independently verify resident income. HUD accesses income information and compares it to information submitted by HACSB on the

[3] 24 CFR 5.230

50058 form. If HUD receives information from federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family of the discrepancy. The family is required to disclose this information to HACSB as per 24 CFR 5.240. HUD's letter to the family will also notify the family that HUD has notified HACSB that the family has been advised to contact HACSB. HUD will send HACSB a list of families who have received "income discrepancy" letters.

When HACSB receives notification from HUD that a family has been sent an "income discrepancy" letter, HACSB will:

- Wait thirty (30) days after the date of notification before contacting participant.
- After thirty (30) days following the date of notification, HACSB will contact the participant by mail and request that within seven (7) days the family furnish any letter or other notice received from HUD concerning the amount or verification of family income. If participant fails to respond to HACSB's request to furnish any letter or other notice received from HUD, HACSB will send a final letter to the head of household giving the family seven (7) days to respond and warning of the consequences of not complying.
- HACSB will fully document any contact or correspondence in the participant's file, including a copy of the letter to the family. When the family provides the required information, HACSB will verify the accuracy of the income information received from the family, review HACSB's interim recertification policy, will identify unreported income, will charge retroactive rent as appropriate, and change the amount of rent or terminate assistance, as appropriate, based on the information.
- If the amount of overpaid subsidy owed to HACSB exceeds $1,500, HACSB may seek to terminate assistance or offer a repayment agreement for no more than $3,000. If HACSB offers a repayment agreement on a first occurrence for $3,000, the family is obligated to pay any amount in excess of $3,000 in a lump sum.

If participant claims a discrepancy letter from HUD was not received HACSB will:

- Ask HUD to send a second letter with a verified address for the participant.
- After fourteen (14) days, HACSB will contact the family.
- If the family still claims they have not received a letter, HACSB will set up a meeting with the family to complete IRS forms 4506 and 8821.
- If the family fails to meet with HACSB or will not sign the IRS forms, HACSB will send a warning letter to the head of household, notifying the family that termination proceedings will begin within one (1) week if the participant fails to meet with HACSB and/or sign forms.

If participant does receive a discrepancy letter from HUD:

- HACSB will set up a meeting with the family.
- The family must bring the original HUD discrepancy letter to HACSB.
- If the family fails to attend the meeting, HACSB will reschedule the meeting.
- If the family fails to attend the second meeting, HACSB will send a termination warning.

If participant disagrees with federal tax data contained in the HUD Discrepancy Letter:

- HACSB will ask the participant to provide documented proof that the tax data is incorrect.
- If the participant does not provide documented proof, HACSB will obtain proof to verify the federal tax data using third-party verification

ITEMS TO BE VERIFIED[4]

The following items will be verified:

- All income not specifically excluded by the regulations.
- Zero-income status of household.
- Zero-income applicants and residents will be required to complete a family expense form at each certification or recertification.
- Full-time student status including high school students who are 18 years of age or older.
- Current assets including assets disposed of for less than fair market value in the preceding 2 years.
- Child care expense when it allows an adult family member to be employed, or to actively seek work, or to further his/her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.
- Legal identity of all family members
- U.S. citizenship/eligible immigrant status
- Social security numbers for all family members six (6) years of age or older who have been issued a social security number.
- Preference status, based upon HACSB preferences.
- Marital status when needed for head or spouse definition.
- Disability for determination of preferences, allowances or deductions.
- Reduction in benefits for noncompliance. HACSB will obtain written verification from the Santa Barbara County Social Services Agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

VERIFICATION OF INCOME[5]

This section defines the methods HACSB will use to verify various types of income:

Employment Income

- Verification forms request the employer to specify the:
- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next twelve (12) months

[4] 24 CFR 982.516
[5] 24 CFR 982.516

- Year to date earnings
- Estimated income from overtime, tips, bonus pay expected during next twelve (12) months
- Acceptable methods of verification include, in this order:
- Employment verification form completed by the employer.
- Check stubs or earning statements that indicate the employee's gross pay, frequency of pay or year to date earnings.
- W-2 forms plus income tax return forms.
- Profit and loss statements, written ledgers, receipts, self-certifications and/or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.
- Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income. In cases where there are questions about the validity of information provided by the family, HACSB will require the most recent federal income tax statements. Where doubt regarding income exists,

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

Acceptable methods of verification include, in this order:

- Tenant Assessment Sub-System (TASS)
- Benefit verification form completed by agency providing the benefits.
- Award or benefit notification letters prepared and signed by the providing agency.

- Computer report electronically obtained or in hard copy.
- Bank statements for direct deposits.

Unemployment Compensation

Acceptable methods of verification include, in this order:

- Verification form completed by the unemployment compensation agency.
- Computer printouts from unemployment office stating payment dates and amounts.
- Payment stubs.

TANF Payments or General Assistance

Acceptable methods of verification include, in this order:

- HACSB verification form completed by payment provider.
- Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next twelve (12) months.
- Computer generated notice of action.
- Computer generated list of recipients from Welfare Department.

Alimony or Child Support Payments

If the family declares that it receives regular payments, verification will be sought in the following order:

- If payments are made through a state or local entity, HACSB will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.
- Copies of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- A notarized letter from the person who is paying the support.
- Copy of latest check and/or payment stubs from court trustee. HACSB must record the date, amount, and number of the check.
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide:

- A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules.
- A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
- A notarized affidavit from the family indicating the amount(s) received.
- A welfare notice of action showing amounts received by the welfare agency for child support.
- A written statement from an attorney certifying that a collection or enforcement action has been filed.

Net Income from a Business

In order to verify the net income from a business, HACSB will view IRS and financial documents from prior years and use this information to anticipate the income for the next twelve (12) months. Acceptable methods of verification include:

- IRS Form 1040, including:
- Schedule C (Small)
- Schedule E (Rental Property Income)
- Schedule F (Farm Income)
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.
- Financial statement(s) of the business.
- Credit report or loan application.
- Documents such as manifests, appointment books, casebooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.
- If no other verification method is available, HACSB may accept the family's self-certification as to net income realized from the business during previous years. The family must provide profit and loss statements, written ledgers, receipts, and/or income tax returns signed by the family.

Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), HACSB will require that the applicant/participant complete a form for each customer which indicates the following:

- name of person(s) whose child/ren are being cared for
- phone number of person(s) whose child/ren are being cared for
- number of hours child is being cared for
- method of payment (check/cash), amount paid, and signature of person

If the family has filed a tax return, the family will be required to provide it.

If childcare services have been terminated, third-party verification will be sent to the client whose child was cared for.

HACSB will conduct periodic interim reevaluations and require the participant to provide a log with the information about customers and income.

Recurring Gifts

The family must furnish a self-certification that contains the following information:

- The person who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

Zero-Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

HACSB will request information from the State Employment Development Department and the IRS.

HACSB may run a credit report if information is received that indicates the family has an unreported income source.

HACSB may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

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

Verification of Income Exclusions

HACSB will attempt third-party verification of income exclusions when possible. When third-party verification of income exclusions are not possible or practical, a review of documents or self-certification will be obtained.

Exclusions from income that must be verified and reported on the HUD Form 50058 include the following:

- Expenditures for business expansion.
- Amortization of capital indebtedness as deductions in determining net income of a business.
- Withdrawals of cash or assets from a professional or business operation if the withdrawal is a reimbursement for cash or assets invested in the operation by the family.
- Allowance for business asset depreciation, based on straight line depreciation, as provided in the Internal Revenue Service (IRS) regulations.
- Income from employment of children or foster children under eighteen (18) years old.
- Earnings in excess of $480 per year for each full-time eighteen (18) years of age or older (excluding head or household and spouse).
- Earned income disallowance.
- Amounts earned by temporary Census employees; terms of employment may not exceed 180 days for the purposes of the exclusion.
- Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by the resident for performing a service for HACSB, on a part-time basis, that enhances the quality of life in the development. No resident may receive more than one such stipend during the same period of time.
- Stipends to reimburse residents for expenses for serving as members of HACSB governing board or commission.
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

- The full amount of military pay of any family member other than the head and spouse. If other family members are away from home in the military, HACSB may remove their name from the lease and exclude their income.
- Other military pay specifically excluded by law (e.g., Desert Storm active duty).
- Income of a live-in attendant provided the person meets the definition of a live-in attendant.
- Earnings and benefits from employment training programs funded by HUD.
- Reimbursement for out-of-pocket expenses while attending a public assisted training program.
- Incremental earnings and benefits from participation in qualifying state and local employment programs.
- Payments to volunteers under the Domestic Volunteer Services Act.
- Payments received under programs funded in whole or in part under the Workforce Investment Act (WIA) (formerly known as the Job Training Partnership Act (JTPA)).
- Earnings and benefits to any family member from an employment training and supportive services program during the exclusion period. The exclusion is applicable only if the family was admitted to the qualifying program prior to October 1, 1999.
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
- Food stamps.
- Annual imputed welfare income if the family was not an assisted resident at the time of sanction.
- Non-recurring, short-term benefits under TANF assistance that:
  - Are designed to deal with a specific crisis situation or episode of need;
  - Are not intended to meet recurrent or ongoing needs; and
  - Will not extend beyond four (4) months.
  - Work subsidies under TANF assistance (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training).
- Supportive services under TANF assistance such as child care and transportation provided to families who are employed.
- Refundable earned income tax credits.
- Individual development accounts under TANF.
- Services provided under TANF assistance such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment related services that do not provide basic income support.
- Transportation benefits under TANF assistance provided under a job access or reverse commute project, pursuant to section 404(k) of The Act, to an individual who is not otherwise receiving assistance.
- Lump-sum pension benefits payable as a death benefit.

- Deferred periodic amounts from SSI benefits that the family member received in a lump-sum amount or in prospective monthly amounts.
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a plan to attain Self-Sufficiency (PASS).
- Deferred periodic amounts from social security benefits that the family member received in a lump sum amount or in prospective monthly amounts.
- Child care arranged or provided under the Child Care and Development Block Grant Act.
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
- Payments received under the Alaska Native Claims Settlement Act.
- Income derived from certain sub marginal land or the United States that is held in trust for certain Indian tribes.
- Income derived from the disposition of funds of the Grand River Band of Ottawa Indians.
- The first $2000 of per capita shares from judgment funds awarded by Indian claims.
- Payments received under the Maine Indian Claims Settlement Act of 1980.
- Payments received by Indian Claims Commission to the Confederate Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation.
- The first $2000 of income received by individual Indians derived from interests or trust or restricted land.
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the participant family, who are unable to live alone).
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses.
- Full amount of student financial assistance and paid directly to the student or to the educational institution.
- Temporary, non-recurring or sporadic income (including gifts).
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
- Adoption assistance payments in excess of $480 per adopted child.
- Refunds or rebates under state or local law for property taxes paid on dwelling unit.
- Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.
- Payments or allowances under DHHS' low-income home energy assistance program (LIHEAP).
- Federal scholarships funded under Title IV of The Higher Education Act of 1965, including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance program.

- Payments received from programs funded under Title V of the Older Americans Act of 1965.
- Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any fund established pursuant to the settlement in the In Re Agent Orange product liability litigation.
- Earned Income Tax Credit refund tax payments.
- Any allowance paid under provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is a child of a Vietnam veteran.
- Any amount of crime victim compensation that the applicant (under the Victims Crime Act) receives through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims Crime Act because of the commission of a crime against the applicant.
- Payments to volunteers under National Volunteer Antipoverty Programs such as:
    - Volunteers In Service to America (VISTA)
    - Peace Corps
    - Service Learning Program
    - Special Volunteer Programs
- Payments to volunteers under Small Business Administration Programs such as:
    - National Volunteer Program to Assist Small Businesses
    - Service Corps of Retired Executives

Full-time Student Status

Only the first $480 of the earned income of full-time students, other than head, co-head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full-time students are not counted towards family income.

Verification of full-time student status includes:

- Written verification from the registrar's office or other school official.
- School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

In order to receive the full-time student income exclusion, the family member must complete the full term of the courses verified. If the family member withdraws from the course(s) and no longer qualifies for exclusion of income, the family member must report this change within thirty (30) days.

If the family fails to report the change in status within thirty (30) days, the excluded income will be counted retroactive.

INCOME FROM ASSETS[6]

Acceptable methods of verification include, in this order:

[6] 24 CFR 982.516

- Savings account statements showing interest income and dividends
- Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification by HACSB.
- IRS Form 1099 from the financial institution, provided that HACSB must adjust the information to project earnings expected for the next twelve (12) months.
- Interest income from mortgages or similar arrangements.
- A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next twelve (12) months. A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.
- Amortization schedule showing interest for the twelve (12) months following the effective date of the certification or recertification.
- Net rental income from property owned by family
- IRS Form 1040 with Schedule E (Rental Income)
- Copies of latest rent receipt, leases, or other documentation of rent amounts.
- Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

VERIFICATION OF FAMILY ASSETS

- When the savings, checking, stock, bond, or CD balance is at or below $5,000, there is no indication of a significant prior withdrawal, and the interest paid YTD is consistent with the balance showing, HACSB will request three (3) and accept two (2), original bank statements, a letter from the banking institution, or online verification printed by HACSB, explaining balance and interest rate if applicable. When one (1) original bank statement covers two (2) or more month's worth of transactions, only one (1) bank statement will be required.
- When the savings, checking, stock, bond, or CD balance is above $5,000 HACSB will require the necessary information (as listed below) to determine the current cash value (the net amount the family would receive if the asset were converted to cash):
- Verification forms, letters, or documents from a financial institution or broker.

  When a banking institution charges a fee for verification, HACSB will accept hand-carried original bank statements (at least six (6) month's worth of transactions).

- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.
- Copies of closing documents showing the selling price and the distribution of the sales proceeds.

- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.
- Assets disposed of for less than fair market value (FMV) during two (2) years preceding effective date of certification or recertification:
- For all certifications and recertification, HACSB will obtain the family's self-certification as to whether any member has disposed of assets for less than fair market value during the two (2) years preceding the effective date of the certification or recertification.
- If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows:
- All assets disposed of for less than FMV,
- The date they were disposed
- The amount the family received,
- The market value of the assets at the time of disposition
- Third-Party verification will be obtained wherever possible.

VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME[7]

Child Care Expenses

Policies related to child care expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in this chapter. In addition, HACSB must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.
- The following methods describe the verification methods:
- Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.
- Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
- If the child care provider is an individual, the client must provide money order or cancelled check receipts for payments made to the provider.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of thirteen (13). HACSB will verify that the child being cared for (including foster children) is under the age of thirteen (13).

[7] 24 CFR 982.516

Non-reimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Medical Expenses

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of
  - the anticipated medical costs to be incurred by the family and regular payments due on medical bills;
  - the extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next twelve (12) months. A computer printout will be accepted.

For attendant care:

- A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
- Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of cancelled checks the family used to make those payments) or stubs from the agency providing the services.
- Receipts, cancelled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next twelve (12) months.
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next twelve (12) months.
- Receipts or other record of medical expenses incurred during the past twelve (12) months that can be used to anticipate future medical expenses. HACSB may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
- HACSB will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Assistance to Persons with Disabilities

In all cases:

- Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to

permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

- Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

- Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
- Certification of family and attendant and/or copies of cancelled checks family used to make payments.

Auxiliary Apparatus:

- Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
- In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

VERIFYING NON-FINANCIAL FACTORS

Verification of legal identity

In order to prevent program abuse, HACSB will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required:

- Certificate of birth
- Naturalization papers
- Church issued baptismal certificate
- Current, valid driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Company/agency identification card
- Department of Motor Vehicles identification card
- Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

Verification of Marital Status

- Divorced status will be verified by a certified copy of the divorce decree, signed by a court officer.
- Legal separation may be verified by a copy of a court order or other official record.

- Marital status will be verified by a legal marriage certificate.

Familial Relationships

- Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

Verification of relationship:

- Official identification showing names
- Birth certificates
- Baptismal certificates

Verification of guardianship:

- Court ordered assignment
- Affidavit of parent
- Verification from social service agency

Verification of Permanent Absence of family member

If an adult member who was formerly a member of the household is reported permanently absent by the family, HACSB will consider any of the following as verification:

- Husband or wife institutes divorce action. (appropriate court documentation required)
- Husband or wife institutes legal separation. (appropriate court documentation required)
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, cancelled checks for rent, driver's license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- If no other proof can be provided, HACSB will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.
- If the adult family member is incarcerated, a document from the court or prison should be obtained stating how long they will be incarcerated.

Verification of Change in Family Composition

HACSB may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school records, DMV records or U.S. Postal Services, and other sources.

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

Verification of Citizenship/Eligible Immigrant Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of

the categories specified by the regulations (as listed below) and must have their status verified by Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services. Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending unless there is a hearing pending with HACSB.

Citizens or nationals of the United States are required to sign a declaration under penalty of perjury.

Eligible immigrants who were participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. HACSB verifies the status through the Department of Homeland Security, U.S. Citizenship and Immigration Services SAVE system. If this primary verification fails to verify status, HACSB must request within ten (10) days that the DHS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration. They are listed on the statement of ineligible members.

Failure to Provide

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For participants, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except in the case of families moving to HACSB jurisdiction under portability and, if the initial housing authority does not supply the documents. HACSB must then conduct the determination.

Extensions of Time to Provide Documents

Extensions must be given for persons who declare their eligible immigration status but need time to obtain the required documents. The length of the extension shall be based on individual circumstances. HACSB will generally allow up to 90 days to provide the document or a receipt issued by the DHS for issuance of replacement documents.

Acceptable Documents of Eligible Immigration

Regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register:

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)

- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the DHS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified
- A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five (5) years.

If HACSB determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family assistance will be terminated for twenty-four (24) months, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers[8]

Social security numbers must be provided as a condition of eligibility for all family members age six (6) and over if they have been issued a number. Verification of social security numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, only the documents listed below showing his or her social security number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the social security card information provided is/are complete and accurate:

- A driver's license
- Identification card issued by a federal, state or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- An identification card issued by an employer or trade union
- An identification card issued by a medical insurance company
- Bank statements
- IRS Form 1099
- Benefit award letters from government agencies
- Retirement benefit letter
- Life insurance policies
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
- Verification of benefits or social security number from Social Security Administration

New family members ages six (6) and older will be required to produce their social security card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to HACSB.

If an applicant or participant is able to disclose the social security number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by HACSB. The applicant/participant or family member will have an additional sixty (60) calendar days to provide proof of the social security number. If they fail to provide this documentation, the family's assistance will be terminated.

[8] 24 CFR 5.216

In the case of an individual at least sixty-two (62) years of age, HACSB may grant an extension for an additional sixty (60) calendar days to a total of 120 calendar days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

Medical Need for Larger Unit

A written certification that a larger unit is necessary must be obtained from a qualified medical physician.

VERIFICATION OF LOCAL RANKING PREFERENCES

Involuntary Displacement

Families who claim they are being or have been displaced due to either a disaster or government action must provide written verification from the displacing government agency or by a service agency such as the Red Cross.

Residency Preference

In order to verify that an applicant is a resident, HACSB will require a minimum of two of the following documents: rent receipts, lease/rental agreement, utility bills, employment records, school records, drivers licenses, voters registration records, credit reports, statement from household with whom the family is residing.

For families who have been hired to work in the jurisdiction of HACSB, a statement from the employer will be required.

Unassisted Family Preference

Unassisted families will be verified by self-certification. Exceptions may be verified by internal HACSB database information.

Graduates of Transitional Housing Programs

Referral letter from the transitional housing agency.

Involuntary Displacement Due to Domestic Violence

Families who have been displaced or face imminent displacement due to domestic violence:

Written verification from a local social service agency, domestic violence shelter or other agency providing shelter and/or counseling to victims. Such verification must specify when the family's displacement occurred or is anticipated to occur, their current housing situation, and any evidence of actual or threatened violence.

The family must provide a current order of protection or recent police incident report(s).

The family must certify in writing that the abusive individual will not be permitted to move into the assisted unit for a minimum of one (1) year following the onset of housing subsidy and not without the advance written approval of HACSB. Before giving approval, HACSB will require verification of the following:

- That the family members involved have been through a counseling program and the service provider believes that reconciliation is likely.

- Statement from social worker, psychologist, or other professional familiar with the abusive individual that he/she has received counseling/treatment and is unlikely to continue the abuse.
- Statement from local law enforcement agency that no complaints have been filed since the date of the preference approval.
- Certification that the abusive individual has completed one or more of the following programs: Anger Management, Domestic Violence Counseling or Parenting Classes

Special Needs

Applicant must provide:

- Verification of disability in the form of receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) or verification by an appropriate diagnostician such as a physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.
- Written verification from Tri-Counties Regional Center, Work Training Programs, Santa Barbara County Mental Health Services (or other local public and/or private social service agency at the discretion of the Housing Authority) certifying:

  Applicant has been participating in an ongoing, long-term case management program directed at client/life stabilization for a minimum of six (6) months prior to application and that case management will continue for a minimum of twelve (12) months after housing assistance is granted.

  Applicant's need for housing due to current housing situation being unsuitable. (Rent burden does not qualify as unsuitable).

Veteran Preference

This preference is available to a active members of the U.S. Military Armed Forces, veterans, or surviving spouses of veterans.

HACSB will require U.S. government documents which indicate that the applicant qualifies under the above definition.

Veterans must be released under other than dishonorable conditions.

Terminally Ill

Applicants who have been diagnosed as terminally ill with a life expectancy of less than two years as verified in writing by a licensed physician, or similarly qualified health care provider or agency serving the health care and/or housing needs or terminally ill persons.

City Rent Rehabilitation

Referral from Santa Barbara City Rehabilitation

Exhibit 7-1: Excerpt from HUD Verification Guidance Notice (PIH 2004-01, pp. 11-14)

Upfront (UIV)	**Highest (Highly Recommended, highest level of third party verification)**
Written 3rd Party	**High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)**
Oral 3rd Party	**Medium (Mandatory if written third party verification is not available)**
Document Review	**Medium-Low (Use on provisional basis)**
Tenant Declaration	**Low (Use as a last resort)**

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Wages/Salaries	Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.	In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information.	When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
	Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information.	The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form.			
	Use of HUD systems, when available.				

Verification of Employment Income: The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.
Effective Date of Employment: The PHA should always confirm start and termination dates of employment.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Self-Employment	Not Available	The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information.	The PHA may call the source to obtain income information.	The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. **Note:** The PHA must document in the tenant file, the reason third party verification was not obtained.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Verification of Self-Employment Income: Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement.					
Social Security Benefits	Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports.	The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)**	The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)**	The PHA may accept an original SSA Notice from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Welfare Benefits	Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PHA may call the local Social Services Agency to obtain current benefit amount.	The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Child Support	Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Unemployment Benefits	Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person. Use of HUD systems, when available.	The PHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.	The PHA may call the State Wage Information Collection Agency to obtain current benefit amount.	The PHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Pensions	Use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information.	The PHA may call the pension provider to obtain current benefit amount.	The PHA may review an original benefit notice from the pension provider provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Assets	Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.	The PHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information.	The PHA may call the source to obtain asset and asset income information.	The PHA may review original documents provided by the tenant. **Note: The PHA must document in the tenant file, the reason third party verification was not available.**	The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. **Note: The PHA must document in the tenant file, the reason third party verification was not available.**
Comments	Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review.	**Note:** The independent source completes the form and returns the form directly to the PHA. Agency. The tenant should not hand carry documents to or from the independent source.	The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount.		The PHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful. **Notarized statement should include a perjury penalty statement.**

Note: The PHA must not pass verification costs along to the participant.

Note: In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies.)

Exhibit 7-2: Summary of Documentation Requirements for Non-citizens
[HCV GB, pp. 5-9 and 5-10]

<table>
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- All non-citizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to HACSB.
- Except for persons 62 or older, all non-citizens must sign a verification consent form
- Additional documents are required based upon the person's status.

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Elderly Non-citizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

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All other Non-citizens

- Non-citizens that claim eligible immigration status also must present the applicable BCIS document. Acceptable BCIS documents are listed below.

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- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - “Admitted as a Refugee Pursuant to Section 207”
  - “Section 208” or “Asylum”
  - “Section 243(h)” or “Deportation stayed by Attorney General”
  - “Paroled Pursuant to Section 221 (d)(5) of the BCIS”

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- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a BCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a BCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

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- Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

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- Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.

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- A receipt issued by the BCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the BCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register

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Chapter 8

TRANSFER POLICY

INTRODUCTION

The transferring of families is a very costly procedure, both to HACSB and to the families. However, it is the policy of HACSB to permit a resident to transfer within or between housing developments; when it is necessary to comply with occupancy standards; or when it will help accomplish the Affirmative Housing goals of HACSB.

8.1 GENERAL STATEMENT

HACSB may require a tenant family to move from a unit under some circumstances.

A tenant may also request a transfer, and such requests will be reviewed on a case by case basis. This chapter explains HACSB's specific policies in respect to transfers and acceptable transfer requests.

Emergency Transfers

Emergency transfers differ from typical transfers in that they require immediate action by HACSB.

If the dwelling unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, HACSB will offer standard alternative accommodations, if available, where the necessary repairs cannot be made within a reasonable time. 24 CFR 966.4(h)

HACSB will authorize an emergency transfer for a family if one of the following conditions occurs:

The resident's unit has been damaged by fire, flood, or other causes to such a degree that the unit is not habitable, provided the damage was not the result of an intentional act on the part of the resident or a member of the resident's household.

The resident's unit has been damaged by fire, flood or other causes to such a degree that the unit is not habitable, provided that, although the damage was a result of carelessness or negligence of the resident or a member of the resident's household, the resident has, in writing, accepted the responsibility for such damage and has agreed to make restitution to HACSB for the expense of repairing such damage.

Mandatory Transfers

Mandatory transfers that HACSB may require are, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, or emergency transfers as previously discussed.

Occupancy Standards Transfers

HACSB will require a resident to move upon completion of an annual or interim reexamination which indicates that there has been a change in family composition, and the family is either overcrowded or over-housed according to HACSB occupancy policy.

For purposes of this policy overcrowded and over-housed are defined as follows:

> *Under-Housed*: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to HACSB's occupancy standards in Chapter 5 of this policy

Over-Housed: the family no longer qualifies for the bedroom size in which they are living based on HACSB's occupancy standards in chapter 5 of this policy.

A family that is required to move because of family size will be advised by HACSB that a transfer is necessary and that the family has been placed on the transfer list.

Transfers to Make an Accessible Unit Available

When a family is residing in an accessible unit but does not require the accessible features, HACSB may require the family to move when a non-accessible unit becomes available. HACSB may wait until there is a disabled resident requiring the accessible feature before requiring the transfer of the family that does not require the accessible unit.

Transfers Requested by Tenants

The types of requests for transfers that HACSB will consider are limited to requests for transfers to alleviate a serious or life threatening medical condition, transfers due to a threat of physical harm or criminal activity, reasonable accommodation, and transfers to a different unit size as long as the family qualifies for the unit according to HACSB's occupancy standards. Transfer requests will be considered by HACSB on a case by case basis.

HACSB will consider the following as high priority transfer requests:

When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature

When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at HACSB's discretion, include an assessment by law enforcement indicating that a family member is the actual or potential victim of a criminal attack, retaliation for testimony, a hate crime, or domestic violence, dating violence, sexual assault, or stalking.

When a family requests a transfer as a reasonable accommodation. Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features

HACSB will consider the following as regular priority transfer request:

When a family requests a larger bedroom size unit even though the family does not meet HACSB's definition of overcrowded, as long as the family meets HACSB's occupancy standards for the requested size unit

If a family requests addition of a household member that would result in the family being under-housed, the family may not be permitted to move the new household member in prior to:

HACSB approval based on eligibility and suitability, and

Transfer into unit of appropriate size as per occupancy standards in Chapter 5.

Transfers requested by the tenant are considered optional for the tenant.

Transfers Under Special Circumstances

HACSB will authorize transfers under special circumstances for a participant family if one of the following conditions occurs:

The resident's unit is being modernized or significantly remodeled. In such cases the family may only be offered temporary relocation and may be allowed to return to their unit once rehabilitation is complete.

HACSB has a need, at the discretion of the Director of Housing Management to transfer the resident family to another unit and the resident voluntarily agrees to such transfer.

Transfers Within the Same Development

HACSB does not allow residents to transfer from one unit to another within the same development, unless it is needed as a reasonable request as an accommodation for a family with a member with a disability.

This policy of not transferring is not to be confused with the provision of the lease, which requires the resident, at the request of management, to move to an appropriate size unit.

8.2 ELIGIBILITY FOR TRANSFER

Transferring residents do not have to meet the admission eligibility requirements pertaining to income or preference. However, HACSB may establish other standards for considering a transfer request.

Except where reasonable accommodation is being requested, HACSB will only consider transfer requests from residents that meet the following requirements:

Have not engaged in criminal activity that threatens the health and safety or residents and staff

Owe no back rent or other charges, or have a pattern of late payment

Have no housekeeping lease violations or history of damaging property

Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities)

A resident with housekeeping violations will not be transferred until the resident passes a follow-up housekeeping inspection.

Exceptions to the good record requirement may be made when it is to HACSB's advantage to make the transfer.

Moving Costs

The resident, except when the transfer is due to inhabitability, through no fault of the resident, or the need of HACSB, will pay all moving costs related to the transfer.

Security Deposits

Security deposits will always be transferred from the current unit to the new unit minus any damage or cleaning charges applicable to the vacated unit.

HACSB may require a new security deposit from all families upon transfer based on current TTP.

If a new deposit will create a financial hardship for the family HACSB will enter into a repayment agreement with the family. Any unused portion of the deposit from the family's current unit will be applied to the balance on the new security deposit and the family will be required to fulfill the remaining portion of the repayment agreement until the security deposit on the new unit has been paid in full.

8.3 TRANSFER REQUEST PROCEDURE

Residents applying for a transfer will be interviewed by the housing management staff to determine the reason for the request and to determine whether a transfer is justified.

Mandatory transfers due to occupancy standards will be maintained on the transfer log in a manner that allows HACSB to easily distinguish between those that are not mandatory.

If HACSB determines that a transfer is justified it will place the family on transfer log the family will be sent a letter stating that their name has been placed on the transfer log. If the request is determined not to be justified HACSB will respond by denying the request, or by requesting additional information or documentation from the family.

The resident will be informed of the new rent and security deposit at time the transfer notice is mailed.

If the family declines the transfer for a good cause their name may remain on the transfer log for the next appropriate sized unit.

If the family declines the unit without good cause the family will be removed from the transfer log and HACSB will not be obligated to offer any further transfers.

TRANSFER LIST

HACSB maintains a centralized transfer list to ensure that transfers are processed in the correct order.

Emergency transfers will be given priority on the transfer list; if a an appropriate unit is available they will be handled immediately.

Transfers will be processed in the following order:

- Emergency Transfers
- High-priority transfers (Medical Hardship, Reasonable accommodation)
- Occupancy Standards (over-housed or under-housed)
- All other reasons

Within the above categories transfers will be processed based on the time and date that a family was placed on the transfer list.

In order to address the immediate need of a family in crisis, on a case by case basis with the approval of the Director of Housing Management, a transfer of a family may be made without regard to its placement on the transfer list.

8.4 OFFER POLICY

Residents will receive one offer of a transfer. When the transfer is required by HACSB, refusal of that offer without good cause will result in lease termination. When the transfer has been requested by the resident, refusal of an offer without good cause will result in the removal of the household from the transfer list.

Good Cause for Unit Refusal

Examples of good cause for refusal of a unit offer are as follows:

- Demonstration by the family that accepting the offer would place a family or family member's life, health or safety in jeopardy. Reasons must be specific to the family. Compelling documentation such as court orders or restraining orders will be requested. Refusals due to the location of the unit alone are not considered to be good cause;
- Presence of lead paint in the unit offered when the applicant has children under the age specified by current law;
- A qualified, knowledgeable, health professional verifies temporary hospitalization or recovery from an illness of the principal household member, other household member, or a live in attendant; or
- The unit is inappropriate for the resident's disabilities.

Documentation will be required for unit refusals for good cause.

8.5 RENT ADJUSTMENTS OF TRANSFERRED RESIDENTS

A resident family will pay the same TTP at the new unit as the family paid at the vacating unit; unless move is a result of a change of family composition in which case the TTP will be recalculated based on verified income, assets, and allowances to include that of new household members, or exclude that of members being removed.

8.6 REEXAMINATION DATE

The date of the transfer does not change the reexamination date.

8.7 TIME FRAME FOR MOVES

Families will be given reasonable time (Up to 7 days) to move without incurring double rent.

Chapter 9

LEASING AND INSPECTIONS[1]

INTRODUCTION

It is HACSB's policy that all units must be occupied pursuant to a dwelling lease agreement that complies with Federal, State, and local law as well as HUD regulations.[2] This Chapter describes pre-leasing activities and HACSB's policies pertaining to lease execution, lease modification, security deposits, other charges, and policies for inspecting dwelling units.

An eligible family may occupy a Public Housing unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable State and local laws and codes.

The term of the lease will be for a period of 12 months, and will be renewed automatically for another 12-month term, except in cases where the family is in violation of the lease.

9.1 LEASE ORIENTATION

After acceptance of a unit and prior to occupancy an HACSB representative will provide a lease orientation to the family.

The orientation will be provided at the time the lease is signed.

Orientation Agenda

When families attend the lease orientation, they will be provided with:

- A copy of HACSB's lease and grievance procedure
- A copy of the House Rules
- HACSB's Parking Resolution
- Earthquake and Fire preparedness
- HACSB's Pet policy
- HACSB's current Schedule of Maintenance Charges
- Move-in condition report
- Rent Payment Book
- HACSB's Drug Free Addendum
- Move-in Instructions
- Preventative maintenance handbook

Topics to be discussed will include, but are not limited to:

- Applicable deposits and other charges
- Provisions of the Lease
- Unit maintenance and work orders
- Parking Permits
- Reporting Requirements
- Community Service Requirements

[1] 24 CFR 966.4
[2] 24 CFR Part 966

- Pet Policy

9.2 EXECUTION OF LEASE

The lease shall be executed by the head of household, spouse, co-head and all other adult members of the household, and by an authorized representative of HACSB, prior to admission.

An appointment will be scheduled for the parties to execute the lease. One executed copy of the lease will be given to the tenant; the second copy will be retained in the tenant's file. The lease is incorporated into this policy by reference. The lease document will reflect current HACSB policies as well as applicable Federal, State and local law.

The following provisions govern lease execution and amendments:

- A lease is executed at the time of admission for all new tenants.
- A new lease is executed at the time of the transfer of a tenant from HACSB unit to another (with no change in reexamination date).
- Lease signers must be persons legally eligible to execute contracts. If no member of the household is qualified to sign a lease, a legal guardian may co-sign the lease, subject to HACSB approval.
- The names of all household members are listed on the lease at initial occupancy and on the Application for Continued Occupancy each subsequent year. Only those persons listed on the most recent certification shall be permitted to occupy a dwelling unit.
- Changes to tenant rents are made upon the preparation and execution of an "Amendment to Residential Lease" by HACSB, which becomes an attachment to the lease. Documentation will be included in the tenant file to support proper notice.
- Households that include a live-in attendant are required to execute an agreement for residence of the attendant, authorizing the arrangement and describing the status of the attendant.
- Households that include a live-in attendant will contain file documentation signed by the live-in attendant, indicating that the live-in attendant is not a party to the lease and is not entitled to HACSB assistance, with the exception of occupancy while serving as the attendant for a disabled/elderly family member.

HACSB may modify its form of lease from time to time, giving tenants an opportunity to comment on proposed changes and advance notice of the implementation of any changes. A tenant's refusal to accept permissible and reasonable lease modifications, or those modifications required by HUD, is grounds for termination of tenancy.

9.3 MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and HACSB.

Modifications to the Lease Form

HASCB may modify its lease form time to time. However, HACSB must give residents 30 days advance notice of the proposed changes and an opportunity to comment on the changes. HACSB will consider any comments before formally adopting the new lease.

After the proposed changes have been incorporated into the lease and approved by HACSB's Board of Commissioners, each tenant family will be notified at least 60 days in advance of the effective date of the new lease. Refusal on behalf of the family to sign the new lease is grounds for termination of tenancy.

Schedules of special charges and rules and regulations are subject to modification or revision. As these schedules are incorporated into the lease by reference tenants will be provided at least 30 days written notice of the reason(s) for any proposed modifications or revisions, and they will be given an opportunity to present written comments. Comments will be taken into consideration before any proposed modifications or revisions become effective.

A copy of such notice shall be posted in the central office, as well as notice that residents have the right to review the document before implementation.

After the proposed revisions become effective they will be publicly posted in a conspicuous manner in HACSB mail office and will be provided to applicants and tenants upon request.

Other Lease Modifications

Addition of Household Members[3]

Requests for the addition of a new member of the household must be approved by HACSB, prior to the actual move-in by the proposed new member.

Following receipt of a family's request for approval, HACSB will conduct a pre-admission screening, including the Criminal History and Credit Reports, of the proposed new member. Only those new members approved by HACSB will be added to the household.

Factors determining household additions:

- Addition by marriage
- Foster Children
- Addition of a minor who is a member of the nuclear family who had been living elsewhere.
- Addition of an HACSB-approved live-in attendant.
- Resident desires to add a new family member to the lease, employ a live-in attendant, or take in a foster child(ren).

Factors determining household additions which are not subject to screening:

- Additions resulting from birth of a child, adoption or court-awarded custody. (17 and younger only)
- Children born to a family member or whom a family member legally adopts.

Factors determining household additions which may be subject to screening, depending on HACSB discretion:

- Children 17 and under for whom juvenile justice records are made available, who are added through the foster care program are not exempt from the pre-screening process.

3 24 CFR 966.4

HACSB will request that Public Housing tenants provide HACSB with a signed consent form from the parent(s) or legal guardian allowing HACSB to check the juvenile records of the child. Sources to be checked may include any of the following:

- School Records (attendance/behavior)
- Juvenile Probation/Court Records
- Police Records

The addition of a family member that will affect the bedroom size required by the family, per HACSB occupancy standards, may not be approved by HACSB. This is applicable only in such cases where the addition is not the result of birth, adoption, court awarded custody, or marriage.

HACSB will may approve the addition of a family consisting of more than one member to the lease. Such applicants will be encouraged to apply to the waiting list.

Residents who fail to notify HACSB of additions to the household, or who permit persons to join the household without undergoing screening, are in violation of the lease. Such persons are considered to be unauthorized occupants by HACSB, and the entire household will be subject to eviction.[4]

Family members age 18 and over who move from the dwelling unit to establish new households shall be removed from the lease. The tenant must notify HACSB of the move-out within 30 days of its occurrence.

These individuals may not be readmitted to the unit and must apply as a new applicant for placement on the waiting list.

The resident may not allow visitors to stay overnight more than 14 days in a twelve month period.

The family must request HACSB written approval prior to visitors arriving who will be in the unit in excess of 14 days in a year.

Boarders and lodgers are not permitted to occupy a dwelling unit, nor are they permitted to move in with any family occupying a dwelling unit.

Residents are not permitted to allow a former tenant of HACSB who has been evicted to occupy the unit for any period of time.

Residents must advise HACSB when they will be absent from the unit for more than 14 days and provide a means for HACSB to contact the resident in the event of an emergency. Failure to advise HACSB of extended absences is grounds for termination of the lease.

Removal of Household Members

4 24 CFR 966.4(f)(3)

If any member of the household ceases to reside in the unit, the lease will be amended in writing, by an Amendment to the Residential Lease Agreement Change of Household Composition. This amendment will list the name, birth date, and relationship to the head of household of the person being removed from the household, and will require the signature of all adult household members.

9.4 UTILITY SERVICES

Tenants responsible for direct payment of utilities must abide by any and all regulations of the specific utility company, including regulations pertaining to advance payments of deposits.

Failure to maintain utility services during tenancy is a lease violation and grounds for eviction.

When applicable, families will be charged for excess utility usage according to HACSB current schedule. Notices of excess utility charges will be mailed out to families on a monthly basis. Non-payment of excess utility charge payments to HACSB is a violation of the lease and is grounds for eviction.

9.5 SECURITY DEPOSITS

Security Deposit

New tenants must pay a security deposit to HACSB at the time of admission. The amount of the security deposit shall be equal to one month's rent or the reasonable fixed amounts as outlined in Appendix 4 of this policy.

HACSB may permit installment payments of security deposits when a new tenant demonstrates a financial hardship to the satisfaction of HACSB. In such cases new tenant will be required to sign a promissory note with HACSB, and will be allowed no more than 6 months to pay off the balance in full.

HACSB will hold the security deposit for the period the tenant occupies the unit.

HACSB will refund to the tenant the amount of the security deposit, less any amount needed to pay the cost of:

- Unpaid Rent;
- Damages listed on the Move-Out Inspection Report that exceed normal wear and tear; and, or
- Other charges under the Lease.

HACSB will refund the security deposit less any amounts owed, in the amount and manner established by California Civil code §195.5. The security deposit and tenant's notification of charges withheld will be mailed to the tenant's new address.

Pet Deposit

Upon removal of the pet or the owner from the unit HACSB will refund the pet deposit to the tenant, less any charges for damage caused by the pet to the dwelling unit.

HACSB will return the pet deposit and or security deposit to the former tenant or in the event of death to the estate of the tenant.

HACSB will place the pet deposit in an escrow account and refund unused portion of the deposit and any accrued interest within a reasonable time.

HACSB will provide the tenant with a written list of any charges against the security or pet deposits. If the tenant disagrees with the amount charged to the security or pet deposits, HACSB will provide a meeting to discuss the charges.

The resident must leave the dwelling unit in a clean and undamaged (beyond normal wear and tear) condition and must furnish a forwarding address to HACSB. All keys to the unit must be returned to the Management upon vacating the unit.

HACSB will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

If the tenant transfers to another unit, HACSB will transfer the security deposit, less damages for the old unit to the new unit. The Security Deposit will be adjusted according to the lower of the current information regarding TTP or Appendix 4.

9.6 RENT PAYMENTS

The family must pay the amount of the monthly tenant rent determined by HACSB in accordance with HUD regulation. The tenant rent is due and payable at HACSB-designated locations on the 1st of every month. If the first falls on a weekend or a holiday, the rent is due and payable on the first business day thereafter.

If HACSB does not receive payment by the agreed-upon date, a delinquent rent notice will be sent.

9.7 FEES AND NONPAYMENT PENALTIES

If the tenant fails to make full payment by the 5th day of the month, a 14 day Notice to Terminate Tenancy will be issued to the tenant for failure to pay rent, demanding payment in full or the surrender of the premises.

In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, HACSB may charge a late fee of $25.00. All charges are due and payable 14 calendar days after billing. If the tenant can document financial hardship, the late fee may be waived at HACSB's discretion on a case by case basis.

HACSB will always consider the rent unpaid when a check is returned as Non-Sufficient Funds (NSF) or a check is written on a closed account.

9.8 CANCELLATION OF THE LEASE

Cancellation of the tenant's lease is to be in accordance with the provisions contained in the lease agreement and as stated in this policy.

9.9 INSPECTIONS OF PUBLIC HOUSING UNITS

HUD rules require that HACSB inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy.

Initial Inspections

HACSB and the family must inspect the premises prior to occupancy of the unit in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by HACSB and the tenant, will be kept in the tenant file.

The head, co-head, or spouse will sign the inspection form.

Vacate Inspections

HACSB's Property Development Department (P&D) will perform a move-out inspection when the family vacates the unit. The family will be allowed to participate in this inspection if they desire, unless the tenant vacated without proper notice.

The purpose of this inspection is to determine necessary maintenance and whether there are damages that exceed normal wear and tear. HACSB will determine if there are tenant caused damages to the unit. Tenant caused damages may affect part or all of the family's security deposit. The difference between the condition of the unit at move-in and move-out shall establish the basis for any charges against the security deposit.

The move-out inspection also assists HACSB in determining the time and extent of the preparation and repairs necessary to make the unit ready for the next tenant.

Residents are encouraged to participate in the move-out inspection.

Annual Inspections

HACSB will inspect all units annually using HUD's minimum Housing Quality Standards (HQS) as a guideline.

Residents who "fail" the inspection due to housekeeping or tenant-caused damages will be given 30 days to correct noted items. Another inspection will be conducted after the 30 days have elapsed to ensure proper compliance.

Residents will be issued a copy of the inspection report with required corrections.

If it is determined that there are needed repairs to bring the unit into HQS compliance, repairs will be completed by HACSB.

All inspections will include a check of all smoke alarms to ensure proper working order.

Inspection report will indicate whether required corrections are to be charged to the resident or covered by HACSB.

Required corrections will be repaired by HACSB within 30 days of the inspection date.

Resident will be notified at least two days before the date of the required repairs will be completed.

Damages beyond "normal wear and tear" will be billed to the tenant.

Residents who repeatedly "fail" the inspection or cause excessive damage to the unit may be in violation of their lease. These residents will be scheduled for a lease violation conference.

Quality Control Inspections

The Housing Management staff will conduct periodic quality control inspections to determine the condition of the unit and to identify problems or issues in which HACSB can be of service to the family.

HACSB Inspection staff will conduct quality control inspections on 5% of HACSB's public housing units annually.

The purpose of these quality control inspections is to assure that all defects were identified and that all repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame.

Special Inspections

The Property and Development Department may request the Housing Management staff to conduct a special inspection for any of the following:

- Housekeeping,
- Unit condition, or
- Suspected lease violation.

HUD representatives or local government officials may review HACSB operations periodically and as a part of their monitoring may inspect a sampling of HACSB's inventory.

Other Inspections

The Property and Development department staff will periodically conduct walk-through inspections to determine whether there may be lease violations, adverse conditions or local code violations.

Playground inspections are conducted regularly to determine playground safety.

Building exterior and grounds inspections are conducted at all Public Housing properties to determine hazardous conditions as well as to assist in budget preparation.

Emergency Inspections

HACSB staff including HACSB inspectors may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, HACSB will leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

ENTRY OF PREMISES NOTICES

HACSB may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing.

Non-Emergency Entries

HACSB will give at least 48 hour written notice for non-emergency inspections. Non-emergency entries to the unit will be made during reasonable hours of the day.

For regular annual inspections, families will receive 2 weeks written notice of the date and time of inspection to allow the family to prepare the unit for inspection.

An adult household member must be present in the unit during the inspection and may be required to show identification.

If no person is at home, the inspector will not enter the unit. The inspection will be rescheduled and administrative fees may be charged to the resident.

Cancellation will only be made for emergency purposes.

HACSB will reschedule the inspection no more than once unless the resident has a verifiable medical reason which has hindered the inspection. HACSB may request verification.

All rescheduling for non-emergency reasons must be done at least 5 business days prior to the inspection, or an administration fee may be charged to the resident.

Entry for repairs to the unit requested by the family will not require prior written notice, as permission will be requested over the phone at the time the resident requests the repair. If no one

is in the unit, staff will leave a written notice to the resident explaining the reason the unit was entered and the date and time.

Non-Inspection Emergency Entry

HACSB staff will allow access to the unit to proper authorities when issues of health or safety of the tenant are concerned.

Family Responsibility to Allow Inspection

HACSB must be allowed to inspect the unit at reasonable times with reasonable notice. Twenty-four hour written notice will be considered reasonable in all cases.

The resident is notified of the inspection appointment by mail.

If the resident refuses to allow the inspection, the resident will be in violation of the lease.

INSPECTION RESULTS

HACSB is obligated to maintain dwelling units and public housing complexes in decent, safe, and sanitary condition and to make necessary repairs to dwelling units.[5]

Emergency Repairs to be Completed in Less than 24 Hours[6]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must notify HACSB of the damage immediately, and HACSB must make the repairs or otherwise abate the situation within 24 hours.

The following are considered emergency in nature:

Broken lock which affects unit security

Broken window glass which affects unit security, is a cutting hazard, or occurs within inclement weather (to be secured or abated)

Plumbing leaks which have the capacity to create flooding or cause damage to the unit

Natural gas leaks or smell of fumes

Backed-up sewage

Electrical hazard

Any condition that would pose an immediate threat of life or safety as determined by HACSB.

Inoperable HACSB-owned heater (seasonal)

Inoperable smoke detectors will be treated as a 24-hour emergency and will be made operable by HACSB if the smoke detector is in need of repair.

Residents who disengage smoke detectors for convenience purposes will be cited. (See "Housekeeping Citations" below)

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5 24 CFR 966.4(e)
6 24CFR 966.4 (h)

Housekeeping Citations

Residents who fail an inspection due to housekeeping habits that pose a non-emergency health or safety risk, or encourage insect or rodent infestation will be issued a Housekeeping Citation, and a re-inspection will be conducted by Housing Management staff or the Home Care Coordinator within 30 days.

The inspection will be conducted to confirm that the resident has complied with the requirement to abate the problem. If the family fails to comply with the re-inspection it can result in lease termination.

Tenant Damages

Repeated failed inspections or damages to the unit beyond normal wear and tear may constitute serious or repeated lease violations.

"Beyond normal wear and tear" is defined as items which could be charged against the tenant's security deposit under state law or court practice. Tenant caused damages will be billed to the tenant in accordance with this policy.

Chapter 10

PET POLICY[1]

INTRODUCTION

The Housing Authority of the City of Santa Barbara (HACSB) has the discretion to decide when and how the keeping of pets will be allowed in Public Housing units governed by this document. This Chapter explains HACSB's policies on the keeping of pets in HUD Assisted Public Housing and sets forth the criteria and standards pertaining thereto. In approving this policy, the Housing Authority Commission finds that the following rules are reasonably related to the legitimate interest of HACSB to provide a decent, safe, and sanitary living environment for all tenants, to protecting and preserving the physical condition of HACSB property, and to the financial interest of HACSB.

Under no circumstances shall any animal (including reptile, fish, arachnid, etc.) be brought on to Housing Authority property or be kept on Housing Authority property if such animal is classified as "dangerous" or "endangered" as defined by Federal, State, or local law.

10.1 ASSISTANCE ANIMALS

Assistance animals are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals – often referred to as "service animals," "assistive animals," "support animals," or "therapy animals" – perform many disability-related functions, including but not limited to the following:

- Guiding individuals who are blind or have low vision
- Alerting individuals who are deaf or hearing impaired
- Providing minimal protection or rescue assistance
- Pulling a wheelchair
- Fetching items
- Alerting persons to impending seizures
- Providing emotional support to persons with disabilities who have a disability-related need for such support

APPROVAL OF ASSISTANCE ANIMALS

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal.

HACSB will not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners

[1] 24 CFR 5.309

themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability.

HACSB's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation; or
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others.

HACSB has the authority to regulate assistance animals under applicable Federal, State, and local law.[2]

For an animal to be excluded from the pet policy and be considered an assistance animal, there must be a person with disabilities in the household, and the family must request and HACSB must approve a reasonable accommodation in accordance with this policy.

CARE AND HANDLING

HUD regulations do not affect any authority HACSB may have to regulate assistance animals under Federal, State, and local law.[3]

Residents must care for assistance animals in a manner that complies with State and local laws, including anti-cruelty laws, as well as the pet rules and policies outlined in this Chapter.

Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of an assistance animal violates these policies, HACSB will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If HACSB determines that no such accommodation can be made, HACSB may withdraw the approval of a particular assistance animal.

10.2 MANAGEMENT APPROVAL OF PETS

Residents must submit their request for a pet in writing and enter into a Pet Agreement with HACSB. All pets must be approved in advance and registered with HACSB management before they are brought onto the premises.

[2] 24 CFR 5.303(b)(3); 960.705(b)(3)
[3] 24 CFR 5.303; 24 CFR 960.705

REGISTRATION OF PETS

Pet registration includes:

- Current license for the pet in compliance with local ordinances and requirements.
- Certificate signed by a licensed veterinarian or State/local authority that the pet has received all inoculations required by State or local law, and that the pet has no communicable disease(s) and is pest-free.
- Dogs and cats must be spayed or neutered unless, a veterinarian certifies that health problems prevent the dog or cat from being spayed or neutered. (If the animal is too young, residents must agree to have them spayed or neutered when they reach a suitable age. If such animals are not spayed or neutered and have offspring, residents will be in violation of the pet policy.)
- Execution of a Pet Agreement with HACSB stating that the resident acknowledges complete responsibility for the care and cleaning of the pet.
- Registration must be renewed and will be coordinated with the resident's annual re-certification date. Proof of license and inoculation will be submitted at least 30 days prior to the Annual reexamination/re-certification.

Approval for the keeping of a pet shall not be extended pending the completion these requirements.

REFUSAL TO REGISTER PETS

If HACSB refuses to register a pet, a written notification will be sent to the pet owner stating the reason for denial and shall be served in accordance with HUD notice requirements. The notice of refusal may be combined with a notice of a pet violation.

HACSB will refuse to register a pet if:

- The pet is not a *common household pet* as defined by this policy;
- Keeping the pet would violate any HACSB house or pet rules;
- The pet owner fails to provide complete pet registration information, or fails to update the registration annually;
- HACSB reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

A resident who cares for another resident's pet must notify HACSB and agree to abide by all of the pet rules in writing.

10.3 STANDARDS FOR PETS

In no event shall the allowed number of pets in a given unit exceed one (1) pet. In the case of certain caged animals, HACSB has chosen to consider two (2) of the same type of caged pet one (1) pet for the purpose of this policy. These exceptions are as follows:

- Two caged birds = 1 pet
- Two caged rodents = 1 pet
- Two caged reptiles = 1 pet
- Fish aquarium sized from 15 gallons to a maximum of 25 gallons = 1 pet

Note: In no event shall an aquarium of 25 gallons or larger be allowed

Note: Each dog, cat, caged animal and aquarium shall require a pet deposit as defined under in this policy.

Under no circumstance shall more than one dog, one cat or a combination of a one dog and one cat be permitted.

10.4 TYPES OF PETS ALLOWED (COMMON HOUSEHOLD PETS)

A ***common household*** pet means a domesticated animal, such as a dog, cat, bird, or this that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following are the types of pets that will be allowed:

Dogs (Pit Bulls, Rotwiellers, Dobermans, Chows, or any dog containing one half blood of these breeds will not be allowed under any circumstances)

- Maximum number: one (1)
- Maximum adult weight: 35 pounds (HACSB may approve larger dogs if deemed appropriate for the dwelling)
- Must be housebroken
- Must be spayed or neutered
- Must have all required inoculations
- Must be licensed as specified now or in the future by State law and local ordinance

Cats

- Maximum number: one (1)
- Must be spayed or neutered
- Must have all required inoculations
- Must be trained to use a litter box or other waste receptacle
- Must be licensed as specified now or in the future by State law or local ordinance

Birds

- Maximum number: two (2)
- Must be enclosed in an acceptable and appropriately sized cage at all times.

Fish

- Maximum aquarium size: 25 gallons
- Must be maintained on an approved stand to be approved by HACSB management
- Must be on a ground floor (not allowed on upper stories)

Note: Aquariums sized less than 15 gallons shall not be defined as a pet and will not require a pet deposit

Rodents (Rabbits, guinea pigs, hamsters, domestic rats, domestic mice, or gerbils ONLY)

- Maximum number: two (2)
- Must be enclosed in an acceptable and appropriately sized cage at all times
- Must have any or all inoculations as specified now or in the future by State law or local ordinance

Reptiles

- Maximum number: two (2)
- Maximum weight: 10lbs.
- Must be enclosed in an acceptable and appropriately sized cage or container at all times

Any pet not specifically listed above must get Housing Authority Management's written approval.

10.5 PETS TEMPORARILY ON THE PREMISES

Pets which are not owned by a resident will not be allowed. Residents are prohibited from feeding or harboring stray animals.

PET RULES

Pet owners must maintain pets responsibility, in accordance with HACSB policies, and incompliance with applicable state and local public health, animal control, and animal cruelty laws And regulations.[4]

[4] 24CFR5.315, 24CFR960.707(a)

10.6 DESIGNATION OF PET/NO-PET AREAS

Pets must be maintained within the resident's unit. When outside of the unit (within the building or grounds) dogs and cats must be kept on a leash or carried and under the control of the resident or other responsible individual at all times.

Pets will not be allowed in common areas including Housing Offices, Community Centers, laundry areas and Maintenance Shops/areas.

Residents are prohibited from tying/chaining their pets to stairwells, railings, lawn, or other common areas in or around their units.

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10.7 CLEANLINESS REQUIREMENTS

Litter Box Requirements

- All animal waste or the litter from litter boxes shall be picked up immediately by the pet owner, disposed of in sealed plastic trash bags, and placed in a trash bin.
- Litter shall not be disposed of by being flushed through a toilet.
- Litter boxes shall be stored inside the resident's dwelling unit.

Removal of Waste From Other Locations

- The resident/pet owner shall be responsible for the removal of any/all waste deposited by pets from the premises by placing it in a sealed plastic bag and disposing of it in an outside trash bin or other appropriate container.
- Any unit occupied by any pet will be fumigated at the time the unit is vacated at the expense of the resident/pet owner
- The resident/pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

10.8 PET WASTE REMOVAL AND OTHER CLEANING/REPAIR CHARGES

Resident/pet owner is responsible for all pet waste from the assisted unit and surrounding areas. Pet deposit and pet waste removal charges are not part of rent payable by the resident. All reasonable expenses incurred by HACSB as the result of damages directly attributable to the presence of the pet will be the responsibility of the resident, including:

- Cleaning and related waste removal;
- The cost of repairs and replacements to the dwelling unit or HACSB property;
- Fumigation of the dwelling unit.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs as a current charge. If such expenses occur as the result of a move-out inspection, they will be deducted from the pet deposit. The resident will be billed for any amount that exceeds the pet deposit. The pet deposit will be refunded when the resident moves out or no longer has a pet on the premises, whichever occurs first. The expense of flea de-infestations shall be the responsibility of the resident.

10.9 ALTERATIONS TO UNIT

Residents/pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal. Installation of pet doors is prohibited.

10.10 NOISE

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or the premises. This includes, but is not limited to, loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

10.11 PET CARE

No pet (excluding fish) shall be left unattended in any apartment for a period longer than that which is appropriate in light of the needs of the individual pet. While this period may vary depending on the pet in question, HACSB and the resident understand that, in general, dogs should not be left alone for more than 9 hours, and other pets for more than 24 hours, on a regular basis.

All residents/pet owners shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Residents/pet owners must recognize that other residents may have chemical sensitivities or allergies related to pets, or may be easily frightened or disoriented by animals. Pet owners must agree to exercise courtesy with respect to other residents.

10.12 RESPONSIBLE PARTIES

At the time the pet is registered with HACSB, the resident/pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

10.13 INSPECTIONS

In addition to other inspections allowed, HACSB may, after reasonable notice to the tenant, enter and inspect the premises during reasonable hours to ensure that safe and sanitary conditions are maintained in the dwelling unit. Also, un-caged pets shall be restrained by the resident/pet owner during any inspection so as to avoid any possible encounter between the pet and inspector.

10.14 PET RULE VIOLATIONS

Pet Rule Violation Notice

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the Pet Rule Policy, written notice will be served.

The Notice will contain a brief statement of the factual basis for the determination and the pet rule(s) which were violated. The notice will also state:

- That the resident/pet owner has ten (10) days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation;

- That the resident/pet owner is entitled to be accompanied by another person of his or her choice at the meeting, and;

- That the resident/pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to terminate tenancy.

If the pet owner requests a meeting within the ten (10) day period, the meeting will be scheduled no later than ten (10) calendar days after the date of their request for a meeting, unless the pet owner agrees to a later date in writing.

Remedies

Nothing in this section shall prohibit HACSB from taking immediate corrective action for a violation and charging the resident for related costs, such as in the case of failure to remove pet waste from a common are or flea infestation.

10.15 NOTICE OF PET REMOVAL

If the resident/pet owner and HACSB are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the Authority, HACSB may serve notice to remove the pet.

The Notice shall contain:

- A brief statement of the factual basis for HACSB's determination of Pet Rule violations;

- The requirement that the resident/pet owner must remove the pet within (30) days of the Notice; and

- A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures.

10.16 TERMINATION OF TENANCY

HACSB may initiate procedures for termination of tenancy based on a pet rule violation if:

- The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified, and;
- The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease.

10.17 PET REMOVAL

If the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the owner unable to care for the pet, (includes pets who are poorly cared for or have been left unattended for over twenty-four (24) hours) the situation will be reported to the responsible parties designated by the resident/pet owner.

If the responsible party is unwilling or unable to care for the pet, or if HACSB after reasonable efforts cannot contact the responsible party, HACSB may contact the appropriate State or local agency and request the removal of the pet.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

Residents will be responsible for removing deceased pets by contacting the appropriate State or local agency (include the Humane Society or Veterinarian) immediately upon the death of their pet. Residents are prohibited from disposing of their deceased pets in dumpsters, or burying the deceased pet on or around the development.

10.18 EMERGENCIES

HACSB will take all necessary steps to ensure that pets which become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are referred to the appropriate State or local entity authorized to remove such animals.

10.19 LIABILITY

The resident shall be liable for any damage or injury whatsoever caused by the pet(s) and shall pay HACSB upon demand, for any and all costs incurred by HACSB as a result of damage or injury caused by the pet(s).

The intent of this Policy is to grant individual authorization to possess a pet within their apartment unit and to allow the Housing Authority to reasonably impose additional deposits to cover potential costs incurred for damages caused to Housing Authority Property. Nothing in this Policy shall imply approval or acceptance of such pet ownership to the extent of passing liability to the Housing Authority.

The resident agrees to indemnify HACSB and all of HACSB's agents against all liability, judgments, expense (including costs and attorney's fees), or claims by third parities for any

injury to any person or damage to property of any kind whatsoever caused by the resident's pet(s).

10.20 RIGHT OF HACSB TO DESIGNATE PET RESTRICTED PROPERTIES

Certain properties are not conducive to ownership of certain pets. HACSB has the right to restrict pet ownership on certain properties. Listed below are specific property and pet restrictions.

Property	Restriction
82 N. La Cumbre	No dogs allowed
1913 San Pascual	No dogs allowed
221-223 W. Victoria	No dogs allowed
323-327 S. Voluntario	No pets allowed

10.21 ADDITIONAL FEES AND DEPOSITS FOR PETS

The resident/pet owner shall be required to pay a $300.00 refundable Pet Deposit for each pet for the purpose of defraying all reasonable costs directly attributable to the presence each pet. The Pet Deposit must be received by HACSB prior to the date the pet is properly registered and brought into the assisted unit. HACSB reserves the right to change or increase the required deposit by amendment to these rules.

Residents with approved assistance animals are exempt from paying an additional pet deposit.

Chapter 11

RECERTIFICATIONS[1]

INTRODUCTION

HUD requires that HACSB recertify all families at least annually. At the annual recertification families must report their current household composition, income, deductions and allowances. Between regular annual recertifications, HUD requires that families report all changes in household composition, but HACSB decides what other changes must be reported and the procedures for reporting them. This Chapter defines HACSB's policy for conducting annual recertifications. It also explains the interim reporting requirements for families, and the standards for timely reporting.

11.1 ELIGIBILITY FOR CONTINUED OCCUPANCY

Residents who meet the following criteria will be eligible for continued occupancy:

Qualify as a family as defined in this policy;

Are in full compliance with the obligations and responsibilities described in the dwelling lease;

Whose family members, age 6 and older, each have submitted their Social Security numbers or have certifications on file that they do not have a Social Security number;

Whose family members have submitted required citizenship/eligible immigration status/noncontending documents.

11.2 ANNUAL RECERTIFICATIONS

Those families choosing flat rents will be recertified every 3 years.

The terms *annual recertification* and *annual reexamination* are synonymous.

In order to be recertified, families are required to provide current and accurate information on income, assets, allowances and deductions, and family composition.

For families who move in on the first of the month, the annual recertifications will be completed within 12 months of the anniversary of the move-in date. [Example: If family moves in August 1, the annual recertification will be conducted to be effective on August 1, the following year].

For families who move in during the month, the annual recertifications will be completed no later than the first of the month in which the family moved in, the following year. [Example: If family moves in August 15, the effective date of the next annual recertification is August 1].

When families move to another dwelling unit the annual recertification date will not change.

[1] 24 CFR 5.617, 24 CFR 960.209

Reexamination Notice to the Family

All families will be notified of their obligation to recertify by first class mail. The notification shall be sent at least 90 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, HACSB will provide the notice in an accessible format. HACSB will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

HACSB's procedure for conducting annual recertifications will be:

- Schedule annual recertification by mailing a notice to the family.
- Notification will include time and date of appointment as well as location of appointment.

Completion of Annual Recertification

HACSB will have all recertifications for families completed before the anniversary date. This includes notifying the family of any changes in rent at least 30 days before the scheduled date of the change in family rent.

Persons with Disabilities

Persons with disabilities, who are unable to come to HACSB's office will be granted an accommodation of conducting the interview at the person's home or by mail**,** only upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information

HACSB will require the family to complete a Personal Declaration Form prior to all recertification interviews.

The HACSB representative will interview the family and enter the information provided by the family on the recertification form, review the information with the family and have them sign the form.

HACSB will require the family to complete a Personal Declaration Form prior to all recertification interviews.

Requirements to Attend

The following family members will be required to attend the recertification interview and sign the application for continued occupancy:

> All adult household members including household members who will be 18 years of age or older at the effective date of the recertification.

If all adult household members are unable to attend the interview:

> The appointment may be rescheduled

Failure to Respond to Notification to Recertify

The written notification will explain which family members are required to attend the recertification interview. The family may call to request another appointment date up to 2 business days prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with HACSB**,** HACSB will reschedule a second appointment.

If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, HACSB will terminate tenancy for the family.

Exceptions to these policies may be made by Housing Management Specialist if the family is able to document an emergency situation that prevented them from canceling or attending the appointment.

Documents Required From the Family

In the notification letter to the family, HACSB will include instructions for the family to bring the following:

- Self Certification from each adult household member that resident contributed 8 hours per month of community service or participated in economic self sufficiency program or 8 hours per month exception of those household members who are exempt under 960.603
- Documentation of income for all family members
- Documentation of liquid and non-liquid assets
- Documentation of any deductions/allowances
- Personal Declaration Form completed by head of household and signed by all adult household members
- Social Security cards and birth certificates for ALL family members, if not previously submitted
- ORIGINAL documents to determine lawful entry into the U.S. for ALL household members if not previously submitted
- Copies of most recent Federal and State income tax returns and W-2s for ALL family members who filed
- Dissolution of marriage and/or child support documents/marriage license
- Financial Aid award letter/TANF Notice of Action
- Health/Life insurance policy number(s), name and address
- Any ongoing prescription costs not reimbursed by insurance (Only disabled, handicapped and 62 years or older)
- Name and address of child care provider
- Vehicle registration(s), picture identification, C.D.L./I.D.
- Proof of community service for all household members (required to submit)

Verification of Information

All information which affects the family's continued eligibility for the program, and the family's Total Tenant Payment (TTP) will be verified in accordance with the verification procedures and guidelines described in this Policy. Verifications used for recertification must be less than 120 days old. All verifications will be placed in the file, which has been established for the family.

When the information has been verified, it will be analyzed to determine:

The continued eligibility of the resident as a *family* or as the *remaining member* of a family;

The unit size required by the family;

The amount of rent the family should pay.

Changes in the Tenant Rent

If there is any change in rent, the lease will be amended, or a new lease will be executed, or an Amendment to Residential Lease will be issued.[2]

Tenant Rent Increases

If tenant rent increases, a thirty-day notice indicating the changes will be mailed to the family prior to the anniversary date.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first day of the second month following the thirty-day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date.

Tenant Rent Decreases

If tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by HACSB.

If tenant rent decreases and the change occurred within a month prior to the recertification appointment, but the family did not report the change as an interim adjustment, the decrease will be effective on the recertification anniversary date.

If the tenant rent decreases and the tenant reported the change within a month prior to the annual recertification anniversary date or between the annual recertification anniversary date and the effective date of the annual recertification, the change will be treated as an interim. The change will be effective the first of the following month that the family reported the change. If necessary, HACSB will run another HUD 50058 as an annual recertification.

11.3 REPORTING INTERIM CHANGES

Families must report all changes in household composition to HACSB between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain HACSB approval prior to all other additions to the household.

When there is a change in head of household or a new adult family member is added, HACSB will complete an application for continued occupancy and re-verify, using the same procedures HACSB staff would use for an annual reexamination, except for effective dates of changes. In such case, the Interim Reexamination Policy would be used.

The annual reexamination date will not change as a result of this action.

2 24 CFR 966.4(c) & (o)

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified prior to the approval by HACSB of the family member being added to the lease.

Interim Reexamination Policy

Increases in Income to be Reported

Families are required to report the following within 30 days:

Increases in household income of more than $200.00 per month;

Increases in household income which come as a result of a *new* income source.

Increases in Income and Rent Adjustments

HACSB will process rent adjustments, which result from an increase in household income coming from a new source.

HACSB will process rent adjustments for all increases in income which exceed $200.00 per month.

Rent increases (except those due to misrepresentation) require 30 days notice.

Decreases in Income and Rent Adjustments

Residents may report a decrease in income and other changes, such as an increase in allowances or deductions which would reduce the amount of the total tenant payment.

HACSB will process the rent adjustment unless HACSB confirms that the decrease in income will last less than 30 calendar days.

11.4 INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

HACSB will not reduce the Public Housing rent for families whose welfare assistance is reduced specifically because of:

- Fraud; or
- Failure to participate in an economic self-sufficiency program; or
- Noncompliance with a work activities requirement

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

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, such as:

  The family has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Verification Before Denying a Request to Reduce Rent

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

Cooperation Agreements

HACSB has an unwritten cooperation agreement in place with the local welfare agency which assists HACSB in obtaining the necessary information regarding welfare sanctions.

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

11.5 DISALLOWANCE OF EARNED INCOME

See Chapter 6 “Determination of Total Tenant Payment.”

11.6 OTHER INTERIM REPORTING ISSUES

An interim reexamination will be scheduled for families with zero/unstable income every 90 days.

If there is a change from benefit income to employment income, HACSB will defer the family's rent increase for six months, or until the annual reexamination, in order to encourage families to move to self-sufficiency. This incentive will only be provided once to any family member.

If the family member leaves the job without good cause after six months and before twelve months, the rent will be calculated retroactively to include the employment income. This incentive is not provided to persons who work seasonally.

In the following circumstances, HACSB may conduct the interim recertification by mail:

- Changes that will not result in a change in tenant rent.
- Changes in income that are normal for the family, such as seasonal employment.
- As a reasonable accommodation when requested. (See Chapter 1 "Statement of Policies and Objectives")

Any changes reported by residents other than those listed in this section will be notated in the file by the staff person, but will not be processed between regularly scheduled annual recertifications.

HACSB Errors

If HACSB makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

11.7 TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)

Standard for Timely Reporting of Changes

HACSB requires that families report interim changes to HACSB within 30 days of when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided within thirty days of the change.

If the change is not reported within the required time period, or if the family fails to provide signatures, certifications or documentation, (in the time period requested by HACSB), it will be considered untimely reporting.

Procedures When the Change is Reported in a Timely Manner

HACSB will notify the family of any changes in tenant rent to be effective according to the following guidelines:

- **Increases in the Tenant Rent** are effective on the first of the month following at least thirty days' notice.
- **Decreases in the Tenant Rent** are effective the first of the month following the month in which the change is reported.

The change may be implemented based on documentation provided by the family, pending third-party written verification.

Procedures when the Change is not Reported by the Tenant in a Timely Manner

If the family does not report the change as described under timely reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

- **Increase in Tenant Rent** will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any underpaid rent, and may be required to sign a repayment agreement or make a lump sum payment**.**
- **Decrease in Tenant Rent** will be effective on the first of the month following completion of processing by HACSB and not retroactively.

Procedures when the Change is not Processed by HACSB in a Timely Manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by HACSB in a timely manner.

Therefore, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by HACSB.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

11.8 REPORTING OF CHANGES IN FAMILY COMPOSITION

The members of the family residing in the unit must be approved by HACSB. The family must inform HACSB and request approval of additional family members other than additions due to newborn births, adoption, court-awarded custody before the new member occupies the unit.

HACSB will not approve the addition of family members other than by newborn births, adoption, marriage or court-awarded custody where the occupancy standards would require a larger size unit.

All changes in family composition must be reported within 30 days of the occurrence in writing.

If an adult family member is declared permanently absent by the head of household, the notice must contain a certification by the head of household, co-head or spouse that the member (who may be the head of household) removed is permanently absent.

Increase in Family Size

HACSB will consider a unit transfer (if needed under the Occupancy Guidelines) for additions to the family in the following cases:

Addition by marriage

Addition of a minor who is a member of the nuclear family who had been living elsewhere

Addition of a HACSB-approved live-in attendant

Addition due to birth, adoption or court-awarded custody(17 years and younger only)

If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in unit size shall be made effective upon availability of an appropriately sized unit.

Definition of Temporarily/Permanently Absent

HACSB must compute all applicable income of every family member who is on the lease, including those who are temporarily absent.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household, co-head, or spouse to report changes in family composition. HACSB will evaluate absences from the unit in accordance with this policy.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, HACSB will terminate tenancy in accordance with the appropriate lease termination procedures contained in this Policy.

Families are required to notify HACSB before they move out of a unit in accordance with the lease and to give HACSB information about any family absence from the unit.

Families must notify HACSB if they are going to be absent from the unit for more than fourteen consecutive days. A person with a disability may request an extension of time as an accommodation.

Absence means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, HACSB may:

- Conduct home visits
- Write letters to the family at the unit
- Post letters on exterior door
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Check with Post Office
- Contact other family members or names of persons in tenant file

If the entire family is absent from the unit, without HACSB permission, for more than **14** consecutive days, the unit will be considered to be vacant and HACSB will terminate tenancy.

As a reasonable accommodation for a person with a disability, HACSB may approve an extension. (See Absence Due to Medical Reasons for other reasons to approve an extension.) During the period of absence, the rent and other charges must remain current.

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for more than 90 days except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, HACSB will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent, as long as rent and other charges remains current.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with HACSB's "Absence of Entire Family" policy.

Absence due to Incarceration

If the sole member is incarcerated for more than **90** consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 90 consecutive days. The rent and other charges must remain current during this period.

HACSB will determine if the reason for incarceration is for drug-related, alcohol, or violent criminal activity which would threaten the health, safety and right to peaceful enjoyment of the dwelling unit by other residents.

Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, HACSB will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than 3 months from the date of removal of the child(ren), the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with HACSB's occupancy guidelines.

Absence of Adult

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, HACSB will treat that adult as a visitor for the first 90 calendar days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, and the caretaker qualifies under Tenant Suitability criteria, the lease will be transferred to the caretaker.

If the court has not awarded custody or legal guardianship, but the action is in process, HACSB will secure verification from social services staff or the attorney as to the status.

When HACSB approves a person to reside in the unit as caretaker for the child(ren), the income of the caretaker should be counted pending a final disposition. HACSB will work with the appropriate service agencies to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than 3 months, the person will be considered permanently absent.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

> Full time students who attend school away from the home and live with the family during school recess will be considered permanently absent from the household.

Visitors (See Chapter 6)

Any adult not included on the HUD 50058 who has been in the unit more than 14 consecutive days, or a total of fifteen cumulative days in the 12 month will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address will be considered verification that the visitor is an unauthorized household member.

Statements from neighbors and/or HACSB staff will be considered in making the determination.

HACSB will consider:

- Statements from neighbors and/or HACSB staff
- Vehicle license plate verification
- Post Office records
- Drivers license verification
- Law enforcement reports
- Credit reports

Use of the unit address as the visitor's current residence for any purpose shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and HACSB will terminate the family's lease since prior approval was not requested for the addition**.**

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 90 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered to be an eligible visitor and not a family member.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered to be an eligible visitor and not a family member. If both parents reside in Public Housing, only one parent would be able to claim the child for deductions and for determination for the occupancy standards.

11.9 REMAINING MEMBER OF TENANT FAMILY - RETENTION OF UNIT

To be considered the remaining member of the tenant family, the person must have been previously approved by HACSB to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor or
- HACSB has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a transfer to an appropriate unit size per the Occupancy Standards.

11.10 CHANGES IN UNIT SIZE

HACSB shall grant exceptions from the occupancy standards if the family requests and HACSB determines the exceptions are justified according to this policy.

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

HACSB will consider the size of the unit and the size of the bedrooms, as well as the number of bedrooms, when an exception is requested.

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

(Reference Chapter 5 “Occupancy Guidelines” and Chapter 8 “Transfer Policy”)

11.11 CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

Under the Noncitizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

"Mixed" families who were participants on June 19, 1995, shall continue receiving full assistance if they meet the following criteria:

The head of household, co-head or spouse is a U.S. citizen or has eligible immigrant status; and

The family does not include any ineligible immigrants other than the head or spouse, or parents or children of the head, co-head or spouse.

Mixed families who qualify for continued assistance after 11/29/96 may receive prorated assistance only.

If they do not qualify for continued assistance, the member(s) that cause the family to be ineligible for continued assistance may move, or the family may choose prorated assistance (See Chapter titled "Factors Related to Total Tenant Payment Determination"). HACSB may no longer offer temporary deferral of termination (See Chapter 12 “Lease Terminations").

Chapter 12

LEASE TERMINATIONS[1]

INTRODUCTION

HACSB may terminate tenancy for a family because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. This Chapter describes HACSB's policies that govern both the family's and HACSB's termination of the lease.

12.1 TERMINATION BY TENANT

If a family desires to move and terminate tenancy they must provide HACSB a written 30 calendar day advance notice as defined in the lease agreement.

The termination notice must be signed and dated by the head of household, spouse, or co-head.

12.2 TERMINATION BY HACSB

Mandatory Termination

HUD requires that HACSB must deny assistance to applicants, and terminate assistance for participants for the following reasons:

Termination of tenancy will be in accordance with HACSB's lease and State and local law.

Failure to Provide Consent[2]

HACSB must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a reexamination.

Failure to Document Citizenship[3]

HACSB must terminate assistance if:

- A family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status;
- A family submits evidence of citizenship and eligible immigration status in a timely manner, but Department of Homeland Security(DHS) US Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or
- A family member, as determined by HACSB, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. Such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

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1 24 CFR 966.4

2 24 CFR 982.552(b)(3)

3 24 CFR 982.552(b)(4) and 24 CFR 5.514(c)

Failure to Provide Social Security Documentation[4]

HACSB must terminate assistance if a participant family fails to provide the documentation or certification required for any family member who obtains a social security number, joins the family, or reaches 6 years of age.

Methamphetamine Manufacture or Production[5]

HACSB must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

Failure to Accept HACSB's Offer of a Lease Revision

If HACSB has offered a lease revision to an existing lease and the family fails to accept it HACSB must terminate the lease.

Noncompliance with Community Service Requirements

HACSB is prohibited from renewing the lease when the family fails to comply with the community service requirements.

OTHER AUTHORIZED REASONS FOR TERMINATION OF ASSISTANCE[6]

HUD grants HACSB the authority to deny program assistance for an applicant, or terminate program assistance for a participant, for a number of additional circumstances. However, The Violence Against Women Reauthorization Act of 2005 explicitly prohibits HACSB or any PHA from considering incidents or actual threatened domestic violence, dating violence, or stalking as reasons for terminating the assistance of a victim of such violence. HACSB will terminate assistance for participants for the following reasons:

If the family violates any family obligation under the program as listed in 24 CFR 982.551.

If any member of the family has ever been evicted from federally assisted housing in the last five years

If any PHA has ever terminated assistance under the Voucher program for any member of the family.

If any member of the family commits drug-related criminal activity, or violent criminal activity.

If any member of the family is a registered sex offender or subject to a lifetime registration requirement.

If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

If the family currently owes rent or other amounts to HACSB or to another PHA in

[4] 24 CFR 5.218(c)
[5] 24 CFR 982.553(b)(1)(ii)
[6] 24 CFR 982.552 (b)

connection with Section 8 or Public Housing assistance under the 1937 Act.

If the family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

If the family breaches an agreement with any PHA to pay amounts owed to a PHA, or amounts paid to an owner on behalf of a family by a PHA.

If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.

If the family has engaged in or threatened abusive or violent behavior toward HACSB personnel.

"Abusive or violent behavior towards HACSB personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

"Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

Any behavior which constitutes sexual harassment toward HACSB personnel will be cause for termination.

Actual physical abuse or violence will always be cause for termination.

Any member of the family whose drug or alcohol abuse interferes with the health, safety or peaceful enjoyment of other project residents.

Refer to Chapter 2,, " for Admission" for further information.

- Nonpayment of rent or other charges due under the lease, or repeated late payment of rent;
- Failure to provide timely and accurate statements of income, assets, expenses and family composition at admission, Interim, special or annual rent recertifications;
- Assignment or subleasing of the premises or providing accommodation for boarders or lodgers;
- Failure to receive written permission to allow guests or visitors for more than 14 days within 12 month period.
- Use of the premises for purposes other than solely as a dwelling unit for the tenant and tenant's household as identified in this lease, or permitting its use for any other purposes;
- Failure to abide by necessary and reasonable rules made by the PHA for the benefit and well being of the housing project and the tenants;
- Failure to abide by applicable building and housing codes materially affecting health or safety;
- Failure to dispose of garbage waste and rubbish in a safe and sanitary manner;

- Failure to use electrical, plumbing, sanitary, heating, ventilating, air conditioning and other equipment, including elevators, in a safe manner;

- Acts of destruction, defacement or removal of any part of the premises, or failure to cause guests to refrain from such acts;

- Failure to pay reasonable charges (other than for normal wear and tear) for the repair of damages to the premises, project buildings, facilities, equipment, or common areas; or

- The tenant, any member of the tenant's household, or a guest or other person under the tenant's control shall not engage in criminal activity, including drug-related criminal activity, *on or off* Public Housing premises (as defined in the lease), while the tenant is a tenant in Public Housing, and such criminal activity shall be cause for termination of tenancy. The term "drug-related criminal activity" means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use, a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

- If contraband or a controlled substance is seized on the tenant's premises, incidental to a lawful search or arrest, HACSB will be notified by the County Attorney's Office that it is to bring an unlawful detainer action against that tenant. HACSB will then commence unlawful detainer procedures to terminate the Lease.

- Alcohol abuse that HACSB determines interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

- Non-compliance with Non-Citizen Rule requirements.

- Other good cause.

12.3 NOTIFICATION REQUIREMENTS

HACSB's written Notice of Lease Termination will state the reason for the proposed termination, the date that the termination will take place, and it will offer the resident all of the rights and protections afforded by the regulations and this policy. (See Chapter 13)

Notices of lease termination shall be in writing and personally delivered to all adult members of the household or sent by first class mail properly addressed to tenants.

Timing of the Notice

If HACSB terminates the lease, written notice will be given as follows:

At least 14 calendar days prior to termination in the case of failure to pay rent;

A reasonable time, but not to exceed 30 days, considering the seriousness of the situation when the health or safety of other residents or HACSB employees is threatened;

At least thirty days prior to termination in all other cases.

HACSB shall notify the Post Office that mail should no longer be delivered to the person who was

evicted for criminal activity, including drug-related criminal activity.

Criminal Activity

HACSB will immediately and permanently terminate tenancy of persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

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

HACSB will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous 3 months.

"Engaged in or engaging in or recent history of" **drug related criminal activity** means any act within the past 3 years by applicants or participants, household members, or guests which involved drug-related criminal activity including, without limitation, drug-related criminal activity, possession and/or use of narcotic paraphernalia, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

"Engaged in or engaging in or recent history of" **violent criminal activity** means any act within the past 3 years by applicants or participants, household members, or guests which involved criminal activity that would threaten the health, safety or right to peaceful enjoyment of the Public Housing premises by other residents or employees of HACSB, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

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

HACSB may waive the requirement regarding drug-related criminal activity if:

- The person demonstrates successful completion of a credible rehabilitation program approved by HACSB, or

- The individual involved in drug-related criminal activity is no longer in the household because the person is incarcerated.

HACSB may permit continued occupancy provided the family accepts imposed conditions that the involved family member(s) does not reside in the unit. HACSB will consider evidence that the person is no longer in the household such as a divorce decree/incarceration/ death/ copy of a new lease for the person including the owner's telephone number and address/ or other substantiating evidence**.**

12.4 RECORD KEEPING

A written record of every termination and/or eviction shall be maintained by HACSB and the tenant file will be retained for a minimum of 5 years.

12.5 TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS [7]

Families who were participants on June 19, 1995, but are ineligible for continued assistance due to the ineligible immigration status of all members of the family, or because a "mixed" family chooses not to accept proration of assistance, were eligible for temporary deferral of termination of assistance to permit the family additional time for transition to affordable housing.

Deferrals may have been granted for intervals not to exceed six months, up to an aggregate maximum of three years for deferrals granted prior to 11/29/96.

However, due to the timeframe applicable to the deferral period, current families are no longer eligible for deferral of termination of assistance.

If HACSB determines that a family member has knowingly permitted an ineligible individual to reside in the family's unit on a permanent basis, the family's assistance will be terminated for not less than 36 months. This provision does not apply to a family if the eligibility of the ineligible individual was considered in calculating any proration of assistance provided for the family.

12.6 CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

For criminal activity, HUD permits HACSB to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted.

HACSB will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

Consideration of Circumstances[8]

HACSB is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

HACSB will consider the following factors when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other residents
- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure

[7] 24 CFR 5.514
[8] 24 CFR 982.552(c)(2)(i)

- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or a victim of domestic violence, dating violence, or stalking
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully
- HACSB will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.
- In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family

Reasonable Accommodation[9]

If the family includes a person with disabilities, HACSB's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, HACSB will determine whether the behavior is related to the disability. If so, upon the family's request, HACSB will determine whether alternative measures are appropriate as a reasonable accommodation. HACSB will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance.

12.7 TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS

The Violence Against Women Reauthorization Act of 2005 (VAWA) provides that "criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking."

VAWA gives HACSB the authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant."

VAWA does not limit the authority of HACSB to terminate the assistance of any participant if HACSB "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance."

[9] 24 CFR 982.552(c)(2)(iv)

Victim Documentation

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or immediate family member of the participant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, HACSB will require the individual to submit documentation affirming that claim.

The documentation must include two elements:

- 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, and

- One of the following:

  A police or court record documenting the actual or threatened abuse, or

  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.

The required certification and supporting documentation must be submitted to HACSB within 14 business days after HACSB issues their written request. The 14-day deadline may be extended at HACSB's discretion. If the individual does not provide the required certification and supporting documentation within 14 business days, or the approved extension period, HACSB may proceed with assistance termination.

Once a victim has completed certification requirements, HACSB will continue to assist the victim and may use bifurcation of the lease as a tool to remove the perpetrator from assistance. HACSB will make every effort to work with victims of domestic violence before terminating the victim's assistance.

In extreme circumstances when HACSB can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant's tenancy is not terminated, HACSB will bypass the standard process and proceed with the immediate termination of the family's assistance.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives HACSB the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others…without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority supersedes any local, state, or other federal law to the contrary. However, if HACSB chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, State, or Federal law regarding termination of assistance.

When the actions of a participant or other family member result in an HACSB decision to terminate the family's assistance and another family member claims that the actions involve criminal acts of physical violence against family members or others, HACSB will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame, or any approved extension period, HACSB will terminate the perpetrator's assistance. If the victim does not provide the certification and supporting documentation, as required, HACSB will proceed with termination of the family's assistance.

If HACSB can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the participant's tenancy is not terminated, HACSB will bypass the standard process and proceed with the immediate termination of the family's assistance.

Confidentiality Requirements

All information provided to HACSB 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 data base nor provided to any related entity, except to the extent that the disclosure is:

- Requested or consented to by the individual in writing,
- Required for use in an eviction proceeding, or
- Otherwise required by applicable law.

Chapter 13

COMPLAINTS, GRIEVANCES AND APPEALS[1]

INTRODUCTION

This Chapter describes the policies, procedures and standards to be used when families disagree with an HACSB decision. The procedures and requirements are explained for preference denial meetings, informal hearings and conferences. The informal hearing requirements as defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of the HACSB. It is the policy of HACSB to ensure that all families have the benefit of all protections due to them under the law.

Grievances shall be handled in accordance with HACSB's approved Grievance Procedures. The written grievance procedure is incorporated into this document by reference and is the guideline to be used for all grievances and appeals.

13.1 COMPLAINTS

HACSB will respond promptly to complaints from families, employees, and members of the public. All complaints will be documented.

Each complaint regarding physical condition of the units may be reported by phone to the Maintenance Department. Anonymous complaints are checked whenever possible. HACSB may require that all other complaints be put in writing.

Complaints from families If a family disagrees with an action or inaction of HACSB, complaints will be referred to the Housing Management Department. Complaints regarding physical condition of the units may be reported by phone to the Maintenance Department.

Complaints from staff If a staff person reports a family is violating or has violated a lease provision or is not complying with program rules, the complaints will be referred to the Housing Management Specialist.

Complaints from the general public Complaints or referrals from persons in the community in regard to HACSB or a family will be referred to the Housing Management Specialist.

Anonymous complaints will be checked whenever possible.

[1] 24 CFR 966.50-966.57

13.2 APPEALS BY APPLICANTS[2]

INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

OVERVIEW

When HACSB 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. This part discusses HACSB's policies necessary to respond to applicant appeals through the informal hearing process.

INFORMAL HEARING PROCESS[3]

Informal hearings are provided for Public Housing applicants. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project.[4] Applicants to Public Housing are not entitled to the same hearing process afforded tenants in HACSB's grievance procedure.[5]

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 circumstances if possible.

Notice of Denial[6]

HACSB will give an applicant prompt notice of a decision denying eligibility for admission. The notice will contain a brief statement of the reasons for HACSB decision, and will also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

Applicants who are determined ineligible, who do not meet HACSB's admission standards, or where HACSB does not have an appropriate size and type of unit in its inventory will be given written notification promptly, including the reason for the determination and offering them an opportunity for an informal hearing.

Applicants must submit their request for an informal hearing in writing to HACSB within ten (10) business days from the date of the notification of their ineligibility.

If the applicant requests an informal hearing, HACSB will schedule an informal hearing within 7 business days of receiving the request. HACSB will notify the applicant of the place, date, and time. The hearing may only be rescheduled once.

Informal hearings will be conducted by an impartial hearing officer. The person who is designated as the hearing officer cannot be the person who made the determination of ineligibility or a subordinate of that person.

The applicant may bring to the hearing any documentation or evidence s/he wishes and the evidence along with the data compiled by HACSB will be considered by the hearing officer.

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2 24 CFR 960.207
3 24 CFR 960.208(a)
4 24 CFR 960.208(a)
5 24 CFR 966.53(a)
6 24 CFR 960.208(a)

The hearing officer will make a determination based upon the merits of the evidence presented by both sides. Within 7 business days of the date of the hearing, the hearing officer will mail a written decision to the applicant and place a copy of the decision in the applicant's file.

The grievance procedures for Public Housing tenants do not apply to HACSB determinations that affect applicants.

13.3 APPEALS BY TENANTS

Grievances or appeals concerning the obligations of the tenant or HACSB under the provisions of the lease shall be processed and resolved in accordance with the Grievance Procedure of HACSB, which is in effect at the time such grievance or appeal arises.

(See HACSB's Grievance Procedure contained in this chapter.)

13.4 HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the United States Citizenship and Immigration Services (USCIS) appeal.

Assistance to a family may not be terminated or denied while HACSB hearing is pending but assistance to an applicant may be delayed pending the completion of the informal hearing.

USCIS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the USCIS SAVE system and manual search do not verify the claim, HACSB notifies the applicant or tenant within ten days of their right to appeal to the USCIS within thirty days or to request an informal hearing with HACSB either in lieu of or subsequent to the USCIS appeal.

If the family appeals to the USCIS, they must give HACSB a copy of the appeal and proof of mailing or HACSB may proceed to deny or terminate. The time period to request an appeal may be extended by HACSB for good cause.

The request for an HACSB hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the USCIS, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in the "Grievance Procedures" section of this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members HACSB will:

Deny the applicant family.

Defer termination if the family is a participant and qualifies for deferral.

Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, HACSB will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

13.5 GRIEVANCE PROCEDURES

The Grievance Procedure is established by HACSB to assure that its residents are given an opportunity for a hearing if a resident disputes within a reasonable time any HACSB action or failure to act, involving the resident's Lease or housing regulations which adversely affect the individual resident's rights, duties, welfare or status. The grievance procedure is not applicable to the following:

- Any grievance concerning a termination of tenancy or eviction that involves any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees, or any drug related criminal activity on or near the premises;
- Disputes between residents not involving HACSB;
- Class grievances; or
- Initiation or negotiation of policy changes between a group or groups of residents and HACSB.

Definitions

The following definitions apply to this Grievance Procedure:

- **Grievance** - means any dispute that a resident may have with respect to HACSB in accordance with this Grievance Procedure.
- **Complainant** – means any resident whose grievance is presented to HACSB in accordance with this Grievance Procedure.
- **Hearing Officer** – means a person selected in accordance with this Grievance Procedure to hear a grievance and render a decision with respect thereto.
- **Resident** – means any adult lessee, or the remaining head of the household if there is no lessee, or a resident family residing in a dwelling unit assisted under the United States Housing Act of 1937 and owned or leased by HACSB. Informal Conference Prior to Hearing

Any grievance must be personally presented, either orally or in writing, to HACSB office so that the grievance may be discussed informally and settled without a hearing, if possible. The grievance must be presented within a reasonable time, generally not in excess of ten (10) days of HACSB's action or failure to act which is the basis for the grievance. It may be simply stated, but shall specify the particular ground(s) upon which it is based, and the action requested.

Within a reasonable time, generally not more than seven (7) days from the date the grievance is presented, HACSB will schedule a conference with the complainant. The complainant will be notified of the date, time and place of the conference in writing delivered or mailed to the complainant's address as shown on HACSB's records. HACSB may reschedule the conference to a more convenient time if requested by the complainant.

A summary of such discussion shall be prepared within a reasonable time, generally within seven (7) days after the conference, and one copy shall be given to the complainant and one retained in HACSB's resident file. The summary shall specify the names of the participants, date(s) of meeting, the nature of the proposed disposition of the grievance and the specific reasons therefor, and shall specify the procedures by which a hearing under this Grievance Procedure may be obtained if the Complainant is not satisfied.

Presentation of a grievance at an informal conference under this Section is a condition precedent to a hearing under this Grievance Procedure, and a Complainant will lose his/her right to a hearing for failure to comply. However, if the Complainant shows good cause to the Hearing Officer or Hearing Panel, when he/she failed to proceed in accordance with this Section, the Hearing Officer or Hearing Panel may waive this condition.[7]

Request of a Hearing

If the Complainant is not satisfied with the proposed disposition of the grievance the complainant must submit the request in writing for a grievance hearing within a reasonable time after receipt of the summary of the informal conference. Reasonable time is generally not more than ten (10) days. The request must specify the reasons for the grievance and the action or relief sought.

Failure to Request a Hearing

If the Complainant does not request a hearing, HACSB's disposition of the grievance under the informal conference process will become final.

Escrow Deposit

Before a hearing is scheduled in any grievance involving the amount of contract rent, which HACSB claims is due, the Complainant shall pay to HACSB an amount equal to the amount of the rent and payable as of the first of the month preceding the month in which the act or failure to act took place. The Complainant shall deposit the same amount of the monthly rent in an escrow account and monthly thereafter until the grievance is resolved by decision of the Hearing Officer or Hearing Panel. The instruction to said escrow holder shall provide that the funds deposited shall be paid as ordered by the Hearing Officer or Hearing Panel, or the Board of the Commissioners of HACSB if the decision of the Hearing Office or Hearing Panel is vacated. These requirements may be waived by HACSB in extenuating circumstances. Unless so waived, the failure to make such payments within seven (7) days of filing a written request for hearing shall result in termination of the Grievance Procedure.

[7] 24 CFR 966.54 and 966.55(d)

Selection of Hearing Officer or Hearing Panel

Grievances shall be presented before a Hearing Officer and not a Hearing Panel. A Hearing Officer shall be selected as follows:

- The Hearing Officer shall be an impartial, disinterested person selected by HACSB.
- 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.

Schedule of Hearing

Upon complainant's compliance with Sections 3, 5, and 7 of the Grievance Procedure, a hearing shall be scheduled promptly by the hearing officer for a time and place reasonably convenient to both the complainant and HACSB. A written notification specifying the time, place and procedures governing the hearing shall be delivered to the complainant and the appropriate HACSB official. Upon written request of either party, the hearing officer may continue the hearing for a reasonable period.

Procedures Governing the Hearing:

The hearing shall be held before a hearing officer. The hearing officer will have the right to regulate all matters of procedure, evidence and conduct related to the hearing.

Both parties shall be afforded a fair hearing providing the basic safeguards of due process which shall include:

- The opportunity to examine and copy before the hearing, at the expense of the examining party, all documents, records and regulations of the other party that are relevant to the hearing. Copies will be available at a cost of $0.25 per page;
- The right to be represented by counsel or other person chosen as a representative;
- The right to a private hearing unless the complainant requests a public hearing. This will not be construed to limit the attendance of witnesses, HACSB personnel, or persons whose attendance is requested by the complainant;
- The right to present evidence and arguments in support of their position, to controvert evidence relied on by the other party, and to confront and cross examine all witnesses on whose testimony or information the other party relies; and
- A decision based solely and exclusively upon the facts presented at the hearing.

Decision without Hearing

The Hearing Officer may render a decision without proceeding with the hearing if the Hearing Officer determines that the issue has been previously decided in another proceeding.

Failure to Appear

If the complainant or HACSB fails to appear at a scheduled hearing, the hearing officer may make a determination to postpone the hearing for not to exceed five (5) business days or may make a determination that the party not appearing has waived his/her right to a hearing. Both the complainant and HACSB shall be notified of the determination by the hearing officer.

General Procedures

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter HACSB must sustain the burden of justifying HACSB action or failure to act against which the grievance is directed.

The hearing shall be conducted informally by the hearing officer and oral or documentary evidence pertinent to the facts and issues raised by the grievance may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The hearing officer shall require HACSB, the Complainant, counsel or other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

The complainant or HACSB 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.

Reasonable Accommodation

HACSB will provide reasonable accommodation for persons with disabilities to participate in the hearing, including qualified sign language interpreters, readers, accessible locations, or attendants. If the resident is visually impaired, any notice to the resident pursuant to this Grievance Procedure will be in an accessible format.

Decision of the Hearing Officer

The hearing officer shall prepare a written decision, stating the reasons for the decision, within a reasonable time after the hearing, normally within seven (7) business days. 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 decision, with all names and identifying references deleted, shall also be maintained on file by HACSB and made available for inspection by a prospective resident complainant, his/her representative, or the hearing officer.

The decision of the hearing officer shall be binding on HACSB which shall take all actions, or refrain from any actions, necessary to carry out the decision unless the HACSB Board of Commissioners within a reasonable time, normally within twenty-one (21) days, vacates the decision.

If the Executive Director or his/her designees believes there are sufficient grounds to vacate the decision, he/she shall present the written record of the grievance to the HACSB Board of Commissioners at the next regular meeting and schedule a new hearing for the meeting. The Board may vacate the decision of the Hearing Officer if, after reviewing the record and hearing the evidence, it determines that either:

- The grievance does not concern the HACSB action or failure to act in accordance with or involving the complainant's lease or HACSB regulations, which adversely affect the complainant's right, duties, welfare or status; and

- The decision of the Hearing Officer is contrary to applicable Federal, State or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and HACSB.

The complainant will be notified promptly of the Board's decision.

Chapter 14

FAMILY DEBTS TO THE HACSB

INTRODUCTION

This Chapter describes HACSB's policies for the recovery of monies which have been underpaid by families and the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is HACSB's policy to meet the informational needs of families, and to communicate the program rules in order to avoid family debts. Before a debt is assessed against a family, the file must contain documentation to support HACSB's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the family or other interested parties.

When an action or inaction of a resident family results in the underpayment of rent or other amounts, HACSB holds the family liable to return any underpayments to HACSB.

HACSB will enter into repayment agreements in accordance with the policies in this chapter as a means to recover overpayments. A repayment agreement refers to a formal document signed by a tenant and HACSB in which a tenant acknowledges a debt in a specific amount and agrees to repay the amount due in specific sums and at specific time periods.

When families owe money to HACSB, and refuse to repay the monies, HACSB will use a variety of other collection methods to recover debts including, but not limited to:

Civil suits

Collection agencies

Credit bureaus

State Income tax set-off program (IRS Interagency Intercept Collections)

14.1 REPAYMENT AGREEMENT FOR FAMILIES

A Repayment Agreement as used in this Plan is a document entered into between HACSB and a person who owes a debt to HACSB. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to HACSB upon default of the agreement.

The maximum amount for which HACSB will enter into a repayment agreement with a family is $5,000.00.

The maximum length of time HACSB will enter into a repayment agreement with a family is 36 months.

The minimum monthly payment for any repayment agreement is $25.00.

Exception to any of the above must be approved by the Director of Housing Management.

Payment Schedule for Monies Owed to HACSB

There are some circumstances in which HACSB will not enter into a repayment agreement. They are:

- If the family already has a payment agreement in place.

- If HACSB determines that the family has committed program fraud.
- If HACSB determines that the debt, due to fraud or failure to report income, is so large that it would take more than 36 months to repay.

Guidelines for Payment Agreements

Payment agreements will be executed between HACSB and the head of household, co-head and spouse.

No transfer will be approved until the debt is paid in full unless the transfer is the result of the following causes, and the payment agreement is current:

Family size exceeds the maximum occupancy guidelines

A natural disaster

Additional Monies Owed

If the family has a payment agreement in place and incurs an additional debt to HACSB:

HACSB will not enter into more than one payment agreement at a time with the same family.

Late Payments

A payment will be considered to be in arrears if:

The payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's repayment agreement is in arrears, HACSB will:

Require the family to pay the balance in full

Pursue civil collection of the balance due

Terminate tenancy

14.2 DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead.

Family Error/Late Reporting

Families who owe money to HACSB due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Payment Section of this Chapter.

Program Fraud

Families who owe money to HACSB due to program fraud will be required to repay in accordance with the guidelines in this Chapter.

If a family owes an amount which equals or exceeds $5,000.00 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, HACSB will refer the case for criminal prosecution.

Payment Procedures for Program Fraud

Families who commit program fraud or untimely reporting of increases in income will be subject to the following procedures:

The maximum time period for a payment agreement will be 36 months.

The family will be required to pre-pay 1/3 of the amount owed prior to or upon execution of the payment agreement.

The minimum monthly payment will be $ 25.00.

14.3 WRITING OFF DEBTS

Debts may be written off if:

The debtor's whereabouts are unknown and the debt is more than 1 year old.

A determination is made that the debtor is judgment proof.

The debtor is deceased.

The debtor is confined to an institution indefinitely or for more than 1 year.

The amount is less than $75.00 and the debtor cannot be located.

Chapter 15

COMMUNITY SERVICE[1]

INTRODUCTION

The Quality Housing and Work Responsibility Act of 1998 mandates PHAs to require that adults living in Public Housing comply with community service requirements.

15.1 REQUIREMENT

Each adult resident of HACSB, who is not otherwise determined exempt shall:

Contribute 8 hours per month of community service (not including political activities) within the community in which that adult resides;

Participate in an economic self-sufficiency program (defined below) for 8 hours per month;

Or perform 8 hours per month of combined activities (community service and economic self-sufficiency)

15.2 EXEMPTIONS

HACSB shall provide an exemption from the community service requirement for any individual who:

- Is 62 years of age or older;
- Is a blind or disabled individual, as defined under section 216[i][l] or 1614 of the Social Security Act, and who is unable to comply with this section;
- Is a primary caretaker of a blind or disabled individual as described above;
- Is engaged in a work activity as defined in section 407[d] of the Social Security Act;
- Meets the requirements for being exempted from having to engage in a work activity under the 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 Public Housing agency is located, including a State-administered welfare-to-work program; or
- Is in a family receiving assistance 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 Public Housing agency 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.

HACSB will re-verify exemption status annually except in the case of an individual who is 62 years of age or older.

[1] 24 CFR 960.603-960.611

HACSB will permit residents to change exemption status during the year if status changes.

15.3 DEFINITION OF COMMUNITY SERVICE

Community Service is volunteer work which includes, but is not limited to:

- Work at a local institution including but not limited to: school, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc.
- Work with a nonprofit organization that serves HACSB residents or their children such as: Boy Scouts, Girl Scouts, Boys or Girls Clubs, 4-H programs, PAL, Garden Center, community clean-up programs, beautification programs, other youth or senior organizations
- Work at HACSB to help improve physical conditions
- Work at HACSB to help with children's programs
- Work at HACSB to help with senior programs
- Helping neighborhood groups with special projects
- Working through a resident organization to help other residents with problems, serving as an officer in a resident organization, serving on the resident advisory board
- Caring for the children of other residents so they may volunteer

HACSB will give residents the greatest choice possible in identifying community service opportunities.

NOTE: Political activity is excluded for purposes of eligible community service activities.

15.4 DEFINITION OF ECONOMIC SELF-SUFFICIENCY PROGRAM

For purposes of satisfying the community service requirement, participating in an economic self-sufficiency program is defined as: Any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

These economic self-sufficiency programs can include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeships (formal or informal), or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment). HACSB will consider a broad range of self-sufficiency opportunities.

15.5 ANNUAL DETERMINATIONS OF EXEMPTION

Requirement – For each Public Housing resident subject to the requirement of community service, HACSB shall, 30 days before the expiration of each lease term, review and determine the compliance of the resident with the community service requirement.

Such determination shall be made in accordance with the principles of due process and on a nondiscriminatory basis.

An exempt individual is excused from the community service requirement. At least 30 days before the lease renewal, HACSB 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 HACSB has reason to believe that an individual's exemptions status has changed.

Exemption status for individuals who are exempt because they are 62 years of age or older will be verified only once.

All family members not exempt from performing community service will have to submit the required community service compliance forms at the date of their scheduled annual reexamination. If family members fail to supply the forms within the timeframe required, or HACSB approved extension, they will be considered noncompliant.

15.6 NONCOMPLIANCE

If HACSB determines that a resident subject to the community service requirement has not complied with the requirement, HACSB shall notify the resident of such noncompliance, and that:

The determination of noncompliance is subject to the administrative grievance procedure under HACSB's Grievance Procedures; and

Unless the resident enters into an agreement to comply with the community service requirement, the resident's lease will not be renewed, and

HACSB may not renew or extend the resident's lease upon expiration of the lease term and shall take such action as is necessary to terminate the tenancy of the household, unless HACSB enters into an agreement, before the expiration of the lease term, with the resident providing for the resident to cure any noncompliance with the community service requirement, by participating in an economic self-sufficiency program for or contributing to community service as many additional hours as the resident needs to comply in the aggregate with such requirement over the 12-month term of the lease.

Ineligibility for Occupancy for Noncompliance

HACSB shall not renew or extend any lease, or provide any new lease, for a dwelling unit for any household that includes an adult member who was subject to the community service requirement and failed to comply with the requirement.

15.7 HACSB RESPONSIBILITY

HACSB will ensure that all community service programs are accessible for persons with disabilities.

HACSB will ensure that:

The conditions under which the work is to be performed are not hazardous;

The work is not labor that would be performed by HACSB's employees responsible for essential maintenance and property services; or

The work is not otherwise unacceptable.

Chapter 16

GLOSSARY

16.1 TERMS USED IN DETERMINING RENT

ANNUAL INCOME[1]

Annual income is the anticipated total income from all sources. This includes net income derived from assets, received by the family head and spouse (even if temporarily absent) and by each additional family member for the 12 month period following the effective date of initial determination or reexamination of income. It does not include income that is temporary, non-recurring, or sporadic as defined in this section, or income that is specifically excluded by other federal statute. Annual income includes:

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

The net income from operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business.

Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the property.

When the family has net family assets in excess of $5,000, Annual Income shall include the greater of the actual income derived from all net family assets, or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD.

The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts.

NOTE: Treatment of lump sum payments for delayed or deferred periodic payment of social security or SSI benefits is dealt with later in this section.

Payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation, and severance pay.

All welfare assistance payments received by or on behalf of any family member. (24 CFR 913.106(b)(6) contains rules applicable to "as-paid" States).

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

All regular pay, special pay and allowances of a member of the Armed Forces (except special pay to a family member serving the Armed Forces who is exposed to hostile fire).

1 (24 CFR 5.609)

EXCLUSIONS FROM ANNUAL INCOME[2]

Annual income does not include the following:

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

Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);

Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health, and accident insurance and workers' compensation) capital gains, and settlement for personal property losses;

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

Income of a live-in aide, provided the person meets the definition of a live-in aide.

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

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

Amounts received under HUD funded training programs (e.g. Step-up program); excludes stipends, wages, transportation payments and child care vouchers for the duration of the training.

Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self Sufficiency (PASS).

Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out of pocket expenses incurred for items such as special equipment, clothing, transportation and childcare, to allow participation in a specific program.

Amount received as a Resident services stipend. A modest amount (not to exceed $200 per month) received by a public housing resident for performing a service for HACSB, on a part-time basis, that enhances the quality of life in public housing. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time.

Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of family members as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

Temporary, non-recurring, or sporadic income (including gifts).

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2 (24 CFR 5.609)

Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (For all initial determinations and reexaminations of income on or after April 23, 1993.)

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

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

The earnings and benefits to any resident resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988 (42 U.S.C. 1437 et seq.), or any comparable Federal, State or local law during the exclusion period. For purposes of this paragraph the following definitions apply:

Comparable Federal, State or local law means a program providing employment training and supportive services that: (1) is authorized by a Federal, State or local law; (2) is funded by the Federal, State or local government; (3) is operated or administered by a public agency; and (4) has as its objective to assist participants in acquiring job skills.

Exclusion period means the period during which the resident participates in a program as described in this section plus 18 months from the date the resident begins the first job acquired by the resident after completion of such program that is not funded by public housing assistance under the U.S. Housing Act of 1937. If the resident is terminated from employment without good cause, the exclusion period shall end.

Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

Deferred periodic payments from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.

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

The following benefits are excluded by other Federal Statute as of August 3, 1933:

The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977;

Payments to volunteers under the Domestic Volunteer Service Act of 1973; examples of programs under this Act include but are not limited to:

The Retired Senior Volunteer Program (RSVP)

Foster Grandparent Program (FGP)

Senior Companion Program (SCP)

Older American Committee Service Program

National Volunteer Antipoverty Programs such as:

VISTA

Peace Corps

Service Learning Program

Special Volunteer Programs

Small Business Administration Programs such as:

National Volunteer Program to Assist Small Businesses

Service Corps of Retired Executives

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

Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes. [25 USC 459e]

Payments or allowances made under the Department of HHS' Low Income Home Energy Assistance Program. [42 USC 8624 (f)]

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

Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540).

The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 USC. 1407-08), or from funds held in trust for an Indian Tribe by the Secretary of Interior.

Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs. [20 USC 1087 uu] Examples: Basic Educational Opportunity Grants

(Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College-Work Study, and Byrd Scholarships.

Payments received under programs funded under Title V of the Older Americans Act of 1965 [42 USC 3056 (f)] Examples include Senior Community Services Employment Program, National Caucus Center on the Black Aged, National Urban League; Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.

Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established in the In-Re Orange Product Liability litigation.

The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs of incurred in such care) under the Child Care and Development Block Grant Act of 1990. (42 USC 9858q)

Earned income tax credit refund payments received on or after January 1, 1991. (26 USC 32)(j).

Living allowances under Americorps Program (Nelson Diaz Memo to George Latimer 11/15/94)

ADJUSTED INCOME

Adjusted Income is defined as Annual income, less allowable HUD deductions.

Note: Under the Continuing Resolution, PHAs are permitted to adopt other adjustments to earned income for residents of Public Housing, but must absorb any resulting loss in rental income.

All Families are eligible for the following:

Child Care Expenses: A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which the Annual Income is computed. Child care expenses are only allowable when such care is necessary to enable a family member to be gainfully employed or to further his/her education. Amounts deducted must be unreimbursed expenses and shall not exceed: (1) The amount of income earned by the family member released to work, or (2) an amount determined to be reasonable by HACSB when the expense is incurred to permit education.

Dependent Deduction. An exemption of $480 for each member of the family residing in the household (other than the head or spouse, live-in aide, foster child) who is under eighteen years of age or who is eighteen years of age or older and disabled, handicapped, or a full-time student.

Handicapped Expenses. A deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for handicapped family members where such expenses are necessary to permit a family member(s), including the handicapped/disabled member to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) freed to work.

Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for visually handicapped, and equipment added to cars and vans to permit use by the handicapped or disabled family member.

For non-elderly families and elderly families without medical expense: The amount of the deduction equals the cost of all unreimbursed expenses for handicapped care and equipment less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.

For elderly families with medical expenses: The amount of the deduction equals the cost of all unreimbursed expenses for handicapped care and equipment less three percent of Annual Income, (provided the amount does not exceed earnings) plus medical expenses as defined below.

For Elderly and Disabled Families Only:

Medical Expenses: A deduction of unreimbursed medical expenses, including insurance premiums anticipated for the period for which Annual Income is computed. Medical expenses include, but are not limited to: services of physicians and other health care professionals, services of health care facilities; insurance premiums, including the cost of Medicare), prescription and non-prescription medicines, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by HACSB for the purpose of determining a deduction from the income, the expenses claimed must be verifiable.

> For elderly families without handicapped expenses: The amount of the deduction shall equal total medical expenses less 3% of annual income.
>
> For elderly families with both handicapped and medical expenses: The amount of handicapped assistance is calculated first, then medical expenses are added.

Elderly/Disabled Household Exemption: An exemption of $400 per household.

16.2 GLOSSARY OF HOUSING TERMS

ACCESSIBLE DWELLING UNITS. When used with respect to the design, construction or alteration of an individual dwelling unit, means that the unit is located on an accessible route, and when designed, constructed, or altered, can be approached, entered, and used by individuals with physical handicaps. A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in 24 CFR 8.32 & 40, (the Uniform Federal Accessibility Standards) is "accessible" within the meaning of this paragraph.

ACCESSIBLE FACILITY. All or any portion of a facility other than an individual dwelling unit used by individuals with physical handicaps.

ACCESSIBLE ROUTE. For persons with a mobility impairment, a continuous, unobstructed path that complies with space and reach requirements of the Uniform Federal Accessibility Standards (UFAC). For persons with hearing or vision impairments, the route need not comply with requirements specific to mobility.

ADAPTABILITY. Ability to change certain elements in a dwelling unit to accommodate the needs of handicapped and non-handicapped persons; or ability to meet the needs of persons with different types and degrees of disability.

ADMISSION. Admission to the program is the effective date of the lease. The point at which a family becomes a resident.

ALLOCATION PLAN. The plan submitted by HACSB and approved by HUD under which HACSB is permitted to designate a building, or portion of a building, for occupancy by Elderly Families or Disabled Families.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

APPLICANT (or applicant family). A family that has applied for admission to a program, but is not yet a participant in the program.

"AS-PAID" STATES. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

ASSETS. (See Net Family Assets.)

AUXILIARY AIDS. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in and enjoy the benefits of programs and activities.

CEILING RENT. An amount that reflects the reasonable market value of the housing unit, but not less than the sum of the monthly per-unit operating costs and a deposit to a replacement reserve. The family pays the lower of the ceiling rent or the formula tenant rent.

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

DEPENDENT. A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or older.

DESIGNATED FAMILY. The category of family for whom HACSB elects to designate a project (e.g. elderly family in a project designated for elderly families) in accordance with the 1992 housing Act. (24 CFR 945.105)

DISABILITY ASSISTANCE EXPENSE. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and or auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

DISABLED PERSON. A person who is any of the following:

A person who has a disability as defined in section 223 of the Social Security Act. (42 USC 423).

A person who has a physical, mental, or emotional impairment that:

Is expected to be of long-continued and indefinite duration;

Substantially impedes his or her ability to live independently; and

Is of such a nature that ability to live independently could be improved by more suitable housing conditions.

A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

DISABLED FAMILY. A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides.

DISPLACED FAMILY. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal Disaster relief laws.

DOMICILE. The legal residence of the household head or spouse as determined in accordance with State and local law

DRUG-RELATED CRIMINAL ACTIVITY. Term means:

Drug-trafficking; or

Illegal use, or possession for personal use of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

DRUG TRAFFICKING. The illegal manufacture, sale, distribution or the possession with intent to manufacture, sell, or distribute a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

ELDERLY FAMILY. A family whose head or spouse or whose sole member is at least 62 years, or two or more persons who are at least 62 years of age or a disabled person. It may include two or more elderly, disabled persons living together or one or more such persons living with another person who is determined to be essential to his/her care and well being.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBLE FAMILY (Family). A family is defined by HACSB in the Admission and Continued Occupancy Plan.

EXCEPTIONAL MEDICAL OR OTHER EXPENSES. Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income. It is no longer used.

EXCESS MEDICAL EXPENSES. Any medical expenses incurred by elderly families only in excess of 3% of Annual Income which are not reimbursable from any other source.

EXTREMELY LOW-INCOME FAMILY. A family whose income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

FAMILY. The applicant must qualify as a family as defined by HACSB.

FAMILY OF VETERAN OR SERVICEPERSON. A family is a "family of veteran or serviceperson" when:

> The veteran or serviceperson (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.
>
> The veteran or serviceperson, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM). The program established by an PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

FOSTER CHILD CARE PAYMENT. Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

FULL-TIME STUDENT. A person who is attending school or vocational training on a full-time basis.

HANDICAPPED ASSISTANCE EXPENSES. Anticipated costs for care attendants and auxiliary apparatus for handicapped or disabled family members which enable a family member (including the handicapped family member) to work.

HANDICAPPED PERSON. [Referred to as a Person with a Disability]. A person having a physical or mental impairment which:

Is expected to be of long-continued and indefinite duration;

Substantially impedes his or her ability to live independently; and

Is of such a nature that such ability could be improved by more suitable housing conditions.

HEAD OF HOUSEHOLD. The person who assumes legal and financial responsibility for the household and is listed on the application as head.

HOUSING AGENCY. A state, country, municipality or other governmental entity or public body authorized to administer the program. The term "HA" includes an Indian housing authority (IHA). ("PHA" and "HA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. The Act in which the U.S. Housing Act of 1937 was recodified, and which added the Section 8 Programs.

HOUSING ASSISTANCE PLAN.

A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under the Public Housing and Section 8 programs.

HUD. The Department of Housing and Urban Development or its designee.

HUD REQUIREMENTS. HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

HURRA. The Housing and Urban/Rural Recovery Act of 1983 legislation that resulted in most of the 1984 HUD Regulation changes to the definition of income, allowances, and rent calculations.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate times the total cash value of assets, when assets exceed $5,000.

INCOME. Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY. Annual Income.

INCOME TARGETING. The HUD admissions requirement that HAs not admit less than the number required by law of families whose income does not exceed 30% of the area median income in a fiscal year.

INDIAN. Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

INDIAN HOUSING AUTHORITY (IHA). A housing agency established either:

By exercise of the power of self-government of an Indian Tribe, independent of State law, or

By operation of State law providing specifically for housing authorities for Indians.

INTEREST REDUCTION SUBSIDIES. The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

INVOLUNTARILY DISPLACED PERSON. Involuntarily Displaced Applicants are applicants who meet the HUD definition for the local preference, formerly known as a federal preference.

LANDLORD. Either the legal owner of the property, or the owner's representative or managing agent as designated by the owner.

LEASE. A written agreement between an owner and an eligible family for the leasing of a housing unit.

LIVE-IN ATTENDANT. A person who resides with an elderly person or disabled person and who:

Is determined to be essential to the care and well-being of the person.

Is not obligated for the support of the person.

Would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE. A preference used by HACSB to select among applicant families without regard to their date and time of application.

LOW-INCOME FAMILY. A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. For admission to the certificate program, HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.

MARKET RENT. The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent

approved by HUD and is the Contract Rent for a Section 8 Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES. Those total medical expenses anticipated during the period for which Annual Income is computed, and which are not covered by insurance. (Only Elderly Families qualify) The allowances are applied when medical expenses exceed 3% of Annual Income.

MINIMUM RENT. An amount established by HACSB between zero and $50.00.

MINOR. A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances.

MONTHLY INCOME. 1/12 of the Annual Income before allowances.

NEAR-ELDERLY FAMILY. A family whose head, spouse, or sole member is at least 50, but less than 62 years of age. The term includes two or more near-elderly persons living together and one or more such persons living with one or more live-in aides.

NET FAMILY ASSETS. The net cash value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards] Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

PARTICIPANT. A family that has been admitted to HACSB program, and is currently assisted in the program.

PREMISES. The building or complex in which the dwelling unit is located including common areas and grounds.

PUBLIC ASSISTANCE. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA). A state, county, municipality, or other governmental entity or public body authorized to administer the programs. The term "PHA" includes an Indian housing authority (IHA). ("PHA" and "HA" mean the same thing.)

QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998. The Act which amended the U.S. Housing Act of 1937 and is known as the Public Housing Reform Bill. The Act is directed at revitalizing and improving HUD's Public Housing and Section 8 assistance programs.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if no interim changes are reported by the family.

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other family members have left and become unassisted.

RESPONSIBLE ENTITY. For the public housing, Section 8 tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, the responsible entity means HACSB administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

SECRETARY. The Secretary of Housing and Urban Development.

SECURITY DEPOSIT. A dollar amount which can be collected from the family by the owner upon termination of the lease and applied to unpaid rent, damages or other amounts owed to the owner under the lease according to State or local law.

SERVICEPERSON. A person in the active military or naval service (including the active reserve) of the United States.

SINGLE PERSON. A person living alone or intending to live alone who is not disabled, elderly, or displaced, or the remaining member of a tenant family.

SPOUSE. The marriage partner of the head of the household.

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

SUBSIDY STANDARDS. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

TENANT. (Synonymous with resident) The person or persons who executes the lease as lessee of the dwelling unit.

TENANT RENT. The amount payable monthly by the family as rent to HACSB.

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

UNIT/HOUSING UNIT. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero bedrooms to six bedrooms.

UTILITIES. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE. HACSB's estimate of the average monthly utility bills for an energy-conscious household. If all utilities are included in the rent, there is no utility allowance. The utility allowance will vary by unit size and type of utilities.

UTILITY REIMBURSEMENT PAYMENT. The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

VERY LARGE LOWER-INCOME FAMILY. Prior to the change in the 1982 regulations this was described as a lower-income family which included eight or more minors. This term is no longer used.

VERY LOW INCOME FAMILY. A Low-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

VETERAN. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

VIOLENT CRIMINAL ACTIVITY. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

WAITING LIST. A list of families organized according to HUD regulations and PHA policy who are waiting for subsidy to become available.

WELFARE ASSISTANCE. Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, state, or local governments.

16.3 GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE

CHILD. A member of the family other than the family head or spouse who is under 18 years of age.

CITIZEN. A citizen or national of the United States.

EVIDENCE. Evidence of citizenship or eligible immigration status means the documents which must be submitted to evidence citizenship or eligible immigration status.

HA. A housing authority- either a public housing agency or an Indian housing authority or both.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD. Department of Housing and Urban Development.

INS. The U.S. Immigration and Naturalization Service.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NONCITIZEN. A person who is neither a citizen nor nation of the United States.

PHA. A housing authority who operates Public Housing.

RESPONSIBLE ENTITY. The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (HACSB).

SECTION 214. Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214.

SPOUSE. Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, but not by public and Indian housing programs.

Chapter 17

PROGRAM INTEGRITY ADDENDUM

INTRODUCTION

The US Department of HUD conservatively estimates that 200 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental subsidy than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families are either totally ineligible, or are receiving benefits that exceed their legal entitlement. HACSB is committed to assure that the proper level of benefits is paid to all tenants, and that housing resources reach only income-eligible families so that program integrity can be maintained.

HACSB will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines HACSB's policies for the prevention, detection and investigation of program abuse and tenant fraud.

17.1 STEPS HACSB WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

The management and occupancy staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and tenant families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by tenant families.

Things You Should Know. This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify HACSB's expectations for cooperation and compliance.

Program Orientation Session. Mandatory orientation sessions will be conducted by the staff for all prospective tenants either prior to or upon execution of the lease. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a "Program Briefing Certificate" to confirm that all rules and pertinent regulations were explained to them.

Resident Counseling. HACSB will routinely provide tenant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and explanation of Forms. Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

Use of Instructive Signs and Warnings. Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse

Tenant Certification. All family representatives will be required to sign a "Tenant Certification" form, as contained in HUD's Tenant Integrity Program Manual.

17.2 STEPS HACSB WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

HACSB Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews. Prior to initial certification, and at the completion of all subsequent recertifications, each tenant file will be reviewed. Such reviews shall include, but are not limited to:

Changes in reported social security numbers or dates of birth.

Authenticity of file documents.

Ratio between reported income and expenditures.

Review of signatures for consistency with previously signed file documents.

Observation. HACSB Management and Staff will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Public Record Bulletins may be reviewed by Management and Staff.

State Wage Data Record Keepers. Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits

Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the tenant) in the following circumstances:

At the time of final eligibility determination

When an allegation is received by HACSB wherein unreported income sources are disclosed.

When a tenant's expenditures exceed his/her reported income, and no plausible explanation is given.

17.3 CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will HACSB undertake an inquiry or an audit of a tenant family arbitrarily. HACSB's expectation is that tenant families will comply with HUD requirements, provisions of the lease, and other program rules. HACSB staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, HACSB has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance, to monitor tenants' lease obligations for compliance and, when indicators of possible abuse come to HACSB' s attention, to investigate such claims.

HACSB will initiate an investigation of a tenant family only in the event of one or more of the following circumstances:

Referrals, Complaints, or Tips. HACSB will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a tenant family is in non-compliance with, or otherwise violating the lease or the program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the tenant file.

Internal File Review. A follow-up will be made if HACSB staff discovers (as a function of a [re]certification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, HACSB's knowledge of the family, or is discrepant with statements made by the family.

Verification or Documentation. A follow-up will be made if HACSB receives independent verification or documentation which conflicts with representations in the tenant file (such as public record information or credit bureau reports, reports from other agencies).

17.4 HACSB'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

HACSB staff will encourage all tenant families to report suspected abuse Housing Representatives**.** All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the tenant file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. HACSB will not follow up on allegations which are vague or otherwise non-specific. The will only review allegations which contain one or more independently verifiable facts.

File Review. An internal file review will be conducted to determine:

If the subject of the allegation is a tenant of HACSB and, if so, to determine whether or not the information reported has been previously disclosed by the family.

It will then be determined if HACSB is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the Housing Representatives will initiate an investigation to determine if the allegation is true or false.

17.5 HOW HACSB WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If HACSB determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the Executive Director to monitor the program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, HACSB will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries. In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity which conflicts with the reported income of the family.

Verification of Credit. In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to HACSB's review.

Other Agencies. Investigators, case workers or representatives of other benefit agencies may be contacted.

Public Records. If relevant, HACSB will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members. HACSB will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the appropriate PHA office. A high standard of courtesy and professionalism will be maintained by HACSB Staff Person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

17.6 PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY HACSB

Documents and other evidence obtained by HACSB during the course of an investigation will be considered "work product" and will either be kept in the tenant file, or in a separate "work file." In either case, the tenant file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among HACSB Staff unless they are involved in the process, or have information which may assist in the investigation.

17.7 CONCLUSION OF HACSB'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Executive Director or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

17.8 EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, HACSB will review the facts to determine:

The type of violation. (Procedural, non-compliance, fraud.)

Whether the violation was intentional or unintentional.

What amount of money (if any) is owed by the tenant.

Is the family eligible for continued occupancy.

17.9 ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, HACSB will propose the most appropriate remedy based upon the type and severity of the violation.

Procedural Non-compliance

This category applies when the tenant "fails to" observe a procedure or requirement of HACSB, but does not misrepresent a material fact, and there is no retroactive rent owed by the family. Examples of non-compliance violations are:

Failure to appear at a pre-scheduled appointment.

Failure to return verification in time period specified by HACSB.

Warning Notice to the Family. In such cases a notice will be sent to the family which contains the following:

A description of the non-compliance and the procedure, policy or obligation which was violated.

The date by which the violation must be corrected, or the procedure complied with.

The action which will be taken by HACSB if the procedure or obligation is not complied with by the date specified by HACSB.

The consequences of repeated (similar) violations.

Procedural Non-compliance - Retroactive Rent

When the tenant owes money to HACSB for failure to report changes in income or assets, HACSB will issue a Notification of Underpaid Rent. This Notice will contain the following:

A description of the violation and the date(s).

Any amounts owed to HACSB .

A seven days response period.

The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Tenant Fails to Comply with HACSB's Notice. If the Tenant fails to comply with HACSB's notice, and a material provision of the lease has been violated, HACSB will initiate termination of tenancy.

Tenant Complies with HACSB's Notice. When a tenant complies HACSB's notice, the staff person responsible will meet with him/her to discuss and explain the obligation or lease provision which was violated. The staff person will complete a Tenant Counseling Report, give one copy to the family and retain a copy in the tenant file Intentional Misrepresentations

When a tenant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an underpayment of rent by the tenant, HACSB will evaluate whether or not:

the tenant had knowledge that his/her actions were wrong, and

that the tenant willfully violated the lease or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the tenant was made aware of program requirements and prohibitions. The tenant's signature on various certification, briefing certificate, Personal Declaration and *Things You Should Know* are adequate to establish knowledge of wrong-doing.

The tenant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

An admission by the tenant of the misrepresentation.

That the act was done repeatedly.

If a false name or social security number was used.

If there were admissions to others of the illegal action or omission.

That the tenant omitted material facts which were known to them (e.g., employment of self or other household member).

That the tenant falsified, forged or altered documents.

That the tenant uttered and certified to statements at a rent (re)determination which were later independently verified to be false.

The Tenant Conference for Serious Violations and Misrepresentations

When HACSB has established that material misrepresentation(s) have occurred, a Tenant Conference will be scheduled with the family representative and HACSB staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by HACSB. The purpose of such conference is to review the information and evidence obtained by HACSB with the tenant, and to provide the tenant an opportunity to explain any document findings which conflict with representations in the tenant file. Any documents or mitigating circumstances presented by the tenant will be taken into consideration by HACSB. The tenant will be given seven business days to furnish any mitigating evidence.

A secondary purpose of the Tenant Conference is to assist HACSB in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, HACSB will consider:

The duration of the violation and number of false statements.

The tenant's ability to understand the rules.

The tenant's willingness to cooperate, and to accept responsibility for his/her actions

The amount of money involved.

The tenant's past history

Whether or not criminal intent has been established.

The number of false statements.

Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, HACSB may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution: If HACSB has established criminal intent, and the case meets the criteria for prosecution, HACSB may:

Refer the case to the local State or District Attorney, notify HUD's RIGI, and terminate rental assistance.

Administrative Remedies: HACSB may:

Terminate tenancy and demand payment of restitution in full.

Terminate tenancy and execute a payment agreement in accordance with HACSB's Payment Policy.

Terminate tenancy and pursue restitution through civil litigation.

Continue assistance at the correct rent upon payment of restitution in full 36 months.

Permit continued occupancy at the correct rent and execute an administrative repayment agreement in accordance with HACSB's repayment policy.

APPENDIX 1

ALLOWANCES FOR
TENANT FURNISHED UTILITIES AND OTHER SERVICES

Locality: Santa Barbara South Coast

ELECTRICITY:	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR+
1. Basic	$20	28	36	44	56	64
2. Cooking	7	8	9	9	12	14
3. Domestic Hot Water	4	7	10	13	18	20
4. Heating	5	7	9	12	15	16
5. All Electric	36	50	64	78	99	114

NATURAL GAS:	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR+
1. Space Heating	$5	7	9	12	15	16
2. Cooking	7	7	9	10	12	14
3.Domestic Hot Water	5	9	11	13	19	21
4.Space Heating plus Cooking, plus Domestic Hot Water	17	23	29	35	46	51

UTILITY OR SERVICE:	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR+
WATER	$11	17	22	30	33	39
SEWER	10	14	20	30	34	40
TRASH	9	11	14	25	25	25
RANGE	2	2	2	2	2	2
REFRIGERATOR	3	3	3	3	3	3

APPENDIX 2

INCOME LIMIT SCHEDULE FOR PUBLIC HOUSING
THE HOUSING AUTHORITY
OF THE
CITY OF SANTA BARBARA, CALIFORNIA

The following are the Income Limits for Admission in terms of Annual Income:

Number of Persons:	Extremely Low Income Limit	Very Low Income Limit	Low Income Limit
1 person	15,550	25,900	41,450
2 persons	17,800	29,600	47,400
3 persons	20,000	33,300	53,300
4 persons	22,200	37,000	59,200
5 persons	24,000	40,000	63,950
6 persons	25,800	42,950	68,700
7 persons	27,550	45,900	73,450
8 persons (plus)	29,350	48,850	78,150

* At least 40 % of new admissions annually must be at or below 30 % of the area median income.

APPENDIX 3

CENSUS TRACTS FOR LOCAL PREFERENCE

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NOTE:
06=CALIFORNIA
083= SANTA BARBARA COUNTY

APPENDIX 4

The amount of the Security Deposit shall be one month's rent or the following, whichever is higher:

Unit size	**Security Deposit**
Studio or 1 bedroom	$300*
2 bedroom	$450*
3 bedroom	$600*
4 bedroom	$750*
5 bedroom	$900*

* Pursuant to California Civil Code Section 1950.5, should any of these dollar figures exceed an amount or value in excess of an amount equal to two month's rent, then the security deposit shall be limited to no more than two month's rents.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT C

Resident Services Program
&
Family Self-Sufficiency (FSS) Numbers

(CA076c01)

Attachment C - Resident Services Programs and FSS Numbers

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
HACSB Training Program	9	Criteria	PHA Main Office	Both
Supportive Services Program	56	Referral	PHA Main Office	Both
Early Childhood Mobility	10	Targeted	PHA Main Office	Both
Furniture Closet	95	Referral	PHA Main Office	Both
Senior/Disabled Transportation	69	Targeted Selection	PHA Main Office	Both
Women's Economic Ventures (WEV)	5	Targeted Selection	PHA Main Office	Both
ESL – Adult ED	12	Targeted Selection	PHA Main Office	Both
G.E.D. Programs	9	Targeted Selection	PHA Main Office	Both
Immigration/Citizenship	1	Targeted Selection	PHA Main Office	Both
Job Search/Job Skills	27	Referral	PHA Main Office	Both
Financial Literacy Program	196	Targeted Selection	PHA Main Office	Both
Community College (SBCC)	196	Criteria	PHA Main Office	Both
Legal Aide	1	Referral	PHA Main Office	Both
Life Skills	120	Referral	PHA Main Office	Both

Attachment C - Resident Services Programs and FSS Numbers

Volunteer Income Tax Assistance Program	899	Specific Criteria	PHA Main	Both
Family Opportunity Center Programs	96	Random	PHA Main Office	Both
Paseo Voluntario Family Learning Center – Tutorial Programs	41	Targeted Selection	PHA Main Office	Both
GreenNet Program- Gardening Program & Computer Training, & Splash to Trash	154	Targeted Selection	PHA Main Office	Both
Choices Young Women's Leadership Program	16	Referrals	PHA Main Office	Both
Flag Football Program	31	Targeted Selection	PHA Main Office	Both
Youth Employment	10	Selected	PHA Main Office	Both
Teen Life Skills Program	59	Referrals	PHA Main Office	Both
Art Program(s)	47	Selected	PHA Main Office	Public Housing
Unity Shoppe	40	Referrals	PHA Main Office	Both
Scholarship Foundation Of Santa Barbara	22	Targeted Selection	PHA Main Office	Both
Fun on the Run	23	Specific Criteria	PHA Main Office	Both
Girl Scouts	19	Targeted Selection	PHA Main Office	Both
Nature Corps	13	Targeted Selection	PHA Main Office	Both
Tall Ship (sailing program excursion focusing on marine biology)	81	Targeted Selection	PHA Main Office	Both
Everybody Dance Now!	37	Targeted Selection	PHA Main Office	Both

Attachment C - Resident Services Programs and FSS Numbers

Summer Reading Program	22	Targeted Selection	PHA Main Office	Both
LISTOS (households disaster preparedness program)	16	Target Selection	PHA Main Office	Public Housing
		FSS		
Program	**Required Number of Participants**	**Actual Number of Participants**		
Public Housing	46-PHA Voluntary Slots Only	30 current		
Section 8	173	166		

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT D

Audit Results – FYE 3-31-2010

(CA076d01)

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

Santa Barbara, California

AUDIT REPORT

For the Year Ended March 31, 2011

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

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March 31, 2011

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Barton,
Gonzalez
& Myers, P.A.
Certified Public Accountants

13137 - 66th Street, Largo, FL 33773
Phone: (727) 344-1040 Fax: (727) 533-8483
www.bartoncpas.com

Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, California

We have audited the accompanying basic financial statements of the Housing Authority of the City of Santa Barbara ("Authority") as of and for the year ended March 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Santa Barbara as of March 31, 2011, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2011 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Santa Barbara, taken as a whole. The accompanying financial information listed in the Table of Contents as Supplementary Information and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Barton, Gonzalez & Myers, P.A.

Barton, Gonzalez & Myers, P.A.
Certified Public Accountants
November 23, 2011

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2011

As management of the Housing Authority of the City of Santa Barbara, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2011.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- Total operating revenue for all programs was approximately $38.3 million for the year. Tenant rental revenue generated approximately $8.9 million towards this amount and HUD operating grants provided approximately $25.0 million.
- Total operating expenses for ali programs was approximately $37.0 million. Housing assistance payments to landlords on behalf of tenants represented approximately $22.5 million. Administrative expenses ($5.1 million), maintenance ($3.3 million) and tenant services ($1.5 million) were other significant expense categories.
- The assets of the Housing Authority exceeded its liabilities at the close of the year by $30.7 million. Of that amount $9.8 million was considered unrestricted net assets and $2.0 million was restricted net assets. The remaining balance of $18.9 million was investment in capital assets, net of related debt.
- The Housing Authority's net assets increased by $1.4 million (Table 1) as a result of current year activities.
- The Housing Authority had approximately $1.1 million of Construction-in-Progress for a variety of pre-development projects at the close of the fiscal year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements, which are comprised of the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets and the Statement of Cash Flows. This report also includes notes to the financial statements and supplementary information.

The financial statements report information on the Authority net of interfund activity.

The *Combined Statement of Net Assets* presents information on the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Interfund receivable and payables of $1,418,946 have been eliminated for this presentation.

The *Combined Statement of Revenues, Expenses and Changes in Fund Net Assets* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Combined Statement of Cash Flows* presents the change in the Authority's cash and cash equivalents during the most recent fiscal year.

Fund Accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by the United States Department of Housing and Urban Development (HUD). However, the Authority established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other moneys. All of the funds of the Authority are categorized as Enterprise Funds.

Enterprise Funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The focus of enterprise funds is on income measurement which, together with the maintenance of equity, is an important financial indication.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Supplemental Information. Certain information is required to be included in this report by various federal agencies. This information is included after the notes to the financial statements under the title supplementary information.

Financial Analysis

As noted earlier, the Authority uses funds to help it control and manage money for particular purposes. Our analysis below focuses on the net assets (Table 1) and the changes in the net assets (Table 3) of the Authority as a whole. The largest portion of the Authority's net assets (61.5%) reflects its investment in capital assets (e.g. land, buildings and improvements, furniture, equipment and machinery). The Housing Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

The increase in total net assets of approximately $1.374 million, noted in Table 1, is comprised of an increase in unrestricted net assets of $1.7 million, offset slightly by decreases in restricted net assets ($16,746) and investment in capital assets ($325,175). The increase in unrestricted net assets came as the result of strong net income in the Business Activities ($1.6 million) and Public Housing ($415,000) funds, offset by a net loss in the Central Office Cost Center Fund ($656,105).

Table 1

STATEMENT OF NET ASSETS

	Restated 3/31/2010	3/31/2011	Change	% Change
Current Assets	$ 12,481,524	$ 14,031,112	$ 1,549,588	12.4%
Capital Assets, Net of Depreciat	53,378,665	50,184,520	(3,194,145)	-6.0%
Non-Current Assets	689,112	1,019,385	330,273	47.9%
Total Assets	$ 66,549,301	$ 65,235,017	$ (1,314,284)	-2.0%
Current Liabilities	$ 5,864,350	$ 2,738,697	$ (3,125,653)	-53.3%
Non-Current Liabilities	31,378,594	31,815,627	437,033	1.4%
Total Liabilities	$ 37,242,944	$ 34,554,324	$ (2,688,620)	-7.2%
Net Assets:				
Invested in Capital Net of Debt	$ 19,197,935	$ 18,872,760	$ (325,175)	-1.7%
Restricted Net Assets	2,046,611	2,029,865	(16,746)	-0.8%
Unrestricted Net Assets	8,061,811	9,778,068	1,716,257	21.3%
Total Net Assets	$ 29,306,357	$ 30,680,693	$ 1,374,336	4.7%
Total Liabilities and Net Assets	$ 66,549,301	$ 65,235,017	$ (1,314,284)	-2.0%

The following is an explanation of the changes between fiscal years as shown in Table 1 above:

- **Current assets** increased approximately $1.5 million (12.4%) as a result of an increase of approximately $760,000 in cash and investments due to positive results of operations for the fiscal year.

- **Capital assets** decreased a net of approximately $3.2 million. As detailed in Table 2, below, the decrease came as a result of a decrease in the value of land and the current year depreciation expense. The land decrease was the result of the disposition of a parcel of undeveloped land located at 535 East Montecito St. valued at $3.5 million, offset by other land acquisitions totaling approximately $1.3 million. Depreciable Capital Assets increased almost $2 million while Construction in Progress decreased just over $600,000. Current year depreciation expense of $2.3 million accounted for the balance of the year-over-year change.

Table 2

FIXED ASSETS

	3/31/2010	3/31/2011	Change	% Change
Land	$ 27,665,481	$ 25,436,211	$ (2,229,270)	-8.1%
Depreciable Capital Assets	59,323,901	61,279,488	1,955,587	3.3%
Construction in progress	1,688,663	1,054,186	(634,477)	-37.6%
Less Accumulated Depreciation	(35,299,380)	(37,585,365)	(2,285,985)	6.5%
Net Capital Assets	**$ 53,378,665**	**$ 50,184,520**	**$ (3,194,145)**	-6.0%

- **Current liabilities** decreased approximately $3.1 million (53%) as a result of the payoff of a $3.5 million loan from the Santa Barbara Foundation that had been used to acquire land at 535 East Montecito Street, mentioned above.
- **Unrestricted net assets** increased approximately $1.7 million (21%) as a result of the net gains for the fiscal year.
- **Invested Fixed assets** - As of March 31, 2011, the Housing Authority had $18,872,760 invested in a broad range of fixed assets, including land, buildings and improvements, furniture, equipment and machinery. This amount represents a net decrease of $325,175, or 1.7%.
- **Restricted net assets** remained almost unchanged at $2,029,865, a decrease of $16,746 (0.8%)

Table 3

CHANGE IN NET ASSETS

	3/31/2010	3/31/2011	Change	% Change
Operating Revenues				
Tenant Revenue	$ 9,779,437	$ 8,898,612	$ (880,825)	-9.0%
HUD Operating Grants	23,628,456	24,987,279	1,358,823	5.8%
Other Revenue	653,556	3,891,186	3,237,630	495.4%
Other Grants	200,000	552,006	352,006	176.0%
Total Operating Revenue	$ 34,261,449	$ 38,329,083	$ 4,067,634	11.9%
Operating Expenses				
Administration	$ 5,364,836	$ 5,053,998	$ (310,838)	-5.8%
Utilities	846,591	811,600	(34,991)	-4.1%
Maintenance	2,930,050	3,349,671	419,621	14.3%
General	1,089,621	1,220,932	131,311	12.1%
Depreciation	2,412,450	2,614,589	202,139	8.4%
Housing Assistance Payments	21,278,879	22,469,014	1,190,135	5.6%
Resident Services	1,764,262	1,531,980	(232,282)	-13.2%
Casualty Losses	110,641	-	(110,641)	-100.0%
Total Operating Expenses	$ 35,797,330	$ 37,051,784	$ 1,254,454	3.5%
Net Income (Loss)	$ (1,535,881)	$ 1,277,299	$ 2,813,180	-183.2%
Non-Operating Revenue (Expenses)				
Interest Income	$ 599,275	$ 260,577	$ (338,698)	-56.5%
Gain (Loss) on Disposition of Assets	(1,224,547)	(306,457)	918,090	-75.0%
Interest Expense	(1,108,581)	(1,063,282)	45,299	-4.1%
Other Non-Operating (Expenses)	-	-	-	N/A
HUD capital grants	1,930,275	1,206,199	(724,076)	-37.5%
Total Non-Operating Revenue	$ 196,422	$ 97,037	$ (99,385)	-50.6%
Change in Net assets	$ (1,339,459)	$ 1,374,336	$ 2,713,795	-202.6%

Changes in net assets as a result of operations for the fiscal year are presented in Table 3, above.

The following is an explanation of the changes between fiscal years as shown in the table.

Total operating revenues increased from a year ago by approximately $4.1 million (11.9%) and total operating expenses increased by approximately $1.254 million (3.5%).

Increase in Operating Revenue: HUD operating grants increased approximately $1.4 million (5.8%) due to an increase in Section 8 Housing Choice Voucher and "Mainstream" payments from HUD.

"Other Revenue" totaled $3.9 million, an increase of approximately $3.2 million. The significant components of the increase were a $1.3 million developer fee earned by the Agency on the new Artisan Court development, and a grant from the City of Santa Barbara of $1.15 million for the acquisition of a property located at 2904 State Street.

Increase in Operating Costs: Overall, operating expenses increased $1,254,454. Virtually all of the increase came as a result of an $1,190,135 increase in the housing assistance payments made to landlords using HUD operating grant funds. As expected, the increase in housing assistance payments closely tracked the increase in HUD operating grant revenue cited above.

There were year-over-year variances in other operating expense categories, primarily as a result of better tracking and allocation of administrative expenses to other direct expense categories, such as maintenance and general.

Non-Operating Revenue / (Expenses): Interest income decreased $338,698 (56.5%) due primarily to the required recognition of unrealized losses on the Authority's investments.

The Authority had a loss on disposition of various assets of $306,457. This was a $918,090 reduction from the prior year when the Agency recognized a loss of approximately $1.2 million due to the demolition of an existing building on Cota Street for the development of the Artisan Court project.

HUD capital grants totaled approximately $1.2 million, a decrease of approximately $724,000 (37.5%) from the prior year. This was due to the receipt in the prior year of one-time capital grants under the American Recovery & Reinvestment Act (ARRA).

Fund Net Asset Analysis

Table 4 shows an analysis of balances and transactions for the individual funds making up the agency-wide financial statements that comply with Generally Accepted Accounting Principles (GAAP).

Table 4

Fund Net Assets

	Business Activities	Central Office Cost Center	Public Housing	Shifco	Shelter Plus Care	Section 8	Total
Net assets, beginning of year (as restated)	$ 9,767,189	$ 247,903	$ 17,012,652	$ 995,066	$ (20,670)	$ 1,304,217	$ 29,306,357
Net income (loss)	1,647,171	(656,105)	414,849	(28,249)	(22,970)	19,640	1,374,336
Equity transfer in (out)	(490,974)	408,202	-	-	43,640	39,132	-
Net assets, end of year	$ 10,923,386	$ -	$ 17,427,501	$ 966,817	$ -	$ 1,362,989	$ 30,680,693

The following is an explanation of some of the notable changes in fund net assets as shown in Table 4.

Business Activities: Net assets increased as a result of a $1.6 million net income. Of that amount, $490,974 was transferred out to three of the agency's other funds, resulting in a net increase in net assets of $1,156,197.

Central Office Cost Center (COCC): The COCC had a net loss on operations of $656,105 as a result of a substantially lower than expected cost recovery from the other funds, particularly from the Public Housing Fund. This net loss consumed the entire beginning net asset balance and required an equity transfer from the Business Activities Fund of $408,202 to end the year with a zero balance in net equity. Management believes that the substantial loss in the COCC was an anomaly and fully expects the COCC to return to a fully balanced operational position in the subsequent fiscal year.

Public Housing: The increase in net assets is the result of an $414,849 operating gain for the year.

Shifco: The fund experienced a minor operating loss of $28,249 for the year. Despite the minor loss, net assets ended the year close to $1 million.

Shelter Plus Care: The fund began the fiscal year with negative net equity of $20,670 and had a net loss for the fiscal year of $22,970, resulting in an end-of-year net equity balance of $43,640. This negative net equity was covered with an equity transfer from the Business Activities Fund, leaving a final end-of-year net asset balance of zero. The losses in the Shelter Plus Care Fund are the result of slightly higher housing assistance payments expense than the corresponding federal HUD grant funding.

Section 8: Fund net assets remained virtually unchanged at $1.3 million. The fund had a net gain of $19,640 for the year. Despite the fund's overall net gain, an equity transfer from the Business Activities Fund in the amount of $39,132 was used to balance one component of the Section 8 Fund know as the Family Unification Program (FUP). The FUP had slightly more housing assistance payment expenses than was funded by HUD. Therefore, non-HUD funds were used to cover the additional expense.

Debt. Our long-term debt consists of mortgage loans and notes payable. We present more detail about our long-term liabilities in the notes to the financial statements.

Economic Factors and Outlook. The Authority is primarily dependent upon the federal Department of Housing and Urban Development (HUD) for the funding of operations; therefore, the Authority is affected more by the federal budget than by state or local budgets or economic conditions. Our budgets and subsidy funding requests are approved by HUD.

Given the certainty of substantial reductions in federal spending, including housing programs funded by HUD, our Agency, like all housing authorities, faces the likelihood of substantial reductions in federal funding, particularly for operating grants that support the administration of public housing and Section 8 voucher programs as well as capital facility grants, within the very near future. It will be a challenge to adjust to substantially lower federal administrative support while still operating and maintaining public housing units and administering housing vouchers under the Section 8 program. Management has already begun contingency planning to deal with the anticipated funding reductions.

Requests for Information. This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for resources it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Department at the Housing Authority of the City of Santa Barbara, 808 Laguna Street, Santa Barbara, CA 93101.

Housing Authority of the City of Santa Barbara
Santa Barbara, CA
Combined Statement of Net Assets - Proprietary Fund Type
As of March 31, 2011

ASSETS

Current Assets		
Cash and cash equivalents	$	4,978,320
Restricted cash and cash equivalents		1,724,182
Investments		3,350,448
Restricted investments		1,478,360
Accounts and notes receivable, current portion		2,359,487
Prepaid expenses		94,202
Inventory		46,113
Total Current Assets	$	14,031,112
Non-Current Assets		
Capital assets, net of depreciation	$	50,184,520
Accounts and notes receivable, non-current		1,019,385
Total Non-Current Assets	$	51,203,905
Total Assets	$	65,235,017

LIABILITIES & NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities	$	547,552
Tenant security deposits		552,410
Notes payable, current portion		883,905
Other current liabilities		754,830
Total Current Liabilities	$	2,738,697
Non-Current Liabilities		
Notes payable, long-term portion	$	30,427,853
Accrued other post-employment benefit liabilities		1,056,792
Other non-current liabilities		330,982
Total Non-Current Liabilities	$	31,815,627
TOTAL LIABILITIES	$	34,554,324
Net Assets		
Invested in capital assets, net of related debt	$	18,872,760
Restricted net assets		2,029,865
Unrestricted net assets		9,778,068
Total Net Assets	$	30,680,693
TOTAL LIABILITIES & NET ASSETS	$	65,235,017

See auditor's report.
The notes to the financial statements are an integral part of this statement.

Housing Authority of the City of Santa Barbara
Santa Barbara, CA
Combined Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund Type
For the Fiscal Year ended March 31, 2011

Operating revenue		
Tenant rental revenue	$	8,898,612
HUD Operating grants		24,987,279
HUD CFP Operating grants		552,006
Other operating income		3,891,186
Total operating revenue	$	38,329,083
Operating expenses		
Administration	$	5,053,998
Tenant services		1,531,980
Utilities		811,600
Maintenance and operations		3,349,671
General expenses		1,220,932
Depreciation		2,614,589
Housing assistance payments		22,469,014
Total operating expenses	$	37,051,784
Net operating income	$	1,277,299
Non-operating revenue (expenses)		
Investment income	$	260,577
Gain (loss) on disposition of assets		(306,457)
Interest expense		(1,063,282)
HUD capital grants		1,206,199
Net non-operating revenue (expense)	$	97,037
Net income	$	1,374,336
Nets assets (as restated), beginning of year	$	29,306,357
Net assets, end of year	$	30,680,693

See auditor's report.
The notes to the financial statements are an integral part of this statement.

Housing Authority of the City of Santa Barbara
Santa Barbara, California

Combined Statement of Cash Flows - Proprietary Fund Type

For the Fiscal Year Ended March 31, 2011

Cash flows provided from operating activities:		
Cash received from tenants and others	$	12,090,096
Cash paid for goods and services		(8,217,594)
Cash paid to employees for services		(4,170,129)
Housing assistance payments		(22,469,014)
HUD PHA grants received		25,538,223
Other government grants received		270,872
Net cash provided from operating activities		3,042,454
Cash flows used by capital and related financing activities:		
Proceeds from capital grants		1,116,340
Acquisition of capital assets		(2,595,952)
Payments of interest on notes payable		(1,063,282)
Payments of principal on notes payable		(500,587)
Proceeds from notes payable		271,614
Proceeds from sale of fixed assets		229,051
Net cash used by capital and related financing activities		(2,542,816)
Cash flows provided by investing activities:		
Interest on investments		260,577
Sale of investments, net		502,769
Net cash flows provided by investing activities		763,346
Net increase in cash and cash equivalents		1,262,984
Cash and cash equivalents, beginning of year		5,439,518
Cash and cash equivalents, end of year	$	6,702,502
Reconciliation of operating loss to net cash provided from operating activities:		
Operating income:	$	1,277,299
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,614,589
Increase in tenants, accounts and notes receivable - other		(1,023,503)
Increase in prepaid expenses		(131)
Increase in supplies inventory		(6,154)
Decrease in accrued compensated absensces		(32,522)
Decrease in accounts payable, accrued liabilities, accrued interest and security deposits		(363,862)
Increase in deferred revenue		5,215
Increase in other liabilities		571,523
Total adjustments		1,765,155
Net cash provided from operating activities	$	3,042,454

See auditor's report.
The notes to the financial statements are an integral part of this statement.

NOTE 1: Summary of Significant Accounting Policies:

Reporting Entity

The Housing Authority of the City of Santa Barbara ("Authority") is a public body organized in October 1969 under the laws of the State of California's Health and Safety Code. The Authority was created for the purpose of providing safe and sanitary housing for qualified economically disadvantaged and elderly individuals in areas where shortage of such housing exists.

The Board of Commissioners of the Authority is composed of seven members and is appointed to four year terms (except for tenant commissioners who serve two year terms) by the Santa Barbara City Council ("City Council"), but the Authority designates its own management. The City Council provides no financial support to the Authority and is not responsible for the debts or entitled to the surpluses of the Authority. The Authority has the power to approve its own budget and maintains its own accounting system. Although the Board is appointed by the City Council, no other criteria established by Section 2100 and 2600 of the Codification of Governmental Accounting Standards Board, the Financial Accounting Standards Board, and Governmental Accounting Standards Board Statement No. 39 for inclusion of the Authority in the City of Santa Barbara's financial statements are met. Therefore, a separate financial report is prepared for the Authority. All of the operations of the Authority are included in the audited financial statements and there are no operations or activities which have been excluded.

Included within the reporting entity:

Enterprise Funds:

Authority owned housing
Housing Assistance Payments Program
Capital Fund Program
Property Management Program
Non-HUD Program
Shelter Plus Care
SHIFCO

Description of a Public Housing Authority

Funding for public housing authorities is received from the United States Department of Housing and Urban Development (HUD) and from participants in public housing programs. Under the Low Rent Housing Assistance Program, low income tenants pay monthly rents which are determined by their need for assistance. HUD also pays operating subsidies to the housing authority to enable the authority to maintain the low-income character of the neighborhood while providing adequate services and maintaining adequate reserves.

NOTE 1: Summary of Significant Accounting Policies: (Continued)

Description of a Public Housing Authority (Continued)

The Section 8 Housing Assistance Payments Program provides rental supplements to the owners of existing private housing who rent to qualified individuals. The Authority processes all applicants for the Section 8 Housing Assistance Payments Program, places approved applicants in housing and pays the owner of the private housing a monthly rental supplement. Under the conditions of an annual contributions contract, HUD reimburses the Authority for the rental supplements and the administrative cost of managing the program, up to a per unit limit established in the annual contributions contract.

The Authority's capital funds are received from the Federal Government through a formula driven computation. These funds are used to upgrade the facilities at various developments to give the residents a decent and safe living environment. Each year's grant funds must be entirely obligated within two years of inception of the grant and entirely expended within four years.

Basis of Presentation

The accounts of the Authority are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, liabilities, net assets, revenues and expenses.

The Authority accounts for its operation in one fund type, the enterprise fund that reflects the business type activities of the Authority. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Housing Authority of the City of Santa Barbara maintains one enterprise fund which includes the following programs: the Low Rent Housing Program, Section 8 Housing Assistance Payments Program (Housing Choice Voucher), Capital Fund Program, Capital Fund Stimulus Recovery Act Program, Shelter Plus Care Program, SHIFCO Program, Non-HUD Program (State/Local), and Central Office Cost Center (COCC).

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the statement of net assets. Enterprise fund type equity (i.e., net total assets) is segregated into investment in capital assets (net of related debt), restricted net assets and unrestricted net asset components. Operating activities for this fund present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

NOTE 1: Summary of Significant Accounting Policies: (Continued)

Basis of Accounting (Continued)

The financial statements for the Authority have been presented on the accrual basis. Under this basis, revenues are recorded when earned and expenses are recorded when incurred. Operating income reported includes rental income, other tenant charges, operating grants and other revenue for the continuing operations of the fund. Operating expenses are the costs of providing goods and services. Other revenues and expenses are classified as non-operating in the financial statements. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first.

As permitted, the Authority has elected to apply only the applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for it operations.

Budgetary Data

The Authority maintains budgetary controls over its fund, as required by the terms of the Authority's annual contributions contract with HUD. The Authority determined that all revenues and expenses were in accordance with the program budgets. The budgets were prepared on the modified accrual basis of accounting.

Deposits and Investments

All deposits of the Authority are made in board-designated official depositories and are secured as required by HUD regulations. Also, the Authority may establish time deposit accounts such as NOW and Super NOW accounts, money accounts and certificates of deposit. Section 401(e) of the annual contribution contract authorizes the Authority to invest in the following types of securities:

1. Obligations of the Federal Government which are backed by the full faith and credit of the Federal Government.

2. Obligations of any agency or instrumentality of the Federal Government if the payment of interest and principal on such obligations is fully guaranteed by the Federal Government.

3. Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, the Federal National Mortgage Association, the Banks for Cooperatives, and the Federal Land Banks which mature no later than 18 months after the date of purchase.

NOTE 1: Summary of Significant Accounting Policies: (Continued)

Deposits and Investments (Continued)

As required by the annual contributions contract, the Authority prepares cash forecasts for each program to determine the amount of funds available for investment and to maximize investment earnings. The deposits and the above described investments with an original maturity of ninety days or less are considered cash and cash equivalents for the Statement of Cash Flows.

Fair Value of Financial Instruments

The carrying amount of the Authority's financial instruments at March 31, 2011, including cash, investments, accounts receivable, accounts payable, and notes payable closely approximates fair value.

Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenses when consumed rather than when purchased.

Capital Assets

Capital assets are recorded at historical cost at the date of acquisition. Assets are depreciated on a straight-line basis over the following years:

Buildings	30 years
Site improvements, building modernization & rehabilitation	10 years
Furniture, equipment and vehicles	5-7 years

The Authority capitalizes purchases with an initial cost that exceeds $5,000 and a useful life greater than one year.

Deferred Revenue

Deferred revenues (included in Other Current Liabilities) consist of $132,602 in rental payments made by tenants in advance of their due date.

NOTE 1: Summary of Significant Accounting Policies: (Continued)

Net Assets

Invested in Capital Assets (net of related debt) represents funds received for development and modernization of the Authority's dwelling units. Capital assets purchased through operations and grant programs are included in this amount.

Restricted Net Assets represent the difference between the assets and liabilities that are constrained in use by creditors or by grantors, contributors, or laws or regulations of governments. The Authority's restricted net assets are comprised primarily of cash and investments that are held for use in the Section 8 – Housing Choice Voucher program and other programs.

Unrestricted Net Assets represent the assets remaining after deducting liabilities, net assets invested in capital assets and restricted net assets. It provides a basis of assessing the liquidity and financial flexibility of the Authority.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: Stewardship, Compliance, and Accountability

The Authority believes it has met its responsibilities regarding stewardship, compliance and accountability for its fund.

NOTE 3: Deposits and Investments

The Authority's deposits include deposits with financial institutions. The carrying amount of the Authority's deposits for cash and investments, including restricted amounts, was $11,531,310. All deposits and certificates of deposit are secured by the Authority's financial institutions with F.D.I.C. coverage and securities pledged in the entity's name.

The Authority's cash and investments consist of checking, money market, certificates of deposits, corporate bonds, mutual bond funds, and government securities. The Authority's checking and money market bank accounts are short-term highly liquid investments that are considered cash and cash equivalents. The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Changes in fair value that occur during a fiscal year are recognized as investment income for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon liquidation, maturity, or sale of investments.

NOTE 3: Deposits and Investments (Continued)

Investments are stated at fair value and consist of the following:

Certificates of deposit	$	0
Brokerage money funds		290,625
Corporate bonds		209,487
Mutual funds (bond funds)		4,242,347
U.S. government securities		86,349
Total	$	4,828,808

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value will be to changes in market interest rates. In accordance with the Authority's Investment Policy, the Authority manages its exposure to interest rate risks by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity needed for operations.

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Authority's debt investments ratings at March 31, 2011 are presented below:

		Ratings			
Related Debt Investments	Fair Value	AAA	AA	A	Unrated
Corporate bonds	$ 209,487	$ —	$ —	$ 209,487	$ —
Mutual funds (bonds)	4,242,347	—	—	—	4,242,347
U.S. Gov't Securities	86,349	86,349	—	—	—
Total	$ 4,538,183	$ 86,349	$ —	$ 209,487	$ 4,242,347

Concentration of Credit Risk: More than 5 percent of the Authority's investments are in the following investments:

		Money Markets		Mutual Bond Funds
Blackrock Temp Fund 24 Money Market	$	290,625	$	—
Franklin Adjustable US Gov Sec Fund Adv #638		—		542,622
Payden GNMA Fund #989		—		765,320
Pimco Fds Total Return Fd Inst #35		—		424,755
Pimco Low Duration Fund #36		—		805,185
Pimco Mortgage Backed Securities Fund - Ins		—		627,227
Vanguard Inflation Protected Securities Fund - Ad #5119		—		366,928
Vanguard Short Term Invt Grade Adm #539		—		710,310
Total	$	290,625	$	4,242,347
Percent of Total Investments		6.02%		87.85%

NOTE 4: Accounts & Notes Receivable - Other

As of March 31, 2011, Accounts and Notes Receivable – Other is composed of the following:

Tenant Receivables (net of allowance of $12,771)	$	84,234
Due from HUD (capital fund programs and miscellaneous)		294,342
A/R - Other Government		53,730
El Carillo L.P. Note Receivable (Interest at 6%, Matures 05/03/2017)		141,083
Artisan Court, L.P. Note Receivable (Interest at 3%, Matures 04/06/2019) and accrued interest		352,625
A/R Artisan Court (developer fee)		1,290,041
Bradley, L.P. Advance (Unsecured)		368,897
Bradley, L.P. Note Receivable (Interest at 4.4%, Matures 04/26/20)		157,340
El Carillo, L.P. Note Receivable (Interest at 3%, Matures 07/13/2035)		300,000
El Carillo, L.P. Note Receivable (Interest at 3%, Matures 08/04/2035)		250,000
Other Miscellaneous Receivables		86,580
Total		3,378,872
Less Long-term Portion		(1,019,385)
Accounts & Notes Receivable - Other, Current Portion	$	2,359,487

NOTE 5: Interprogram

At March 31, 2011, interprogram receivables and payables consisted of the following:

Program:		Receivables		Payables
COCC	$	1,121,160	$	6,445
Low Rent		13,628		198,373
Section 8		99,786		338,991
Non-HUD		184,372		250,951
Shelter Care		0		100,076
SHIFCO		0		283,754
Capital Fund Program		0		240,356
	$	1,418,946	$	1,418,946

NOTE 6: Capital Assets

The capital assets (at cost) of the Housing Authority of the City of Santa Barbara at March 31, 2011 consisted of the following:

	Balance at March 31, 2010	Additions	Deletions	Transfers	Balance at March 31, 2011
Nondepreciable capital assets:					
Land	$ 27,665,480	$ 1,270,731	$ (3,500,000)	$ -	$ 25,436,211
Construction in progress	1,688,663	1,201,637	-	(1,836,114)	1,054,186
	29,354,143	2,472,368	(3,500,000)	(1,836,114)	26,490,397
Depreciable capital assets:					
Buildings and improvements	57,251,617	967,613	(458,158)	1,637,139	59,398,211
Furniture, equipment, vehicles	2,072,284	15,971	(206,352)	(626)	1,881,277
	59,323,901	983,584	(664,510)	1,636,513	61,279,488
Accumulated Depreciation:					
Buildings and improvements	(33,713,139)	(2,384,927)	128,859	-	(35,969,207)
Furniture, equipment, vehicles	(1,586,240)	(229,662)	199,744	-	(1,616,158)
	(35,299,379)	(2,614,589)	328,603	-	(37,585,365)
Total Capital Assets, net	$ 53,378,665	$ 841,363	$ (3,835,907)	$ (199,601)	$ 50,184,520

NOTE 7: Notes Payable

	Note Balance	Accrued Interest	Total Due
SHIFCO			
Promissory note to Berkadia Mortgage with an interest rate of 4.5%, dated January 14, 1997, due in monthly principal and interest installments of $13,089. All unpaid principal and interest is due and payable on February 1, 2017. Secured by the SHIFCO project land and buildings and guaranteed by the FHA.	$804,511	$0	$804,511
Non- HUD Program			
Loan agreement, secured by a deed of trust, payable to the Redevelopment Agency of the City of Santa Barbara, interest at 0% through June 2011 (thereafter 3%), due in monthly principal and interest installments of $46,349. All unpaid principal and interest is due and payable July 1, 2021. Secured by real property.	4,800,000	0	4,800,000
Mortgage revenue secured note payable to Jacobs Trust, dated January 15, 1991, with an interest rate of 5.25%, due in monthly principal and interest installments of $1,600. All unpaid principal and interest is due and payable on February 1, 2019. Secured by real property.	123,110	0	123,110
Mortgage revenue secured note payable to Santa Barbara Bank & Trust, dated July 11, 2003, with an interest rate of 4.375% (through September 2013). Interest rate adjusted in September 2013 and in September 2023 to 95% of ten-year Constant Maturity Treasury Index. Due in monthly principal and interest payments of $41,690. All unpaid principal and interest is due and payable September 1, 2033. Secured by real property.	7,138,828	0	7,138,828
Mortgage revenue secured note payable to Santa Barbara Bank & Trust, dated October 1, 2008, with an interest rate of 4% (through November 2018). Interest rate adjusted in November 2018 and in November 2028 to 95% of ten-year Constant Maturity Treasury Index. Due in monthly principal and interest payments of $7,639. All unpaid principal and interest is due end payable November 1, 2038. Secured by real property.	1,530,130	0	1,530,130
Mortgage revenue secured note payable to Spriggs Family Trust, dated October 28, 2003, with an interest rate of 4%, due in monthly principal and interest installments of $4,047. All unpaid principal and interest is due and payable on October 1, 2018. Secured by real property.	317,199	0	317,199

NOTE 7: Notes Payable (Continued)

	Note Balance	Accrued Interest	Total Due
Mortgage revenue secured note payable to Santa Barbara Bank & Trust, dated October 28, 2003, with an interest rate of 4.375% (through November 2013). Interest rate adjusted in November 2013 and in November 2023 to 95% of ten-year Constant Maturity Treasury Index. Due in monthly principal and interest payments of $25,464. All unpaid principal and interest is due and payable November 1, 2033. Secured by real property.	4,379,272	0	4,379,272
Mortgage revenue secured note payable to Wilcox Family Trust, dated November 7, 2007, with an interest rate of 5%, monthly interest only payments of $4,000 until Nov. 1, 2017, thereafter monthly interest and principal payments of $7,592. All unpaid principal and interest is due and payable on November 1, 2027. Secured by real prop.	960,000	0	960,000
Mortgage revenue secured note payable to the City of Santa Barbara, dated Nov. 1, 1992, interest at 3%, due in monthly principal and interest installments of $300. All unpaid principal and interest is due and payable Feb. 1, 2018. Secured by real property.	22,200	0	22,200
Loan agreement, secured by a deed of trust, payable to the Redevelopment Agency of the City of Santa Barbara, dated May 21, 2001, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable June 1, 2030. Secured by real property.	1,284,700	379,950	1,664,650
Mortgage revenue secured note payable to City of Santa Barbara, dated April 1, 2000, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable June 1, 2030. Secured by real property.	886,700	317,143	1,203,843
Loan agreement, secured by a deed of trust, payable to the City of Santa Barbara, dated July 26, 2002, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable August 1, 2032. Secured by real property.	1,752,408	427,737	2,180,145

NOTE 7: Notes Payable (Continued)

	Note Balance	Accrued Interest	Total Due
Loan agreement, secured by a deed of trust, payable to the Redevelopment Agency of the City of Santa Barbara, dated December 20, 2002, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable January 1, 2033. Secured by real property.	980,000	200,900	1,180,900
Loan agreement, secured by a deed of trust, payable to the Redevelopment Agency of the City of Santa Barbara, dated December 17, 2009, interest at 3%. Beginning with the project year beginning with January 1, 2028 and ending December 31, 2028, and any subsequent year that the project annual net cash flows that exceed annual costs, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable January 1, 2065. Secured by real property.	4,000,000	150,000	4,150,000
Mortgage revenue secured note payable to Dahan Trust, dated October 29, 2010, with an interest rate of 5.00%, due in monthly principal and interest installments of $3,954. All unpaid principal and interest is due and payable on November 1, 2025. Secured by real property.	492,470	0	492,470
Loan agreement, secured by a deed of trust, payable to the Redevelopment Agency of the City of Santa Barbara, dated October 13, 2010, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable December 1, 2065. Secured by real property.	360,000	4,500	364,500
	29,831,528	1,480,230	31,311,758
Less current maturities	(883,905)	0	(883,905)
	$28,947,623	$1,480,230	$30,427,853

NOTE 7: Notes Payable (Continued)

	Note Balance	Accrued Interest	Total Due
Balance at March 31, 2010	$32,972,115	$1,208,616	$34,180,731
Additions	860,000	271,614	1,131,614
Retirements	(4,000,587)	0	(4,000,587)
	29,831,528	1,480,230	31,311,758
Less current maturities	(883,905)	0	(883,905)
Balance at March 31, 2011	$28,947,623	$1,480,230	$30,427,853

As of March 31, 2011, the annual requirements for debt retirement are:

Year	Principal	Interest	Total
2012	$883,905	$799,044	$1,682,949
2013	991,085	786,490	1,777,575
2014	1,029,368	748,207	1,777,575
2015	1,069,184	708,391	1,777,575
2016	1,110,598	666,977	1,777,575
2017 to 2021	5,498,969	2,712,337	8,211,306
2022 to 2026	3,435,214	1,820,000	5,255,214
2027 to 2031	6,230,205	2,893,208	9,123,413
2032 to 2036	4,998,080	2,626,977	7,625,057
2037 to 2041	224,920	12,179	237,099
2042 to 2046	0	0	0
2047 to 2051	0	0	0
2052 to 2056	0	0	0
2057 to 2061	0	0	0
2062 to 2066	4,360,000	7,194,900	11,554,900
Total	$29,831,528	$20,968,710	$50,800,238

NOTE 8: Schedule of Changes in Other Noncurrent Liabilities:

	March 31, 2010				March 31, 2011	
	Long-Term Portion	Current Portion	Net Additions	Net Reclassifications & Payments	Long-Term Portion	Current Portion
Accrued compensated absences	$ 310,362	$ 116,240	$ 63,545	$ 48,839	$ 330,982	$ 110,326
Accrued OPEB liability	704,528	-	352,264	-	1,056,792	-
Other liabilities	474,381	-	-	474,381	-	-
	$ 1,489,271	$ 116,240	$ 415,809	$ 523,220	$ 1,387,774	$ 110,326

See Note 10 for more information on the Accrued OBEP Liability.

NOTE 9: Pension Plan

The Authority provides a defined contribution pension plan (The "Plan") for eligible employees. The Board of Commissioners authorized the Authority's participation in the retirement plan. Employees who work full or part-time are eligible for participation in the Plan. Participants who reach age 55 are entitled to a benefit which can be paid in a single payment or in equal monthly payments under various payment plans available to participants. Employer contributed retirement benefits fully vest after 5 years of employment. The Authority contributes (on a monthly basis) an amount equal to 12% of each employee's annual compensation to the plan. The Authority also matches 5% of any employee deferred compensation. Contributions totaled approximately $620,000 for the year ended March 31, 2011.

NOTE 10: Accrued OPEB Liability

The Authority provides medical coverage for employees who retire with the Authority at the age of 55 or older with 5 or more years of service or who become permanently disabled after 5 or more years of service.

The required contribution is based on projected pay-as-you-go financing requirements. Covered employees are required to contribute premiums in excess of the $300 per month provided by the Authority.

Annual OPEB Cost and Net OPEB Obligation. The Authority's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC),* an amount actuarially determined in accordance with the parameters of GASBS No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

NOTE 10: Accrued OPEB Liability (Continued)

The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation:

Annual required contribution	$ 388,467
Interest on net OPEB obligation	17,481
Adjustment to annual required contribution	(0)
Annual OPEB cost (expense)	405,948
Expected contributions	(53,684)
Increase in net OPEB obligation	352,264
Net OPEB obligation—beg. of year (restated)	704,528
Net OPEB obligation—end of year	$ 1,056,792

Trend Information: Fiscal year ended March 31, 2009 was the year of implementation of GASBS No. 43 and GASBS No. 45 and the Authority has elected to implement prospectively. As such, comparative data for prior years is not available.

Year Ended	Annual OPEB Cost	Estimated Employer Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
3/31/09	$ 405,948	$ 53,864	13%	$ 352,264
3/31/10	$ 405,948	$ 53,864	13%	$ 704,528
3/31/11	$ 405,948	$ 53,864	13%	$ 1,056,792

Funded Status and Funding Progress. As of April 1, 2008 (the first implementation year was March 31, 2009), the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was $4,487,750, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $4,487,750. The covered payroll (annual payroll of active employees covered by the plan) was $3,392,856, and the ratio of the UAAL to the covered payroll was 75.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 10: Accrued OPEB Liability (Continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.5% discount rate and a salary increase rate of 3.25% per year. The specific technique used in developing the actuarial values of assets and liabilities included developing an estimated total liability at retirement for each active employee, applying applicable trend assumption to develop an expected premium and/or benefit stream over the employee's future retirement, calculating a present value of these premiums at retirement, and allocating the present value by year over the employee's career. Amounts are allocated over the employee's career as a level percentage of payroll.

NOTE 11: Schedule of Changes in Net Assets:

	Invested in Capital Assets	Restricted Net Assets	Unrestricted Net Assets	Total
Balance, beginning of year	$ 19,197,935	$ 1,699,675	$ 8,109,039	$ 29,006,649
Adjustments to restate beginning balance	-	346,936	(47,228)	299,708
Balance, beginning of year - restated	19,197,935	2,046,611	8,061,811	29,306,357
Increase in net assets	-	-	1,374,336	1,374,336
Transfers to/from	-	5,260	(5,260)	-
Changes in invested in capital assets	(325,175)	-	325,175	-
Changes in restricted net assets	-	(22,006)	22,006	-
Balance, end of year	$ 18,872,760	$ 2,029,865	$ 9,778,068	$ 30,680,693

Beginning net assets as of March 31, 2010 have been restated to include a reclassification of business activity operating reserve liabilities (included in non-current liabilities in the prior year) to restricted net assets of $346,936 and a correction of $47,228 to the prior year accrued compensated absences balance. The net adjustments are immaterial to the financial statements.

NOTE 12: Claims and Judgments

At March 31, 2011, the Authority was not a defendant to any material lawsuit. No provision was made in the financial statements for any contingent liabilities. In the opinion of management, there are no legal matters that would have a materially adverse affect on the Authority's financial position.

NOTE 13: Risk Management

The Authority carries commercial insurance against all risks of loss, including property and general liability, auto, worker's comp, fidelity and public officials' liability insurance. There have been no significant reductions in insurance coverage in the prior year, and settled claims from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

The Authority participates in two joint ventures under joint powers agreements as follows:

CHWCA (California Housing Workers' Compensation Authority) – The California Housing Workers' Compensation Authority (CHWCA) is a California joint powers insurance authority established in 1991 for the purpose of providing workers' compensation coverage to California public housing authority members. CHWCA is a special district in the state of California providing its members with a comprehensive workers' compensation coverage program for the sharing of risk for self-insured losses, as well as jointly purchasing claims adjusting services, actuarial services, risk control services, and legal services connected with the program. CHWCA provides coverage for both workers' compensation and employer's liability for its Members from dollar one up to $500,000 per occurrence. CHWCA is also a member of the Safety National Casualty Corporation for commercial excess coverage. When losses exceed the $500,000 per occurrence limit, Safety National will provide coverage up to Statutory limits.

CHWCA is governed by a seven (7) member Executive Committee which is elected by the 32 member Board of Directors. Each of CHWCA's 32 member agencies appoint one primary and one alternate member to serve on the Board of Directors. In 2005, CHWCA formed a six (6) member Risk Management Committee, which expanded to eight (8) members, whose responsibilities include reviewing and developing risk control policies and drafting an annual Risk Control Work Plan.

The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

HARRP (Housing Authorities Risk Retention Pool) – HARRP was formed to provide property and liability insurance coverage for member housing authorities. HARRP members fully self insure their exposures without recourse to reinsurance on excess insurance.

The coverage limits are $1 million per occurrence and in the aggregate for auto liability and $2 million per occurrence and in the aggregate for general liability, errors and omissions liability and employment practices liability.

NOTE 13: Risk Management (Continued)

Through the act of self-insuring its exposures, HARRP and its members maintain direct control over the adjustment, defense and settlement of the claims. HARRP purchases excess property coverage for losses exceeding $2,000,000. For 2010, the limit of such excess property coverage is $63 million above the self insured coverage. There is no coverage for flood or earthquake damage.

As of March 31, 2011, there were approximately 90 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes.

NOTE 14: Conduit Type Debt

Debt related to the original acquisition and early modernization of the public housing developments was funded, guaranteed and serviced by the United States Department of HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Authority. HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

Housing Authority of the City of Santa Barbara
Santa Barbara, CA
Combining Statement of Net Assets - Proprietary Fund Type
As of March 31, 2011

ASSETS	Business Activities	Central Office Cost Center	Public Housing
Current Assets			
Cash and cash equivalents	$ 1,998,327	$ 463,150	$ 1,739,399
Restricted cash and cash equivalents	682,929	-	340,513
Investments	2,222,513	-	1,127,935
Restricted investments	564,660	-	-
Accounts and notes receivable, current portion	2,182,254	1,124,877	306,964
Prepaid expenses	35,825	29,450	13,856
Inventory	6,961	39,152	-
Total Current Assets	$ 7,693,469	$ 1,656,629	$ 3,528,667
Non-Current Assets			
Capital assets, net of depreciation	$ 33,585,151	$ 114,398	$ 14,807,066
Accounts and notes receivable, non-current	1,019,385	-	-
Total Non-Current Assets	$ 34,604,536	$ 114,398	$ 14,807,066
Total Assets	$ 42,298,005	$ 1,771,027	$ 18,335,733
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities	$ 27,439	$ 472,294	$ 38,679
Tenant security deposits	250,789	-	262,831
Notes payable, current portion	760,979	-	-
Other current liabilities	551,377	6,445	573,343
Total Current Liabilities	$ 1,590,584	$ 478,739	$ 874,853
Non-Current Liabilities			
Notes payable, long-term portion	$ 29,746,269	$ -	$ -
Accrued other post-employment benefit liabilities	-	1,056,792	-
Other non-current liabilities	37,766	235,496	33,379
Total Non-Current Liabilities	$ 29,784,035	$ 1,292,288	$ 33,379
TOTAL LIABILITIES	$ 31,374,619	$ 1,771,027	$ 908,232
Net Assets			
Invested in capital assets, net of related debt	$ 3,077,902	$ 114,398	$ 14,807,065
Restricted net assets	960,146	-	-
Unrestricted net assets	6,885,338	(114,398)	2,620,436
Total Net Assets	$ 10,923,386	$ -	$ 17,427,501
TOTAL LIABILITIES & NET ASSETS	$ 42,298,005	$ 1,771,027	$ 18,335,733

See auditor's report.

SHIFCO	Shelter Plus Care	Section 8	Elimation of Interfund Transactions	Total
$ 19,445	$ 100,076	$ 657,923		$ 4,978,320
377,548	-	323,192		1,724,182
-	-	-		3,350,448
-	-	913,700		1,478,360
30,357	-	133,981	(1,418,946)	2,359,487
14,036	-	1,035		94,202
-	-	-		46,113
$ 441,386	$ 100,076	$ 2,029,831	$ (1,418,946)	$ 14,031,112
$ 1,668,314	$ -	$ 9,591		$ 50,184,520
-	-	-		1,019,385
$ 1,668,314	$ -	$ 9,591	$ -	$ 51,203,905
$ 2,109,700	$ 100,076	$ 2,039,422	$ (1,418,946)	$ 65,235,017
$ 2,149	$ -	$ 6,991		$ 547,552
38,790	-	-		552,410
122,926	-	-		883,905
294,065	100,076	648,470	(1,418,946)	754,830
$ 457,930	$ 100,076	$ 655,461	$ (1,418,946)	$ 2,738,697
$ 681,584	$ -	$ -		$ 30,427,853
-	-	-		1,056,792
3,369	-	20,972		330,982
$ 684,953	$ -	$ 20,972	$ -	$ 31,815,627
$ 1,142,883	$ 100,076	$ 676,433	$ (1,418,946)	$ 34,554,324
$ 863,804	$ -	$ 9,591		$ 18,872,760
337,158	-	732,561		2,029,865
(234,145)	-	620,837		9,778,068
$ 966,817	$ -	$ 1,362,989	$ -	$ 30,680,693
$ 2,109,700	$ 100,076	$ 2,039,422	$ (1,418,946)	$ 65,235,017

Housing Authority of the City of Santa Barbara
Santa Barbara, CA
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year ended March 31, 2011

	Business Activities	Central Office Cost Center	Public Housing
Operating revenue			
Tenant rental revenue	$ 5,442,568	$ -	$ 3,004,887
HUD Operating grants		-	131,904
HUD CFP Operating grants	-	-	552,006
Other operating income	3,648,177	4,012,163	105,876
Total operating revenue	$ 9,090,745	$ 4,012,163	$ 3,794,673
Operating expenses			
Administration	$ 2,053,030	$ 2,795,874	$ 916,015
Tenant services	678,322	643,254	243,857
Utilities	366,420	22,739	343,956
Maintenance and operations	1,337,335	928,065	1,600,128
General expenses	669,766	217,639	280,682
Depreciation	1,175,161	69,976	1,246,211
Housing assistance payments	-	-	-
Total operating expenses	$ 6,280,034	$ 4,677,547	$ 4,630,849
Net operating income (loss)	$ 2,810,711	$ (665,384)	$ (836,176)
Non-operating revenue (expenses)			
Investment income	$ 175,751	$ 629	$ 44,826
Gain (loss) on disposition of assets	(315,107)	8,650	-
Interest expense	(1,024,184)	-	-
HUD capital grants	-	-	$ 1,206,199
Other non-operating (expenses)			
Net non-operating revenue (expense)	$ (1,163,540)	$ 9,279	$ 1,251,025
Net income (loss)	$ 1,647,171	$ (656,105)	$ 414,849
Nets assets (as restated), beginning of year	$ 9,767,189	$ 247,903	$ 17,012,652
Equity tranfers in (out)	$ (490,974)	$ 408,202	
Net assets, end of year	$ 10,923,386	$ -	$ 17,427,501

See auditor's report.

SHIFCO	Shelter Plus Care	Section 8	Elimation of Interfund Transactions	Total
$ 451,157	$ -	$ -	$ -	$ 8,898,612
244,760	573,606	24,037,009	-	24,987,279
-		-		552,006
2,088	-	62,201	(3,939,319)	3,891,186
$ 698,005	$ 573,606	$ 24,099,210	$ (3,939,319)	$ 38,329,083
$ 197,664	$ 50,132	$ 2,021,147	$ (2,979,864)	$ 5,053,998
1,978	8,459	123,307	(167,197)	1,531,980
78,485	-	-	-	811,600
276,401	-	-	(792,258)	3,349,671
17,583	628	34,634	-	1,220,932
115,863	-	7,378	-	2,614,589
-	537,467	21,931,547	-	22,469,014
$ 687,974	$ 596,686	$ 24,118,013	$ (3,939,319)	$ 37,051,784
$ 10,031	$ (23,080)	$ (18,803)	$ -	$ 1,277,299
$ 818	$ 110	$ 38,443	$ -	$ 260,577
-	-	-	-	(306,457)
(39,098)	-	-	-	(1,063,282)
-	-	-	-	1,206,199
$ (38,280)	$ 110	$ 38,443	$ -	$ 97,037
$ (28,249)	$ (22,970)	$ 19,640	$ -	$ 1,374,336
$ 995,066	$ (20,670)	$ 1,304,217	$ -	$ 29,306,357
	$ 43,640	$ 39,132	$ -	$ -
$ 966,817	$ -	$ 1,362,989	$ -	$ 30,680,693

Housing Authority of the City of Santa Barbara
Santa Barbara, California

Statement and Certification of Actual Capital Fund Program Costs

March 31, 2011

Annual Contributions Contract SF-447

1. The capital fund program costs of CA16P07650108 are as follows:

Funds approved	$	879,425
Funds expended		879,425
Excess of funds approved	$	-

Funds advanced	$	879,425
Funds expended		879,425
Shortgage of funds advanced - A/R at March 31, 2011	$	-

2. Costs incurred during the current audit period totaled $11,571.

3. All costs have been paid and all related liabilities should be discharged through payment.

4. The Actual Modernization Cost Certificate, submitted to HUD, is in agreement with the Authority's records.

See auditor's report.

Housing Authority of the City of Santa Barbara
Santa Barbara, California

Statement and Certification of Actual Capital Fund Program Costs

March 31, 2011

Annual Contributions Contract SF-447

1. The capital fund program costs of CA16P07650109 are as follows:

Funds approved	$	876,596
Funds expended		876,596
Excess of funds approved	$	-

Funds advanced	$	876,596
Funds expended		876,596
Shortgage of funds advanced - A/R at March 31, 2011	$	-

2. Costs incurred during the current audit period totaled $757,013.

3. All costs have been paid and all related liabilities should be discharged through payment.

4. The Actual Modernization Cost Certificate, submitted to HUD, is in agreement with the Authority's records.

See auditor's report.

Housing Authority of the City of Santa Barbara
Santa Barbara, California

Statement of Capital Fund Program Costs - Uncompleted

March 31, 2011

Annual Contributions Contract SF-447

1. The capital fund program costs of CA16P07650110 are as follows:

Funds approved	$	868,382
Funds expended		736,460
Excess of funds approved	$	131,922

Funds advanced	$	496,105
Funds expended		736,460
Shortgage of funds advanced - A/R at March 31, 2011	$	(240,355)

2. Costs incurred during the current audit period totaled $736,460.

See auditor's report.

Housing Authority of the City of Santa Barbara
Santa Barbara, California

Statement and Certification of Actual Capital Fund Stimulus Program Recovery Act Costs

March 31, 2011

Annual Contributions Contract SF-447

1. The capital fund program costs of CA16S07650109 (ARRA-Formula) are as follows:

Funds approved	$	1,113,178
Funds expended		1,113,178
Excess of funds approved	$	-

Funds advanced	$	1,113,178
Funds expended		1,113,178
Shortgage of funds advanced - A/R at March 31, 2011	$	-

2. Costs incurred during the current audit period totaled $32,329

3. All costs have been paid and all related liabilities should be discharged through payment.

4. The Actual Modernization Cost Certificate, submitted to HUD, is in agreement with the Authority's records.

See auditor's report.

Housing Authority of the City of Santa Barbara
Santa Barbara, California

Statement and Certification of Actual Capital Fund Stimulus Program Recovery Act Costs

March 31, 2011

Annual Contributions Contract SF-447

1. The capital fund program costs of CA07600000309R (ARRA-Competetive) are as follows:

Funds approved	$	295,020
Funds expended		295,020
Excess of funds approved	$	-

Funds advanced	$	295,020
Funds expended		295,020
Shortgage of funds advanced - A/R at March 31, 2011	$	-

2. Costs incurred during the current audit period totaled $216,259.

3. All costs have been paid and all related liabilities should be discharged through payment.

4. The Actual Modernization Cost Certificate, submitted to HUD, is in agreement with the Authority's records.

See auditor's report.

Barton,
Gonzalez
& Myers, P.A.
Certified Public Accountants

13137 - 66th Street, Largo, FL 33773
Phone: (727) 344-1040 Fax: (727) 533-8483
www.bartoncpas.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, California

We have audited the financial statements of the business-type activities of Housing Authority of the City of Santa Barbara ("Authority") as of and for the year ended March 31, 2011, and have issued our report thereon dated November 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated November 23, 2011.

This report is intended for the information and use of the management of the Authority, the U.S. Department of Housing and Urban Development and REAC and is not intended to be and should not be used by anyone other than these specified parties.

Barton, Gonzalez & Myers, P.A.

Barton, Gonzalez & Myers, P.A.
Certified Public Accountants
November 23, 2011

Barton,
Gonzalez
& Myers, P.A.
Certified Public Accountants

13137 - 66th Street, Largo, FL 33773
Phone: (727) 344-1040 Fax: (727) 533-8483
www.bartoncpas.com

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, California

Compliance

We have audited the Housing Authority of the City of Santa Barbara's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2011. The Housing Authority of the City of Santa Barbara's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Santa Barbara's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

As described in items 2011-1 and 2011-2 in the accompanying Schedule of Findings and Questioned Costs, the Authority did not comply with requirements regarding the Davis Bacon Act and its waiting list policies and procedures. Compliance with these requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2011.

Internal Control Over Compliance

Management of the Housing Authority of the City of Santa Barbara is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to its federal program. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-1 and 2011-2 to be material weaknesses.

The Authority's response to the findings identified in our audit is described in the accompanying corrective action plan. We did not audit the Authority's responses and, accordingly, we express no opinion on it.

This report is intended for the information and use of the management of the Housing Authority of the City of Santa Barbara, the U.S. Department of Housing and Urban Development and REAC and is not intended to be and should not be used by anyone other than these specified parties.

Barton, Gonzalez & Myers, P.A.

Barton, Gonzalez & Myers, P.A.
Certified Public Accountants
November 23, 2011

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Schedule of Findings and Questioned Costs

March 31, 2011

Section I - Summary of Auditor's Results:

Financial Statements

Type of report issued on the financial statements:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major program:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Type of report issued on the compliance for major program:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	Yes

Identification of major program:

14.871	Section 8 – Housing Choice Voucher
14.872	Capital Fund Program
14.885	Capital Fund Stimulus Recovery Act Program
14.181	Section 8 – Mainstream

Dollar threshold used to distinguish between Type A and Type B programs:	$802,227
Did the Authority qualify as a low-risk auditee?	No

Section II - Financial Statement Findings:

None

Section III - Federal Awards:

The following findings were disclosed relating to this area for the period ended March 31, 2011:

Programs U.S. Department of HUD: Capital Fund Program (CFDA 14.872), Capital Fund Stimulus Recovery Act Program (CFDA 14.885),

2011-1 Noncompliance instances related to Davis Bacon Act compliance.

Condition
Approximately 50 certified payrolls and approximately 15 employee interviews were reviewed for compliance with the Davis Bacon Act. The following non-compliance instances were noted:

- Three instances where the employees interviewed (HUD-11 form) were not shown on the certified payrolls.
- Two instances where the hourly rate shown on the certified payroll were significantly different from the hourly rate shown on the employee interview form.
- Three instances where the HUD-11 was not signed by the Authority employee performing the interview.
- In every instance there was not a signature on the HUD-11 by an Authority employee indicating that a payroll examination had been performed (matching to the certified payrolls).
- One instance where a sub-contractor did not submit a certified payroll.

Criteria
HUD regulations require the Authority obtain certified payrolls from all the contractors and sub-contractors working on jobs funded with federal monies (Davis Bacon Act) and to assure that all wage amounts are being paid in excess of the prevailing wage rates set for the geographic area. Additionally, periodic interviews of employees should be conducted to assure that the employees are being paid wages in excess of the prevailing wages in the area. The information obtained during these interviews should be tracked to the certified payrolls submitted by the contractors and sub-contractors.

Questioned Costs $ 0

Effect
Employees working for contractors may not have been paid wages in excess of the prevailing wages in the area.

Cause
The Authority does not appear to have the proper review procedures in place to verify compliance with the provisions of the Davis Bacon Act.

2011-1 Noncompliance instances related to Davis Bacon Act compliance (continued).

Recommendation
The Authority should establish proper review procedures to assure that all wage amounts are being paid in excess of the prevailing wage rates set for the geographic area. Additionally, the Authority should visit the job site periodically and select individuals working on the job-site to interview to assure Davis Bacon Act compliance. The information obtained during these interviews should be tracked to the certified payrolls submitted by the contractors and sub-contractors.

Program U.S. Department of HUD: Section 8 – Housing Choice Voucher (CFDA 14.871)

2011-2 Noncompliance instances related to waiting list policies and procedures as set forth by the Authority

Condition
In 2 out of 25 files tested for the Section 8 HCV program we noted errors in the waiting list. On the errors noted, the date received on the application was different than the date listed on the waiting list.

Criteria
HUD regulations require that the Authority choose applicants from its waiting list based on policies established by the Authority in its ACOP. HUD requires auditors to test that these policies are properly followed.

Questioned Costs $ 0

Effect
Tenants selected may not be listed on the waiting list properly and could be selected ahead of another qualified tenant in violation of HUD rules.

Cause
The Authority does not have proper review procedures in place related to documentation support and/or data input to verify that the waiting list requirements are being followed.

Recommendation
The Authority should establish proper review procedures to insure that proper documentation is kept and information is properly entered into the waiting list software to assure that errors on the waiting list are minimized.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Summary Schedule of Prior Year Findings

March 31, 2011

The following findings were disclosed relating to this area for the period ended March 31, 2010.

2010-1 Inadequate controls over financial reporting

Statement of Condition

The Authority did not have adequate controls over the period-end financial reporting process to detect material misstatements. The Authority did not write-off uncollectible receivables associated with the HUD and other receivables, properly allocate the cost between land and buildings and the loss on disposition of assets, did not properly record the current portion of long term debt, and did not adjust the net asset categories to the proper amounts. In addition, several prior-period material adjustments were posted related to the allocation between land and building cost on several properties and the elimination of inter-program amounts. The Authority should have the necessary controls over the period-end financial reporting process to detect material misstatements without Auditor detection. As a result of the audit, the Authority recorded entries that materially affected the financial statements. The Authority should establish controls to ensure that appropriate year-end adjustments are recorded so that the financial statements are fairly presented.

Status

The finding has been cleared.

2010-2 Unaudited Financial Data Schedule submission contained material errors

Statement of Condition

The Authority's unaudited financial data schedule submitted to REAC contained material errors. Numerous audit adjustments had to be made to assets, liabilities, net assets, revenues, and expenses. The Authority's unaudited financial data submission that is submitted to REAC should contain accurate amounts. The amounts should agree with the Authority's records. Accurate information was not submitted on the unaudited financial data schedule. In addition, the effect of the misstatements is that financial statement users could potentially have received inaccurate information if the audit had not disclosed this condition. It appears that proper care was not used in preparing the unaudited financial data schedule submitted to REAC. There appears not to have been a review process in place that would have detected these errors. The Authority should implement controls to ensure that it prepares accurate financial statements and financial data schedules. A review process should be implemented by the Authority.

Status

The finding has been cleared.

2010-3 Noncompliance instances related to waiting list policies and procedures as set forth by the authority

Condition

In 2 out of 17 files tested (8 for the low rent program and 9 for the Section 8 HCV program) we noted errors in the Walt List. One file had the wrong application date and the other file had the wrong ranking points. Also, the Authority is not printing a copy of the Wait List as part of the tenant file when an applicant is admitted to housing as proof that the tenant was properly selected from the waiting list based on policies that have been established by the Authority. HUD regulations require that the Authority choose applicants from its waiting list based on policies established by the Authority in its ACOP. HUD requires auditors to test that these policies are properly followed. Tenants selected may not be listed on the Wait list properly and could be selected ahead of another qualified tenant in violation of HUD rules. The Authority does not have proper review procedures in place related to documentation support to verify that the waiting list requirements are being followed. The Authority should establish proper review procedures to insure that proper documentation is being kept so that HUD and the Authority can verify that the waiting list requirements are being followed and also to assure that errors on the Wait List are minimized.

Status

The finding has not been cleared. See current year finding 2011-2.

2010-4 Noncompliance instances related to lease agreements and security deposits, tenant and dependent verification, and rent calculations

Condition

In four out of twenty tenant files tested, the Authority had the following five noncompliance instances:

- In two instances, the updated lease showed $0 in security deposits, but the actual amounts recorded in the register were $750 and $934, respectively.
- In one instance, Form 9886 was not dated.
- In one instance, an incorrect wage amount was reported (calculation based on straight pay, but should have been at time and a half).
- In one instance the lease agreement was not signed by the Housing Authority.

2010-4 Noncompliance instances related to lease agreements and security deposits, tenant and dependent verification, and rent calculations (continued)

HUD regulations require that the Authority perform certain prescribed verification procedures and obtain the required documentation to assure that tenants qualify for low rent housing and that amounts submitted to HUD for tenant assistance are calculated according to HUD rules. The Authority is not in compliance with applicable HUD regulations. The Authority does not have proper review procedures in place related to prospective tenant certification. The Authority should establish proper review procedures to insure that prospective tenants are being properly certified and the Authority follows the HUD rules for certification of tenants and calculation of tenant rent and assistance payments.

Status

The finding has been cleared.

2010-5 Noncompliance instances related to lease agreements, tenant and dependent verification, and rent calculations

Condition

In six out of forty tenant files tested, the Authority had the following seven noncompliance instances:

- In one instance, the lease was signed by the tenant, but not by the Authority.
- In one instance, the 214 status form for a child was not checked (although the birth certificate and social security card were in the file).
- In one instance, the Form 50058 date of birth for a tenant did not agree to the date of birth as listed on the birth certificate.
- In two instances, the wage verification amounts as listed on the verifications did not recalculate to the amount calculated by the Authority.
- In one instance, the tenant unit failed inspection and was required to be re-inspected within 30 days. However, the re-inspection occurred subsequent to 30 days.
- In one instance, there was no support for income reported on the Form 50058.

HUD regulations require that the Authority perform certain prescribed verification procedures and obtain the required documentation to assure that tenants qualify for section 8 housing and that amounts submitted to HUD for tenant assistance are calculated according to HUD rules. The Authority is not in compliance with applicable HUD regulations. The Authority does not have proper review procedures in place related to prospective tenant certification. The Authority should establish proper review procedures to insure that prospective tenants are being properly certified and the Authority follows the HUD rules for certification of tenants and calculation of tenant rent and assistance payments.

Status

The finding has been cleared.

2010-6 HUD Form 60002, Section 3 Summary Report, Economic Opportunities for Low and Very Low-Income Persons not filed

Condition

HUD Form 60002, Section 3 Summary Report, was filed as required for the Capital Fund Program and Capital Fund Stimulus Recovery Act Program. In addition, future reports should be filed according to the requirements set forth by HUD in OMB No. 2529-0043 and24 CFR sections 135.3(a) and 135.90. A HUD 60002 report is to be filed for each low rent program and capital fund program that is in existence as of the report date by January of each year and all new hires are to be reported in the report. In addition, the Form 60002 report should show that the Authority attempted and the Authority's contractors attempted to hire Section 3 residents, and have the documentation to prove compliance. HUD regulations OMB No. 2529-0043 and 24 CFR sections 135.3(a) and 135.90 require that HUD Form 60002 be filed for each low rent program and capital fund program that is in existence as of the report date by January 10th of each year. There are numerous other regulations as to what is to be included in each section of the report. The Authority is not in compliance with applicable HUD regulations. The Authority believed that this was the responsibility of the subcontractors. Future reports should be filed according to the requirements set forth by HUD in OMB No. 2529-0043 and 24 CFR sections 135.3(a) and 135.90. There are numerous regulations as to what is to be included in each section of the report. The Authority should designate an employee to familiarize themselves with these requirements, as well as filing the reports.

Status

The finding has been cleared.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Corrective Action Plan

March 31, 2011

The following is the corrective action planned by the Authority regarding the current findings:

Finding No.	
2011-1	Noncompliance instances related to Davis Bacon Act compliance

We will implement the proper controls to insure compliance with the Davis Bacon Act.

2011-2 Noncompliance instances related to waiting list policies and procedures as set forth by the authority

We will implement the proper procedures to insure that proper documentation is kept and data input properly entered that proves that HUD regulations are being followed related to selecting applicants from the waiting list and also to assure that errors on the waiting list are minimized.

Effective Date: November 23, 2011

Contact Information: Robert Pearson, Executive Director
Housing Authority of the City of Santa Barbara
808 Laguna Street, Santa Barbara, CA 93101
(805) 965-1071

Housing Authority of the City of Santa Barbara
Santa Barbara, California

Schedule of Expenditures of Federal Awards

For the twelve months ended March 31, 2010

FEDERAL GRANTOR			Federal CFDA Number	Program or Award Amount	Disbursements or Expenditures
U. S. Department of HUD					
Public Housing:					
Low-rent Housing Program	**		14.850	$ 131,904	$ 131,904
Capital Fund Program	*	+	14.872	2,624,403	1,505,044
Capital Fund Stimulus Recovery Act Program	*	+	14.885	1,408,198	248,588
Section 8 Housing Assistance Payments					
Housing Choice Voucher Program	*	+	14.871	22,842,176	22,842,176
Section 8 - Mainstream	*	+	14.181	1,010,431	1,010,431
Family Unification Program	**		14.880	184,402	184,402
Shelter Care Plus	**		14.238	573,606	573,606
Mortgage Insurance Rental & Cooperative Housing	**		14.135	244,760	244,760
TOTAL				$ 29,019,880	$ 26,740,911

This schedule includes the federal grant activity of the Housing Authority of the City of Santa Barbara and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

* Type A Program
** Type B Program
\+ Major Program

See auditor's report.

Barton,
Gonzalez
& Myers, P.A.
Certified Public Accountants

13137 - 66th Street, Largo, FL 33773
Phone: (727) 344-1040 Fax: (727) 533-8483
www.bartoncpas.com

November 23, 2011

Robert Pearson, Executive Director
and Board of Commissioners
Santa Barbara Housing Authority
808 Laguna Street
Santa Barbara, CA 93101

Dear Mr. Pearson and Board of Commissioners:

The purpose of this letter is to let you know of conditions that came to our attention during the conduct of your March 31, 2011 annual audit. These conditions did not rise to the level of a significant deficiency or a material weakness and, consequently, are not mentioned in the audit report but should be given adequate consideration.

Electronic Signatures on Checks

Electronic signatures are used for signing checks. These electronic signatures are printed on the checks at the same time that checks are generated by the accounting software. An accounts payable employee has access to generate checks. Thus, this individual could generate checks for non-legitimate items. Even though a printed check register is provided to the Director of Finance and the board of directors, this listing is not sufficient for them to determine whether all expenditures are legitimate expenditures. Supporting documentation, such as approved invoices, should be provided to the Director of Finance and/or staff, so that they can randomly spot check disbursements to make sure there are no unauthorized disbursements being made. The Director of Finance and/or staff would also need to keep an independent listing of check numbers used so that they could be confident that all checks written were actually being presented to them for review.

HUD 60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons

The audit fieldwork disclosed that the HUD 60002, Section 3 Summary Reports were filed as required by the requirements set forth by HUD in OMB No. 2529-0043 and 24 CFR sections 135.3(a) and 135.90. However, we noted during our testing of these reports that the actual amounts disbursed during the year were being reported, rather than the actual amount of contracts awarded during the year. The reports should reflect the amounts awarded, not the amounts disbursed.

No other conditions came to our attention that should be disclosed.

Sincerely,

Barton, Gonzalez & Myers, P.A.

Barton, Gonzalez & Myers, P.A.
Certified Public Accountants

Financial Data Schedule

Housing Authority of the City of Santa Barbara (CA076)
Santa Barbara, CA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133 Fiscal Year End: 03/31/2011

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	14.238 Shelter Plus Care	14.181 Supportive Housing for Persons with Disabilities	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	14.880 Family Unification Program (FUP)	14.005 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$1,739,399	$657,923	$1,990,327	$100,076		$19,445			$463,150	$4,970,320		$4,970,320
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted	$77,883	$323,192	$432,420			$330,758				$1,172,053		$1,172,053
114 Cash - Tenant Security Deposits	$202,830		$250,509			$38,790				$552,129		$552,129
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	$2,079,012	$981,115	$2,681,250	$100,076	$0	$388,993	$0	$0	$463,150	$6,702,502	$0	$6,702,502
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects	$240,356	$33,663		$0		$20,323				$294,342		$294,342
124 Accounts Receivable - Other Government			$53,005							$53,005		$53,005
125 Accounts Receivable - Miscellaneous		$532	$1,913,763		$0				$3,717	$1,918,012		$1,918,012
126 Accounts Receivable - Tenants	$50,126		$38,741			$139				$97,006		$97,006
126.1 Allowance for Doubtful Accounts -Tenants	-$5,146	$0	-$7,627			$0				-$12,773		-$12,773
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0		$0	$0			$0	$0		$0
127 Notes, Loans, & Mortgages Receivable - Current												
128 Fraud Recovery												
128.1 Allowance for Doubtful Accounts - Fraud												
129 Accrued Interest Receivable						$8,895				$8,895		$8,895
120 Total Receivables, Net of Allowances for Doubtful Accounts	$293,336	$34,195	$1,997,882	$0	$0	$30,357	$0	$0	$3,717	$2,359,487	$0	$2,359,487
131 Investments - Unrestricted	$1,127,835		$2,222,513							$3,350,448		$3,350,448
132 Investments - Restricted		$913,700	$564,660							$1,478,360		$1,478,360
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	$13,856	$1,035	$35,825			$14,030			$29,450	$94,202		$94,202
143 Inventories			$6,861						$33,152	$40,113		$40,113
143.1 Allowance for Obsolete Inventories		$0	$0						$0	$0		$0
144 Inter Program Due From	$13,028	$90,700	$184,372						$1,121,160	$1,418,940	-$1,418,940	$0
145 Assets Held for Sale												
150 Total Current Assets	$3,528,667	$2,029,831	$7,693,469	$100,076	$0	$441,386	$0	$0	$1,056,028	$15,450,058	-$1,418,940	$14,031,112
161 Land	$5,614,731		$18,850,779			$170,702				$25,436,212		$25,436,212
162 Buildings	$27,756,700		$28,608,234			$2,701,274			$273,935	$59,398,211		$59,398,211
163 Furniture, Equipment & Machinery - Dwellings	$327,158		$155,651			$85,094				$568,903		$568,903
164 Furniture, Equipment & Machinery - Administration	$128,708	$203,141	$184,476			$55,040			$742,131	$1,312,374		$1,312,374
165 Leasehold Improvements												
166 Accumulated Depreciation	-$21,072,562	-$193,550	-$14,072,169			-$1,345,396			-$901,668	-$37,585,365		-$37,585,365
167 Construction In Progress	$1,054,185									$1,054,185		$1,054,185
160 Infrastructure												
180 Total Capital Assets, Net of Accumulated Depreciation	$14,807,008	$9,591	$33,585,151	$0	$0	$1,668,314	$0	$0	$114,398	$50,184,520	$0	$50,184,520
171 Notes, Loans and Mortgages Receivable - Non-Current			$1,019,385							$1,019,385		$1,019,385
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due												
173 Grants Receivable - Non Current												
174 Other Assets												
176 Investments in Joint Ventures												
190 Total Non-Current Assets	$14,807,008	$9,591	$34,604,536	$0	$0	$1,668,314	$0	$0	$114,398	$51,203,905	$0	$51,203,905
190 Total Assets	$18,335,733	$2,039,422	$42,298,005	$100,076	$0	$2,109,700	$0	$0	$1,771,027	$66,653,963	-$1,418,940	$65,235,017

311 Bank Overdraft												
312 Accounts Payable <= 90 Days	$27,554		$7,523			$1,027			$180,588	$210,692		$210,692
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable									$213,207	$213,207		$213,207
322 Accrued Compensated Absences - Current Portion	$11,125	$6,991	$12,588			$1,122			$78,499	$110,325		$110,325
324 Accrued Contingency Liability			$2,526							$2,526		$2,526
325 Accrued Interest Payable												
331 Accounts Payable - HUD PHA Programs												
332 Account Payable - PHA Projects			$4,002							$4,002		$4,002
333 Accounts Payable - Other Government												
341 Tenant Security Deposits	$262,831		$250,789			$38,790				$552,410		$552,410
342 Deferred Revenues	$58,931		$65,360			$10,311				$132,602		$132,602
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds			$760,979			$122,926				$883,905		$883,905
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities	$838	$309,479	$235,066				$0			$545,383		$545,383
346 Accrued Liabilities - Other	$78,845		$0							$78,845		$78,845
347 Inter Program - Due To	$430,729	$330,991	$250,051	$100,076		$203,754			$8,445	$1,418,946	-$1,418,946	$0
348 Loan Liability - Current												
310 Total Current Liabilities	$874,853	$655,461	$1,590,504	$100,076	$0	$457,930	$0	$0	$478,739	$4,157,043	-$1,418,946	$2,738,097
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			$29,746,269			$681,584				$30,427,853		$30,427,853
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other			$0							$0		$0
354 Accrued Compensated Absences - Non Current	$33,370	$20,972	$37,760			$3,369			$235,480	$330,982		$330,982
355 Loan Liability - Non Current												
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities									$1,056,792	$1,056,792		$1,056,792
350 Total Non-Current Liabilities	$33,370	$20,972	$29,784,035	$0	$0	$684,953	$0	$0	$1,292,280	$31,815,627	$0	$31,815,627
300 Total Liabilities	$908,232	$676,433	$31,374,610	$100,076	$0	$1,142,883	$0	$0	$1,771,027	$35,973,270	-$1,418,946	$34,554,324
508.1 Invested in Capital Assets, Net of Related Debt	$14,807,085	$9,591	$3,077,902			$883,604			$114,398	$18,872,760		$18,872,760
509.2 Fund Balance Reserved												
511.2 Unreserved, Designated Fund Balance												
511.1 Restricted Net Assets	$0	$732,581	$960,140			$337,158				$2,029,865		$2,029,865
512.1 Unrestricted Net Assets	$2,620,436	$620,837	$6,885,338	$0	$0	-$234,145	$0	$0	-$114,398	$9,778,068		$9,778,068
512.2 Unreserved, Undesignated Fund Balance												
513 Total Equity/Net Assets	$17,427,501	$1,362,989	$10,923,380	$0	$0	$966,617	$0	$0	$0	$30,680,693	$0	$30,680,693
600 Total Liabilities and Equity/Net Assets	$18,335,733	$2,039,422	$42,298,005	$100,076	$0	$2,109,700	$0	$0	$1,771,027	$66,653,963	-$1,418,946	$65,235,017

Housing Authority of the City of Santa Barbara (CA076)
Santa Barbara, CA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133 Fiscal Year End: 03/31/2011

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	14.238 Shelter Plus Care	14.181 Supportive Housing for Persons with Disabilities	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	14.880 Family Unification Program (FUP)	14.885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$2,963,867		$4,934,235			$442,813				$8,340,915		$8,340,915
70400 Tenant Revenue - Other	$41,020		$508,333			$8,344				$557,697		$557,697
70500 Total Tenant Revenue	$3,004,887	$0	$5,442,568	$0	$0	$451,157	$0	$0	$0	$8,898,612	$0	$8,898,612
70600 HUD PHA Operating Grants	$882,848	$22,805,442		$573,606	$1,010,431	$244,760	$141,136	$1,082		$25,530,285		$25,530,285
70610 Capital Grants	$957,605							$240,594		$1,200,199		$1,200,199
70710 Management Fee									$1,836,298	$1,836,298	-$1,836,298	$0
70720 Asset Management Fee									$103,530	$103,530	-$103,530	$0
70730 Book Keeping Fee									$280,613	$280,613	-$280,613	$0
70740 Front Line Service Fee									$1,710,674	$1,710,674	-$1,712,878	-$2,204
70750 Other Fees												
70700 Total Fee Revenue									$3,937,115	$3,937,115	-$3,939,319	-$2,204
70800 Other Government Grants	$3,600		$266,544							$270,147		$270,147
71100 Investment Income - Unrestricted	$44,028	$13,125	$175,751	$110		$154			$629	$234,595		$234,595
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery												
71500 Other Revenue	$102,273	$82,201	$3,381,833			$2,088			$75,048	$3,623,243		$3,623,243
71600 Gain or Loss on Sale of Capital Assets			-$315,107						$8,650	-$306,457		-$306,457
72000 Investment Income - Restricted		$25,318	$0			$664				$25,982		$25,982
70000 Total Revenue	$4,700,042	$22,906,060	$9,951,980	$573,716	$1,010,431	$698,823	$141,136	$249,656	$4,021,442	$43,420,721	-$3,939,319	$39,489,402
91100 Administrative Salaries	$339,690	$616,899	$1,030,788	$3,454		$70,381			$1,823,777	$3,884,973	-$753,423	$3,131,550
91200 Auditing Fees	$5,498	$21,746	$4,087	$677		$1,192				$33,200		$33,200
91300 Management Fee	$390,070	$917,052	$527,529	$35,278		$84,106				$1,954,815	-$1,836,298	$118,517
91310 Book-keeping Fee	$44,273	$161,155	$43,095	$8,535		$9,555				$268,613	-$280,613	$0
91400 Advertising and Marketing	$1,199	$4,438	$8,001	$92		$844			$21,523	$36,097		$36,097
91500 Employee Benefit contributions - Administrative	$24,869	$184,794	$188,771			$13,051			$733,885	$1,154,370		$1,154,370
91600 Office Expenses	$20,238	$81,474	$39,512	$1,838		$1,719			$80,817	$214,598		$214,598
91700 Legal Expense	$24,586	$7,202	$39,154	$132		$440			$11,646	$83,160		$83,160
91800 Travel	$1,050	$1,061	$1,054			$404			$31,007	$34,644		$34,644
91810 Allocated Overhead												
91000 Other	$5,430	$24,528	$129,631	$126		$3,012			$85,039	$247,764		$247,764
91000 Total Operating - Administrative	$850,735	$2,021,147	$2,021,620	$50,132	$0	$184,024	$0	$0	$2,795,874	$7,930,332	-$2,876,334	$5,053,998
92000 Asset Management Fee	$59,280		$31,410			$12,040				$103,530	-$103,530	$0
92100 Tenant Services - Salaries	$71,020	$57,376	$350,009	$8,459		$805			$446,701	$934,378	-$107,107	$707,181
92200 Relocation Costs												
92300 Employee Benefit Contributions - Tenant Services			$32,778						$192,967	$225,745		$225,745
92400 Tenant Services - Other	$172,829	$65,931	$295,535	$0		$1,173			$3,580	$539,054		$539,054
92500 Total Tenant Services	$243,857	$123,307	$678,322	$8,459	$0	$1,978	$0	$0	$643,254	$1,699,177	-$107,107	$1,531,980
93100 Water	$134,980		$153,131			$47,600			$3,327	$339,048		$339,048
93200 Electricity	$38,010		$99,160			$18,379			$11,575	$167,732		$167,732
93300 Gas	$22,637		$34,573			$12,506			$1,036	$70,752		$70,752
93400 Fuel												

93500 Labor												
93800 Sewer												
93700 Employee Benefit Contributions - Utilities												
93000 Other Utilities Expense	$147,721		$70,540						$6,801	$234,070		$234,070
93000 Total Utilities	$343,956	$0	$360,420	$0	$0	$78,485	$0	$0	$22,739	$811,600	$0	$811,600
94100 Ordinary Maintenance and Operations - Labor	$645,177		$540,885			$121,021			$564,705	$1,872,488	-$792,258	$1,080,230
94200 Ordinary Maintenance and Operations - Materials and Other	$96,295		$95,857			$20,145			$80,469	$286,766		$286,768
94300 Ordinary Maintenance and Operations Contracts	$400,473		$327,795			$88,381			$41,278	$924,925		$924,925
94500 Employee Benefit Contributions - Ordinary Maintenance	$132,877		$27,007			$23,520			$255,525	$438,929		$438,929
94000 Total Maintenance	$1,343,822	$0	$991,354	$0	$0	$259,087	$0	$0	$920,065	$3,523,100	-$792,258	$2,730,850
95100 Protective Services - Labor												
95200 Protective Services - Other Contract Costs												
95300 Protective Services - Other												
95500 Employee Benefit Contributions - Protective Services												
95000 Total Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
96110 Property Insurance	$71,759	$3,277	$70,288			$7,062			$16,035	$168,419		$168,419
96120 Liability Insurance												
96130 Workmen's Compensation	$12,965	$4,709	$50,752			$3,215			$105,479	$177,119		$177,119
96140 All Other Insurance	$3,370	$1,346				$5,351			$11,469	$21,536		$21,536
96100 Total Insurance Premiums	$88,094	$9,331	$121,038	$0	$0	$15,628	$0	$0	$132,983	$367,074	$0	$367,074
96200 Other General Expenses	$161,182	$23,777	$443,718	$620		$9,473			$130,297	$777,085		$777,085
96210 Compensated Absences	$31,390	$1,526	$99,228			-$7,518			-$60,087	$63,545		$63,545
96300 Payments in Lieu of Taxes												
96400 Bad debt - Tenant Rents			$6,782							$6,782		$6,782
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	$192,572	$25,303	$540,728	$620	$0	$1,955	$0	$0	$70,210	$847,412	$0	$847,412
96710 Interest of Mortgage (or Bonds) Payable			$1,024,104							$1,024,184		$1,024,184
96720 Interest on Notes Payable (Short and Long Term)						$39,098				$39,098		$39,098
96730 Amortization of Bond Issue Costs												
96700 Total Interest Expense and Amortization Cost	$0	$0	$1,024,104	$0	$0	$39,098	$0	$0	$0	$1,063,282	$0	$1,063,282
96900 Total Operating Expenses	$3,126,332	$2,170,008	$5,760,070	$59,219	$0	$594,075	$0	$0	$4,601,125	$16,345,515	-$3,939,319	$12,406,196
97000 Excess of Operating Revenue over Operating Expenses	$1,667,710	$20,806,986	$3,160,313	$514,497	$1,010,431	$104,140	$141,136	$249,058	-$579,883	$27,083,208	$0	$27,083,208
97100 Extraordinary Maintenance	$255,244		$345,901			$16,534		$1,062		$618,821		$618,821
97200 Casualty Losses - Non-capitalized	$0								$6,446	$6,446		$6,446
97300 Housing Assistance Payments		$20,868,155		$537,467	$1,090,384		$175,008			$22,469,014		$22,469,014
97350 HAP Portability-In												
97400 Depreciation Expense	$1,246,211	$7,370	$1,175,101			$115,863		-	$69,976	$2,614,589		$2,614,589
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	$4,829,787	$22,852,621	$7,304,218	$596,686	$1,090,384	$727,072	$175,008	$1,062	$4,677,547	$42,054,385	-$3,939,319	$38,115,066
10010 Operating Transfer In												
10020 Operating transfer Out												
10030 Operating Transfers from/to Primary Government												
10040 Operating Transfers from/to Component Unit												

10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In												
10092 Inter Project Excess Cash Transfer Out												
10093 Transfers between Program and Project - In												
10094 Transfers between Project and Program - Out												
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$168,255	$133,465	$1,047,171	-$22,970	-$79,953	-$28,240	-$33,872	$248,594	-$656,105	$1,374,336	$0	$1,374,336
11020 Required Annual Debt Principal Payments	$0	$0	$3,882,820	$0	$0	$117,967	$0	$0	$0	$4,000,587		$4,000,587
11030 Beginning Equity	$17,059,880	$1,229,524	$9,420,254	-$20,670	$74,693	$995,056	$0	$0	$247,903	$29,008,650		$29,008,650
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$201,366		-$144,039	$43,640	$5,260		$33,872	-$248,594	$408,202	$299,707		$299,707
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity		$630,428								$630,428		$630,428
11180 Housing Assistance Payments Equity		$732,561								$732,561		$732,561
11190 Unit Months Available	5020	23480	5592	660	1200	1284	300			38424		38424
11210 Number of Unit Months Leased	5906	22458	5563	660	1200	1284	244			37316		37316
11270 Excess Cash	$2,327,099									$2,327,099		$2,327,099
11610 Land Purchases	$0								$0	$0		$0
11620 Building Purchases	$1,147,051								$0	$1,147,051		$1,147,051
11630 Furniture & Equipment - Dwelling Purchases	$7,209								$0	$7,209		$7,209
11640 Furniture & Equipment - Administrative Purchases	$51,939								$0	$51,939		$51,939
11650 Leasehold Improvements Purchases	$0								$0	$0		$0
11660 Infrastructure Purchases	$0								$0	$0		$0
13510 CFFP Debt Service Payments	$0								$0	$0		$0
13901 Replacement Housing Factor Funds	$0								$0	$0		$0

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT E

Capital Fund Program (CFP) 501-11

Performance and Evaluation Report

(CA076e01)

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

Part I: Summary

PHA Name:	Grant Type and Number: **CFP 501-11**	FFY Grant:
Housing Authority of the City of Santa Barbara (CA076)	Capital Fund Program Grant No. **CA16P07650111**	**2011**
	Date of CFFP:	FFY of Grant Approval:
		2011

Type of Grant

☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** X **Revised Annual Statement (revision no: 1)**

X **Performance & Evaluation Report for Program Year Ending:** 09.30.2011 ☐ **Final Performance & Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised 2	Total Actual Cost 1 Obligated	Total Actual Cost 1 Expended
1	Total Non-CGP Funds				
2	1406 OPERATIONS (may not exceed 20% of line 21)(3)	$ -			
3	1408 MANAGEMENT IMPROVEMENTS	$ 72,150.00	72,150.00	72,150.00	12,159.54
4	1410 ADMINISTRATION (may not exceed 10% of line 21)	$ 72,150.00	72,150.00	72,150.00	72,152.00
5	1411 AUDIT	$ -		0.00	0.00
6	1415 LIQUIDATED DAMAGES	$ -		0.00	0.00
7	1430 FEES AND COSTS	$ 103,000.00	103,000.00	103,000.00	45,040.84
8	1440 SITE ACQUISITION	$ -		0.00	0.00
9	1450 SITE IMPROVEMENTS	$ 81,400.00	81,400.00	10,701.99	10,701.99
10	1460 DWELLING STRUCTURES	$ 222,700.00	222,700.00	92,705.49	22,069.49
11	1465.1 DWELLING EQUIPMENT- Non Expendable	$ -		0.00	0.00
12	1470 NONDWELLING STRUCTURES	$ 21,000.00	21,000.00	0.00	0.00
13	1475 NONDWELLING EQUIPMENT	$ 25,800.00	27,200.00	26,010.95	26,010.95
14	1485 DEMOLITION	$ -		0.00	0.00
15	1492 MOVING TO WORK DEMONSTRATION	$ -		0.00	0.00
16	1495.1 RELOCATION COSTS	$ -		0.00	0.00
17	1499 DEVELOPMENT ACTIVITIES 4	$ 91,400.00	90,000.00	0.00	0.00
18a	1501 COLLATERIZATION OR DEBT SERVICE			0.00	0.00
18ba	9000 Collateralizeation of Debt Service paid Via System of Direct Payment				
19	1502 CONTINGENCY (n.t.e. 8% of line 20)	$ 31,919.00	31,919.00		
20	**Amount of Annual Grant (lines 2-19)**	$ 721,519.00	$721,519.00	**376,718.43**	**188,134.81**
21	Amount of line 20 Related to LBP Activities	$ 3,000.00			
22	Amount of line 20 Related to 504 compliance				
23	Amount of line 20 Related to Security - soft cost				
24	Amount of line 20 Related to Security - hard cost				
25	Amount of line 20 Related to Energy Cons.				

1 To be completed for the Performance and Evaluation Report
2 To be completed for the Performance and Evaluation Report of a Revised A
3 PHAs with under 250 units in management may use 100% of CFP grants for Operations
4 RHF funds shall be included here

form HUD-50075.1 (4/2008)

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

Part I Summary

PHA Name:	Grant Type and Number: CFP 501-11	FFY Grant:
Housing Authority of the City of Santa Barbara	Capital Fund Program Grant No. CA16P07650111	2011
	Date of CFFP:	FFY of Grant Approval: 2011

Type of Grant

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies X Revised Annual Statement (revision no: 1)

X Performance & Evaluation Report for Program Year Ending: 09.30.2011 ☐ Final Performance & Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost 1	
		Original	Revised 2	Obligated	Expended

Signature of Executive Director	Date	Signature of Public Housing Director	Date
[signature]	1/3/12		

form HUD-50075.1 (4/2008)

Part II: Supporting Pages

PHA Name: **Housing Authority of the City of Santa Barbara**	**Grant Type and Number: CFP 501-11** Capital Fund Program Gran **CA16P07650111** Replacement Housing Factor Grant No.:	CFFP (Yes/**No**):	**FFY of Grant: 2011**

Development Number/Name HA-wide Activities	General Description of Majo Work Categories	Development Account Number	Quantity	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost	Total Actual Cost	Status of Work
PHA-Wide	**OPERATIONS (1406)**	1406 -xx- 57 00						
PHA-Wide	STAFF TRAINING	1408 -12- 57 00	60 staff	$ 1,700	$ 1,700			
PHA-Wide	TRAINEE/HELPER PROGRAM	1408 -14- 57 00	5 trainees	$ 2,500	41,500		12,159.54	
PHA-Wide	SECURITY	1408 -16- 57 00	n/a	$ 41,500	2,500			
PHA-Wide		1408 -18- 57 00	n/a	$ -				
PHA-Wide	COMPUTER SOFTWARE & UPGRADES	1408 -20- 57 00	8 units	$ 8,200	$ 8,200			
PHA-Wide	RESIDENT INITIATIVES	1408 -xx- 57 00	492 units	$ 16,500	$ 16,500			
PHA-Wide	RES COUNCIL COSTS	1408 -xx- 57 00	"	$ 1,750	$ 1,750			
PHA-Wide	ETC.	1408 -xx- 57 00	"	$ -	$ -			
	1408 SUBTOTAL			**$ 72,150**	**$ 72,150**		**12,159.54**	
PHA-Wide	ADMIN.	1410 -01- 57 00	pro-rata	$ 55,250	$ 55,250		55,252.00	
PHA-Wide	"	1410 -04- 57 00	"	$ 400	$ 400		400.00	
PHA-Wide	"	1410 -09- 57 00	"	$ 12,500	$ 12,500		12,500.00	
PHA-Wide	"	1410 -10- 57 00	"	$ 400	$ 400		400.00	
PHA-Wide	"	1410 -12- 57 00	"	$ 400	$ 400		400.00	
PHA-Wide	"	1410 -16- 57 00	"	$ 800	$ 800		800.00	
PHA-Wide	"	1410 -19- 57 00	"	$ 2,400	$ 2,400		2,400.00	
	1410 SUBTOTAL			**$ 72,150**	**$72,150**		**72,152.00**	
76-02	ARCHITECTURE (contract)	1430 -01- 57 xx	n/a	$ 58,200	$ 58,200		38,053.20	
76-03	"	1430 -01- 57 xx	"	incl. above				
76-12	"	1430 -01- 57 xx	"	incl. above				
76-14	"	1430 -01- 57 xx	"	incl. above				
76-xx	TESTS (contract)	1430 -02- 57 xx	"	$ 1,650	$ 1,650			
76-02	PERMIT FEES	1430 -06- 57 xx	"	$ 1,650	$ 1,650		1,130.14	
76-xx	"	1430 -06- 57 xx	"	incl. above				
76-xx	"	1430 -06- 57 xx	"	incl. above				
76-02	INSPECTION COSTS (FA & contract)	1430 -07- 57 xx	"	$ 41,500	$ 41,500		5,857.50	
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
	1430 SUBTOTAL			**$103,000**	**$103,000**		**45,040.84**	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement
[2] To be completed for the Performance And Evaluation Report

Part II: Supporting Pages

PHA Name: **Housing Authority of the City of Santa Barbara**	**Grant Type and Number: CFP 501-11** Capital Fund Program Gran **CA16P07650111** CFFP (Yes/No) Replacement Housing Factor Grant No.:	**FFY of Grant: 2011**

Development Number/Name HA-wide Activities	General Description of Majo Work Categories	Development Account Number	Quantity	Total Estimated Cost Original	Total Estimated Cost Revised (1)	Total Actual Cost	Total Actual Cost	Status of Proposed Work (2)
76-02	SITE WORK DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 02	42 units	$ 12,500	$ 12,500			
76-03	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 03	15 units	$ 29,000	$ 29,000			
76-04	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 04	18 units	$ 800	$ 800			
76-05	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 05	8 units	$ 600	$ 600			
76-06	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 06	16 units	$ 800	$ 800			
76-07	SITE REHAB/FENCE/LIGHT REPLACE(FA & C)	1450 -10- 57 07	122 units	$ 12,400	$ 12,400		10,701.99	
76-10	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 10	46 units	$ 5,800	$ 5,800			
76-13	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 13	18 units	$ 7,500	$ 7,500			
76-14	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 14	78 units	$ 500	$ 500			
76-15	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 15	8 units	$ 800	$ 800			
76-17	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 17	17 units	$ 400	$ 400			
76-19	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 19	21 units	$ 400	$ 400			
76-21	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 21	24 units	$ 7,500	$ 7,500			
76-23	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 23	22 units	$ 800	$ 800			
76-25	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 25	4 units	$ 800	$ 800			
76-27	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 27	11 units	$ 800	$ 800			
	1450 SUBTOTAL			**$ 81,400**	**$ 81,400**		**10,701.99**	
76-02	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 02	42 units	$ 92,000	$ 92,000		878.63	
76-03	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 03	18 units	$ 38,000	$ 38,000			
76-04	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 04	18 units	$ 800	$ 800			
76-05	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 05	8 units	$ 3,000	$ 3,000			
76-06	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 06	16 units	$ 800	$ 800			
76-07	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 07	122 units	$ 8,300	$ 8,300			
76-10	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 10	46 units	$ 8,300	$ 8,300			
76-12	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 12	10 units	$ 800	$ 800			
76-13	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 13	18 units	$ 4,100	$ 4,100		929.14	
76-14	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 14	78 units	$ 8,300	$ 8,300			
76-15	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 15	10 units	$ 800	$ 800			
76-16	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 16	10 units	$ 800	$ 800			
76-17	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 17	17 units	$ 800	$ 800			
76-19	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 19	24 units	$ 800	$ 800		3,673.58	
76-21	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 21	20 units	$ 4,100	$ 4,100		16,450.74	
76-22	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 22	10 units	$ 800	$ 800			
76-23	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 23	15 units	$ 48,600	$ 48,600		137.40	
76-25	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 25	4 units	$ 800	$ 800			
76-27	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 27	11 units	$ 800	$ 800			
	1460 SUBTOTAL			**$222,700**	**$222,700**		**22,069.49**	

1 To be completed for the Performance and Evaluation Report or a Revised Annual Statement
2 To be completed for the Performance And Evaluation Report

Part II: Supporting Pages

PHA Name: **Housing Authority of the City of Santa Barbara**	**Grant Type and Number: CFP 501-11** Capital Fund Program Gran **CA16P07650111** Replacement Housing Factor Grant No.:	CFFP (Yes/No):	**FFY of Grant: 2011**

Development Number/Name HA-wide Activities	General Description of Majo Work Categories	Development Account Number	Quantity	Total Estimated Cost		Total Actual Cost		Status of Proposed Work (2)
				Original	Revised (1)			
76-xx	**APPLIANCES**	1465 -01- 57 00	40 units	**$0**	**$0**		**0.00**	
76-02/27	COMMON AREA UPGRADES	1470 -01- 57 xx	1 unit	$12,500	$12,500			
76-xx	(NOT PROPERTY SPECIFIC-AS NEEDED)	1470 -01- 57 xx	n/a	$8,500	$8,500			
	1470 SUBTOTAL			**$21,000**	**$21,000**		**0.00**	
76-00	OFFICE EQUIP.	1475 -01- 57 00	n/a	$2,000	$5,000		4,895.62	
76-00	FORCE ACCT. EQUIP.	1475 -02- 57 00		$1,200	$100			
76-00	COMMUNITY EQUIP.	1475 -03- 57 00	n/a	$1,900	$100			
76-00	VEHICLES	1475 -07- 57 00	1 vehicle	$20,700	$22,000		21,115.33	
	1475 SUBTOTAL			**$25,800**	**$27,200**		**26,010.95**	
76-00	**RELO**	1495 -0x- 57 00	n/a	**$0**	**$0**		**0.00**	
76-xx	**MOD USED FOR DEVELOPMENT**	1498 -01- 57 xx		**$91,400**	**$90,000**		**0.00**	Development costs are tc
	NOTE: PARTIAL TO ADD TO OTHER YEARS							be taken over multiple CFP years
76-xx	**CONTINGENCY**	1502 -00- 57 00		**$31,919**	**$31,919**		**0.00**	
	TOTALS			**$721,519**	**$721,519**		**$188,135**	
	For the purposes of Environmental Review, and due to the full fungibility of work items, all properties should be considered as potential							
	rehabilitation and/or modernization. Any Development with Modernization Funds will have its own City review and permit proces							
	Costs that cannot be covered fully by CFP in a given budget may be paid by the HA as a loan through OH reserves to be recovered by future CFP fundi							

1 To be completed for the Performance and Evaluation Report or a Revised Annual Statement
2 To be completed for the Performance And Evaluation Report

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

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name:
Housing Authority of the City of Santa Barbara (CA076)

Development Number/Name HA-wide Activities	All Funds Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reason for Reavised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
PHA-Wide 1408	8/2/2013		8/2/2015		
Mgmt Needs	8/2/2013		8/2/2015		
PHA-Wide 1410	8/2/2013		8/2/2015		
Admin	8/2/2013		8/2/2015		
PHA-Wide 1430	8/2/2013		8/2/2015		
PHA-Wide	8/2/2013		8/2/2015		
76-02	8/2/2013		8/2/2015		
76-03	8/2/2013		8/2/2015		
76-04	8/2/2013		8/2/2015		
76-05	8/2/2013		8/2/2015		
76-06	8/2/2013		8/2/2015		
76-07	8/2/2013		8/2/2015		
76-10	8/2/2013		8/2/2015		
76-12	8/2/2013		8/2/2015		
76-13	8/2/2013		8/2/2015		
76-14	8/2/2013		8/2/2015		
76-15	8/2/2013		8/2/2015		
76-16	8/2/2013		8/2/2015		
76-17	8/2/2013		8/2/2015		
76-19	8/2/2013		8/2/2015		
76-21	8/2/2013		8/2/2015		
76-22	8/2/2013		8/2/2015		
76-23	8/2/2013		8/2/2015		
76-25	8/2/2013		8/2/2015		
76-27	8/2/2013		8/2/2015		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT F

Capital Fund Program (CFP) 501-12

Annual Statement

(CA076f01)

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

Part I: Summary

PHA Name:	Grant Type and Number: **CFP 501-12**	FFY Grant:
Housing Authority of the City of Santa Barbara (CA076)	Capital Fund Program Grant No. **CA16P07650112**	**2012**
	Date of CFFP:	FFY of Grant Approval:
		2012

Type of Grant

X Original Annual Statement ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**

☐ **Performance & Evaluation Report for Program Year Ending:** ☐ **Final Performance & Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost 1	
		Original	Revised 2	Obligated	Expended
1	Total Non-CGP Funds				
2	1406 OPERATIONS (may not exceed 20% of line 21)(3)	$ -			
3	1408 MANAGEMENT IMPROVEMENTS	$ 72,150.00		0.00	0.00
4	1410 ADMINISTRATION (may not exceed 10% of line 21)	$ 72,150.00		0.00	0.00
5	1411 AUDIT	$ -		0.00	0.00
6	1415 LIQUIDATED DAMAGES	$ -		0.00	0.00
7	1430 FEES AND COSTS	$ 103,000.00		0.00	0.00
8	1440 SITE ACQUISITION	$ -		0.00	0.00
9	1450 SITE IMPROVEMENTS	$ 95,400.00		0.00	0.00
10	1460 DWELLING STRUCTURES	$ 217,000.00		0.00	0.00
11	1465.1 DWELLING EQUIPMENT- Non Expendable	$ -		0.00	0.00
12	1470 NONDWELLING STRUCTURES	$ 21,000.00		0.00	0.00
13	1475 NONDWELLING EQUIPMENT	$ 25,800.00		0.00	0.00
14	1485 DEMOLITION	$ -		0.00	0.00
15	1492 MOVING TO WORK DEMONSTRATION	$ -		0.00	0.00
16	1495.1 RELOCATION COSTS	$ -		0.00	0.00
17	1499 DEVELOPMENT ACTIVITIES 4	$ 91,400.00		0.00	0.00
18a	1501 COLLATERIZATION OR DEBT SERVICE			0.00	0.00
18ba	9000 Collateralizeation of Debt Service paid Via System of Direct Payment				
19	1502 CONTINGENCY (n.t.e. 8% of line 20)	$ 23,619.00			
20	**Amount of Annual Grant (lines 2-19)**	$ 721,519.00			
21	Amount of line 20 Related to LBP Activities	$ -	-	-	-
22	Amount of line 20 Related to 504 compliance				
23	Amount of line 20 Related to Security - soft cost				
24	Amount of line 20 Related to Security - hard cost				
25	Amount of line 20 Related to Energy Cons.				

1 To be completed for the Performance and Evaluation Report
2 To be completed for the Performance and Evaluation Report of a Revised A
3 PHAs with under 250 units in management may use 100% of CFP grants for Operations
4 RHF funds shall be included here

form HUD-50075.1 (4/2008)

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

Part I Summary

PHA Name:	Grant Type and Number: CFP 501-12	FFY Grant:
Housing Authority of the City of Santa Barbara	Capital Fund Program Grant No. CA16P07650112	2012
	Date of CFFP:	FFY of Grant Approval: 2012

Type of Grant

X Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement (revision no:)

☐ Performance & Evaluation Report for Program Year Ending: ☐ Final Performance & Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended

Signature of Executive Director	Date	Signature of Public Housing Director	Date
[signature]	1/3/12		

form HUD-50075.1 (4/2008)

Part II: Supporting Pages

PHA Name: **Housing Authority of the City of Santa Barbara**	**Grant Type and Number: CFP 501-12** Capital Fund Program Grant **CA16P07650112** Replacement Housing Factor Grant No.:	CFFP (Yes/No):	**FFY of Grant: 2012**

Development Number/Name HA-wide Activities	General Description of Major Work Categories	Development Account Number	Quantity	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost	Total Actual Cost	Status of Work
PHA-Wide	OPERATIONS (1406)	1406 -xx- 57 00						
PHA-Wide	STAFF TRAINING	1408 -12- 57 00	60 staff	$ 1,700				
PHA-Wide	TRAINEE/HELPER PROGRAM	1408 -14- 57 00	5 trainees	$ 41,500				
PHA-Wide	SECURITY	1408 -16- 57 00	n/a	$ 2,500				
PHA-Wide		1408 -18- 57 00	n/a	$ -				
PHA-Wide	COMPUTER SOFTWARE & UPGRADES	1408 -20- 57 00	8 units	$ 8,200				
PHA-Wide	RESIDENT INITIATIVES	1408 -xx- 57 00	492 units	$ 16,500				
PHA-Wide	RES COUNCIL COSTS	1408 -xx- 57 00	"	$ 1,750				
PHA-Wide	ETC.	1408 -xx- 57 00	"	$ -				
	1408 SUBTOTAL			**$ 72,150**				
PHA-Wide	ADMIN.	1410 -01- 57 00	pro-rata	$ 55,250				
PHA-Wide	"	1410 -04- 57 00	"	$ 400				
PHA-Wide	"	1410 -09- 57 00	"	$ 12,500				
PHA-Wide	"	1410 -10- 57 00	"	$ 400				
PHA-Wide	"	1410 -12- 57 00	"	$ 400				
PHA-Wide	"	1410 -16- 57 00	"	$ 800				
PHA-Wide	"	1410 -19- 57 00	"	$ 2,400				
	1410 SUBTOTAL			**$ 72,150**				
76-02	ARCHITECTURE (contract)	1430 -01- 57 xx	n/a	$ 58,200				
76-03	"	1430 -01- 57 xx	"	incl. above				
76-12	"	1430 -01- 57 xx	"	incl. above				
76-14	"	1430 -01- 57 xx	"	incl. above				
76-xx	TESTS (contract)	1430 -02- 57 xx	"	$ 1,650				
76-02	PERMIT FEES	1430 -06- 57 xx	"	$ 1,650				
76-xx	"	1430 -06- 57 xx	"	incl. above				
76-xx	"	1430 -06- 57 xx	"	incl. above				
76-02	INSPECTION COSTS (FA & contract)	1430 -07- 57 xx	"	$ 41,500				
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
76-xx	"	1430 -07- 57 xx	"	incl. above				
	1430 SUBTOTAL			**$103,000**				

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement
[2] To be completed for the Performance And Evaluation Report

Part II: Supporting Pages

PHA Name: **Housing Authority of the City of Santa Barbara**	**Grant Type and Number: CFP 501-12** Capital Fund Program Gran **CA16P07650112** CFFP (Yes/No): Replacement Housing Factor Grant No.:	**FFY of Grant: 2012**

Development Number/Name HA-wide Activities	General Description of Major Work Categories	Development Account Number	Quantity	Total Estimated Cost		Total Actual Cost		Status of Proposed Work (2)
				Original	Revised (1)			
76-02	SITE WORK DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 02	42 units	7,000.00				
76-03	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 03	15 units	15,000.00				
76-04	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 04	18 units	3,000.00				
76-05	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 05	8 units	500.00				
76-06	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 06	16 units	500.00				
76-07	SITE REHAB/FENCE/LIGHT REPLACE(FA & C)	1450 -10- 57 07	122 units	15,000.00				
76-10	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 10	46 units	5,000.00				
76-13	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 13	18 units	2,000.00				
76-14	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 14	78 units	3,000.00				
76-15	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 15	8 units	500.00				
76-17	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 17	17 units	500.00				
76-19	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 19	21 units	10,000.00				
76-21	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 21	24 units	20,000.00				
76-23	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 23	22 units	3,000.00				
76-25	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 25	4 units	7,400.00				
76-27	SITE REHAB/DRAINAGE/PATIOS/ETC. (FA & C)	1450 -10- 57 27	11 units	3,000.00				
	1450 SUBTOTAL			**$ 95,400**				
76-02	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 02	42 units	45,000.00				
76-03	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 03	18 units	100,000.00				
76-04	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 04	18 units	1,000.00				
76-05	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 05	8 units	1,000.00				
76-06	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 06	16 units	1,000.00				
76-07	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 07	122 units	5,000.00				
76-10	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 10	46 units	5,000.00				
76-12	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 12	10 units	1,000.00				
76-13	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 13	18 units	1,000.00				
76-14	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 14	78 units	5,000.00				
76-15	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 15	10 units	1,000.00				
76-16	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 16	10 units	1,000.00				
76-17	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 17	17 units	1,000.00				
76-19	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 19	24 units	5,000.00				
76-21	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 21	20 units	40,000.00				
76-22	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 22	10 units	1,000.00				
76-23	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 23	15 units	1,000.00				
76-25	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 25	4 units	1,000.00				
76-27	GEN REHAB/PLM/HTG/ELEC/PNT (FA & C)	1460 -10- 57 27	11 units	1,000.00				
	1460 SUBTOTAL			**$217,000**				

1 To be completed for the Performance and Evaluation Report or a Revised Annual Statement
2 To be completed for the Performance And Evaluation Report

Part II: Supporting Pages

PHA Name: **Housing Authority of the City of Santa Barbara**	**Grant Type and Number: CFP 501-12** Capital Fund Program Grant **CA16P07650112** CFFP (Yes/No): Replacement Housing Factor Grant No.:	**FFY of Grant: 2012**

Development Number/Name HA-wide Activities	General Description of Major Work Categories	Development Account Number	Quantity	Total Estimated Cost		Total Actual Cost		Status of Proposed Work (2)
				Original	Revised (1)			
76-xx	**APPLIANCES**	1465 -01- 57 00	40 units	**$0**				
76-02/27	COMMON AREA UPGRADES	1470 -01- 57 xx	1 unit	$12,500				
76-xx	(NOT PROPERTY SPECIFIC-AS NEEDED)	1470 -01- 57 xx	n/a	$8,500				
	1470 SUBTOTAL			**$21,000**				
76-00	OFFICE EQUIP.	1475 -01- 57 00	n/a	$2,000				
76-00	FORCE ACCT. EQUIP.	1475 -02- 57 00		$1,200				
76-00	COMMUNITY EQUIP.	1475 -03- 57 00	n/a	$1,900				
76-00	VEHICLES	1475 -07- 57 00	1 vehicle	$20,700				
	1475 SUBTOTAL			**$25,800**				
76-00	**RELO**	1495 -0x- 57 00	n/a	**$0**				
76-xx	**MOD USED FOR DEVELOPMENT**	1498 -01- 57 xx		**$91,400**				Development costs are to
	NOTE: PARTIAL TO ADD TO OTHER YEARS							be taken over multiple CFP years.
76-xx	**CONTINGENCY**	1502 -00- 57 00		**$23,619**				
	TOTALS			**$721,519**				
	For the purposes of Environmental Review, and due to the full fungibility of work items, all properties should be considered as potential for							
	rehabilitation and/or modernization. Any Development with Modernization Funds will have its own City review and permit process.							
	Costs that cannot be covered fully by CFP in a given budget may be paid by the HA as a loan through OH reserves to be recovered by future CFP funding.							

1 To be completed for the Performance and Evaluation Report or a Revised Annual Statement
2 To be completed for the Performance And Evaluation Report

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

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name:
Housing Authority of the City of Santa Barbara (CA076)

Development Number/Name HA-wide Activities	All Funds Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reason for Reavised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
exact date from award	8/2/2014		8/2/2016		
PHA-Wide 1408	4th Qtr 2014		4th Qtr 2016		
Mgmt Needs	4th Qtr 2014		4th Qtr 2016		
PHA-Wide 1410	4th Qtr 2014		4th Qtr 2016		
Admin	4th Qtr 2014		4th Qtr 2016		
PHA-Wide 1430	4th Qtr 2014		4th Qtr 2016		
PHA-Wide	4th Qtr 2014		4th Qtr 2016		
76-02	4th Qtr 2014		4th Qtr 2016		
76-03	4th Qtr 2014		4th Qtr 2016		
76-04	4th Qtr 2014		4th Qtr 2016		
76-05	4th Qtr 2014		4th Qtr 2016		
76-06	4th Qtr 2014		4th Qtr 2016		
76-07	4th Qtr 2014		4th Qtr 2016		
76-10	4th Qtr 2014		4th Qtr 2016		
76-12	4th Qtr 2014		4th Qtr 2016		
76-13	4th Qtr 2014		4th Qtr 2016		
76-14	4th Qtr 2014		4th Qtr 2016		
76-15	4th Qtr 2014		4th Qtr 2016		
76-16	4th Qtr 2014		4th Qtr 2016		
76-17	4th Qtr 2014		4th Qtr 2016		
76-19	4th Qtr 2014		4th Qtr 2016		
76-21	4th Qtr 2014		4th Qtr 2016		
76-22	4th Qtr 2014		4th Qtr 2016		
76-23	4th Qtr 2014		4th Qtr 2016		
76-25	4th Qtr 2014		4th Qtr 2016		
76-27	4th Qtr 2014		4th Qtr 2016		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT G

Capital Fund Program (CFP) 501-12

5-Year Action Plan

(CA076g01)

Capital Fund Program - Five-Year Action Plan

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

Part I: Summary

PHA Name/Number	Locality (City/County & State)	[X] Original 5-Year Plan [ ] Revision No:
Housing Authoriity of the City of Santa Barbara / CA076	Santa Barbara CA	

A	AMP	Development Number/Name	Work Statement for Year 1 FFY 2012	Work Statement for Year 2 FFY 2013	Work Statement for Year 3 FFY 2014	Work Statement for Year 4 FFY 2015	Work Statement for Year 5 FFY 2016
	1	76-02 Scattered Sites (FA & C)	Annual Statement	1,380,000	45,000	815,000	600,000
	1	76-03 Soledad (FA & C)		908,000	674,000	24,000	24,000
	1	76-04 Meigs Road (FA &C)		68,000	84,000	24,000	24,000
	2	76-05 Scattered Sites (FA &C)		52,000	620,000	4,000	4,000
	1	76-06 Elise Way (FA & C)		6,000	8,000	8,000	53,000
	3	76-07 Presidio Springs (FA & C)		207,000	75,000	326,000	91,000
	1	76-10 Presidio Gardens (FA & C)		66,000	60,000	20,000	70,000
	3	76-12 Arroyo Miradero (FA & C)		1,000	3,000	3,000	3,000
	below	76-13 Scattered Sites (FA & C)		118,000	30,000	12,000	65,000
	2	76-13 San Pascual (FA &C)		see above	see above	see above	see above
	2	76-13 Eucalyptus (FA &C)		see above	see above	see above	see above
	3	76-13 De la Vina (FA & C)		see above	see above	see above	see above
	below	76-14 Scattered Sites (FA & C)		228,000	104,000	118,000	58,000
	3	76-14 Vista La Cumbre		see above	see above	see above	see above
	2	76-14 Old Coast Hwy		see above	see above	see above	see above
	2	76-14 West Carrillo		see above	see above	see above	see above
	2	76-14 Wilson Cottages		see above	see above	see above	see above
	2	76-14 Olive Townhouses		see above	see above	see above	see above
	1	76-15 Hoit Gardens (FA & C)		0	0	0	0
	2	76-16 Castillo Court (FA & C)		0	19,500	4,000	4,000
	3	76-17 Casa Castillo (FA & C)		68,000	12,000	92,000	57,000
	2	76-19 Via Diego (FA & C)		123,000	40,000	10,000	135,000
	1	76-21 Sycamore Gardens (FA & C)		158,000	258,000	158,000	158,000
	2	76-22 Salinas (FA & C)		4,000	4,000	4,000	4,000
	2	76-23 Scattered Sites (FA & C)		16,000	105,000	24,000	31,500
	1	76-25 Pico/Salsipuedes (FA & C)		0	45,000	0	0
	1	76-27 82 N. La Cumbre (FA & C)		35,000	2,000	2,000	2,000
B		1460 Physical Improvement Subtotal		3,438,000	2,188,500	1,648,000	1,383,500
C		Management Improvements		105,840	105,840	105,840	105,840
D		PHA-Wide Non-dwelling **Structures (1470)** and Equipment		40,000	40,000	40,000	40,000
D		PHA-Wide Non-dwelling Structures and **Equipment (&**		31,230	31,230	40,000	40,000
E		1410 Administration		102,500	102,500	110,000	110,000
F		Other		see below	see below	see below	see below
F		1430 Arch, Fees, & Tests		137,200	137,200	150,000	150,000
F		1465 Dwelling Equipment		20,820	20,820	25,000	25,000
F		1495 Relocation		9,460	9,460	15,000	15,000
G		Operations					
H		Demolition					
I		Development		800,000	800,000	800,000	800,000
J		Capital Fund Financing - Debt					
K		Total CFP Funds		4,685,050	3,435,550	2,933,840	2,669,340
L		Total Non-CFP Funds					
M		Grand Total					

form **HUD-50075.2** (4/2008)

Capital Fund Program - Five-Year Action Plan

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

Part II: Supporting Pages - Physical Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 2 FFY 2013				Work Statement for Year 3 FFY 2014			
	Development Name/Number	Major Work Categories	Quantity	Estimated Cost	Development Name/Number	Major Work Categories	Quantity	Estimated Cost
See Annual Statement	PHA Wide - Mgmt Imp	Staff Training		2,500	PHA Wide - Mgmt Imp	Staff Training		2,500
	"	Trainee/Helper Program		56,800	"	Trainee/Helper Program		56,800
	"	Res Maint Training		3,100	"	Res Maint Training		3,100
	"	Prev Maint Program		1,700	"	Prev Maint Program		1,700
	"	Comp Software		11,800	"	Comp Software		11,800
	"	Resident Initiatives		27,200	"	Resident Initiatives		27,200
	"	Res Council Costs		2,740	"	Res Council Costs		2,740
	76-02 Scattered Sites:	Vacancy rehabs		20,000	76-02 Scattered Sites:	roof/wood/stucco rehab		45,000
		Builing upgrade phase I monteria		800,000				
		Patios & walls @ Monteria		500,000	76.03 Pearl Gardens	Vacancy rehabs		24,000
		Site rehab @Mich/San		50,000		Add units		650,000
		Patios & walls @ Mich/San		10,000				
					76-04 Meigs Road	Vacancy rehabs		24,000
	76-03 Pearl Gardens	Vacancy rehabs		18,000		Site rehab for drainage/landscape		60,000
		Building rehab		800,000				
		Patios & walls		90,000	76-05 810 Vine, et al	Vacancy rehabs		20,000
						Building addition 810 Vine		600,000
	76-04 Meigs Road	Vacancy rehabs		3,000				
		Roofing replacement/termite		65,000	76-06 Elise Way	Vacancy rehabs		8,000
	76-05 810 Vine Ave, et al	kitchens		3,000				
		Building upgrades and deck		46,000				
		Site rehab for drainage		3,000	76-07 Presidio Springs	mechanical/plumbing upgrades		75,000
		Subtotal of CFP Estimated Cost		$2,513,840		Subtotal of CFP Estimated Cost		$1,611,840

continued

Capital Fund Program Five-Year Action Plan

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

Part II: Supporting Pages - Physical Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 2 FFY 2013				Work Statement for Year 3 FFY 2014			
	Development Name/Number	Major Work Categories		Estimated Cost	Development Name/Number	Major Work Categories		Estimated Cost
See Annual Statement	76-06 Elise Way	Vacancy rehabs		6,000	76-10 Presidio Gardens	Vacancy rehabs		20,000
						Parking lot rehabs		40,000
	76-07 Presidio Springs	Vacancy rehabs		12,000				
		Landscape rehab drainage/water conservati		75,000	72-12 Arroyo Miradero	Vacancy rehabs		3,000
		Site lighting		120,000				
					76-13 San Pascual, et al	Vacancy rehabs		30,000
	76-10 Presidio Gardens	Vacancy rehabs		16,000				
		Tot lot & rubber surface		50,000	76-14 Vista La Cumbre, et	Vacancy rehabs		24,000
						roofing old coast hwy		80,000
	76-12 Arroyo Miradero	Vacancy rehabs		1,000	76-15 Hoit Gardens	Vacancy rehabs		0
		Landscape rehab for safety		30,000	76-16 Castillo Court	handicapped and vacancy upgrades		7,500
	76-13 San Pascual, et al	Vacancy rehabs		8,000	76-17 La Casa Castillo	Vacancy rehabs		12,000
		Bldg rehab @ San Pascual		80,000				
		Site rehab @ San Pascual		15,000				
		Patio upgrade @ SP		15,000	76-19 Via Diego	Vacancy rehabs		10,000
						Trash enclosures		30,000
	76-14 Vista La Cumbre, et al	Vacancy rehabs		18,000				
					76-21 Sycamore lane	Vacancy rehabs		8,000
		Parking lot rehab @ various		50,000		Major exterior rehab (I)		250,000
		Property access @ Carrillo		100,000				
		rehab exterior		60,000				
						Subtotal of CFP Estimated Cost		$514,500
		Subtotal of CFP Estimated Cost		$656,000				
				continued				continued

Part II: Supporting Pages - Physical Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 2 FFY 2013				Work Statement for Year 3 FFY 2014			
	Development Name/Number	Major Work Categories		Estimated Cost	Development Name/Number	Major Work Categories		Estimated Cost
See Annual Statement	76-15 Hoit Gardens	n/a		0	76-22 Salinas Street	Vacancy rehabs		4,000
	76-16 Castillo Court	Vacancy rehabs		0	76-23 West Victoria, et al	Vacancy rehabs		85,000
						Roofing @ S Vol		20,000
	76-17 La Casa Castillo	Vacancy rehabs		8,000				
		Site rehab for reduced maint		60,000	76-25 Pico/Salsipuedes	landscape rehab		45,000
	76-19 Via Diego	Vacancy rehabs		8,000	76-27 82 North La Cumbre	Vacancy rehabs		2,000
		Rehab for roof drainage		15,000				
		Roofing replacement		100,000	PHA Wide	1410 Administrative		110,000
						1430 Arch, Fees, & Tests		150,000
	76-21 Sycamore lane	Vacancy rehabs		8,000		1465 Dwelling equipment		25,000
		Tot lot		50,000		1470 Non-dwelling Structures		40,000
		Roofing replacement		100,000		1475 Equip & vehicles		40,000
						1495 Relocation		15,000
	76-22 Salinas Street	Vacancy rehabs		4,000				
					Mod used for development	land purchase		800,000
	76-23 West Victoria, et al	Vacancy rehabs		16,000				
	76-25 Pico/Salsipuedes	Vacancy rehabs		0				
		Subtotal of CFP Estimated Cost		$369,000				

continued

Capital Fund Program Five-Year Action Plan

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

Part II: Supporting Pages - Physical Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 2 FFY 2013				Work Statement for Year 3 FFY 2014			
	Development Name/Number	Major Work Categories		Estimated Cost	Development Name/Number	Major Work Categories		Estimated Cost
See Annual Statement	76-27 82 North La Cumbre	play area		35,000				
	PHA Wide	1410 Administrative		102,500				
		1430 Arch, Fees, & Tests		137,200				
		1465 Dwelling equipment		20,820				
		1470 Non-dwelling Structures		40,000				
		1475 Equip & vehicles		31,230				
		1495 Relocation		9,460				
	Mod used for development	Land or unit purchase		800,000				
		Subtotal of CFP Estimated Cost		$1,176,210				
		Total of CFP Estimated Cost		**$3,538,840**				

form **HUD-50075.2** (4/2008)

Part II: Supporting Pages - Physical Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 4 FFY 2015			Work Statement for Year 5 FFY 2016		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
	PHA Wide - Mgmt Imp	Staff Training	2,500	PHA Wide - Mgmt Imp	Staff Training	2,500
	"	Trainee/Helper Program	56,800	"	Trainee/Helper Program	56,800
	"	Res Maint Training	3,100	"	Res Maint Training	3,100
	"	Prev Maint Program	1,700	"	Prev Maint Program	1,700
	"	Comp Software	11,800	"	Comp Software	11,800
	"	Resident Initiatives	27,200	"	Resident Initiatives	27,200
	"	Res Council Costs	2,740	"	Res Council Costs	2,740
See	76-02 Scattered Sites:	Vacancy rehabs	15,000	76-02 Scattered Sites:	Continue property rehab	500,000
		exterior rehab part II	800,000		landscape rehabs	100,000
Annual	76.03 Pearl Gardens	Vacancy rehabs	24,000	76.03 Pearl Gardens	Vacancy rehabs	24,000
Statement	76-04 Meigs Road	Vacancy rehabs	24,000	76-04 Meigs Road	Vacancy rehabs	24,000
	76-05 810 Vine, et al	Vacancy rehabs	4,000	76-05 810 Vine, et al	Vacancy rehabs	4,000
	76-06 Elise Way	Vacancy rehabs	8,000	76-06 Elise Way	Vacancy rehabs	8,000
					bath upgrades	45,000
	76-07 Presidio Springs	Vacancy rehabs	16,000	76-07 Presidio Springs	Vacancy rehabs	16,000
		alarm upgrade	250,000		flooring upgrades	75,000
		handicapped unit upgrades	$60,000			
		Subtotal of CFP Estimated Cost	$1,803,680		Subtotal of CFP Estimated Cost	$901,840

continued

continued

Part II: Supporting Pages - Physical Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 4 FFY 2015			Work Statement for Year 5 FFY 2016		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
See Annual Statement	76-10 Presidio Gardens	Vacancy rehabs	20,000	76-10 Presidio Gardens	Vacancy rehabs landscpae upgrades	20,000 50,000
	76-12 Arroyo Miradero	Vacancy rehabs	3,000	76-12 Arroyo Miradero	Vacancy rehabs	3,000
	76-13 San Pascual, et al	Vacancy rehabs	12,000	76-13 San Pascual, et al	building and vacancy upgrades	65,000
	76-14 Vista La Cumbre, et al	Vacancy rehabs vista elevator	18,000 100,000	76-14 Vista La Cumbre, et al	Vacancy rehabs wilson landscape upgrades	18,000 40,000
	76-15 Hoit Gardens	Vacancy rehabs	0	76-15 Hoit Gardens	Vacancy rehabs	0
	76-16 Castillo Court	Vacancy rehabs	4,000	76-16 Castillo Court	Vacancy rehabs	4,000
	76-17 La Casa Castillo	Vacancy rehabs Roofing replacement	12,000 80,000	76-17 La Casa Castillo	Vacancy rehabs patio drainage	12,000 45,000
	76-19 Via Diego	Vacancy rehabs	10,000	76-19 Via Diego	Vacancy rehabs courtyard upgrade	10,000 125,000
	76-21 Sycamore lane	Vacancy rehabs Major rehab (II)	8,000 150,000	76-21 Sycamore lane	Vacancy rehabs Major rehab landscape drainag	8,000 150,000
		Subtotal of CFP Estimated Cost	$550,000		Subtotal of CFP Estimated Cost	$550,000

continued

Capital Fund Program Five-Year Action Plan

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

Part II: Supporting Pages - Physical Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 4 FFY 2015			Work Statement for Year 5 FFY 2016		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
	76-22 Salinas Street	Vacancy rehabs	4,000	76-22 Salinas Street	Vacancy rehabs	4,000
	76-23 West Victoria, et al	Vacancy rehabs	24,000	76-23 West Victoria, et al	Vacancy rehabs	24,000
					so voluntario fencing	7,500
	76-25 Pico/Salsipuedes	Vacancy rehabs	0	76-25 Pico/Salsipuedes	Vacancy rehabs	0
See	76-27 82 North La Cumbre	Vacancy rehabs	2,000	76-27 82 North La Cumbre	Vacancy rehabs	2,000
Annual	PHA Wide	1410 Administrative	110,000	PHA Wide	1410 Administrative	110,000
		1430 Arch, Fees, & Tests	150,000		1430 Arch, Fees, & Tests	150,000
Statement		1465 Dwelling equipment	25,000		1465 Dwelling equipment	25,000
		1470 Non-dwelling Structures	40,000		1470 Non-dwelling Structures	40,000
		1475 Equip & vehicles	40,000		1475 Equip & vehicles	40,000
		1495 Relocation	15,000		1495 Relocation	15,000
	Mod used for development	land purchase	800,000	Mod used for development	land purchase	800,000
		Subtotal of CFP Estimated Cost	$1,210,000		Subtotal of CFP Estimated Cost	$1,217,500
		Total of CFP Estimated Cost	**$3,563,680**		Total of CFP Estimated Cost	**$2,669,340**

form **HUD-50075.2** (4/2008)

Capital Fund Program - Five-Year Action Plan

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

Part III: Supporting Pages - Management Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 2 FFY 2013			Work Statement for Year 3 FFY 2014		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
See Annual Statement	PHA Wide - Mgmt Imp	Staff Training	2,500	PHA Wide - Mgmt Imp	Staff Training	2,500
	"	Trainee/Helper Program	56,800	"	Trainee/Helper Program	56,800
	"	Res Maint Training	3,100	"	Res Maint Training	3,100
	"	Prev Maint Program	1,700	"	Prev Maint Program	1,700
	"	Comp Software	11,800	"	Comp Software	11,800
	"	Resident Initiatives	27,200	"	Resident Initiatives	27,200
	"	Res Council Costs	2,740	"	Res Council Costs	2,740
	Subtotal of CFP Estimated Cost		$105,840	Subtotal of CFP Estimated Cost		$105,840

continued

Capital Fund Program - Five-Year Action Plan

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

Part III: Supporting Pages - Management Needs Work Statement(s)

Activities for Year 1	Work Statement for Year 4 FFY 2015			Work Statement for Year 5 FFY 2016		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
See Annual Statement	PHA Wide - Mgmt Imp	Staff Training	2,500	PHA Wide - Mgmt Imp	Staff Training	2,500
	"	Trainee/Helper Program	56,800	"	Trainee/Helper Program	56,800
	"	Res Maint Training	3,100	"	Res Maint Training	3,100
	"	Prev Maint Program	1,700	"	Prev Maint Program	1,700
	"	Comp Software	11,800	"	Comp Software	11,800
	"	Resident Initiatives	27,200	"	Resident Initiatives	27,200
	"	Res Council Costs	2,740	"	Res Council Costs	2,740
		Subtotal of CFP Estimated Cost	$105,840 continued		Subtotal of CFP Estimated Cost	$105,840 continued

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

ANNUAL PLAN FY 2012

ATTACHMENT H

Resident Council Comments

(CA076h01)

Resident Council Comments

1. Council is hopeful that HUD will approve the Authority's request for disposition of Public Housing units in an effort to leverage funds for maintenance of the units and bring in additional funding through the Low-Income Housing Tax Credit Program to construct more affordable units for the city.
2. Council is supportive of the changes to the Section 8 Administrative Plan and the ACOP including the extension of time allotted in the grievance procedures.
3. Council is supportive of the Authority's Strategy for Addressing Housing Needs and recommends the addition of two bedroom and single units to address the needs of small families, senior and disabled individuals as reflected on the Authority's wait list statistics.
4. Council believes that the 5 year plan speaks to all aspects of the Authority being well planned and is easy to understand. Additionally the Council would like to thank the Authority team as the outlined goals demonstrate that the Authority has the tenants' well-being in mind.
5. Council appreciates being "behind the scenes" of the Authority. Seeing all of the hard work that goes into the Authority humbles us and makes us stand up taller as recipients.

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

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

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the___ 5-Year and/or_X_Annual PHA Plan for the PHA fiscal year beginning 4/1/12, hereinafter referred to as" the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

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

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

Housing Authority of the City of Santa Barbara — PHA Name

CA076 — PHA Number/HA Code

_____ 5-Year PHA Plan for Fiscal Years 20____ - 20____

X Annual PHA Plan for Fiscal Years 20 12 - 20 13

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

Name of Authorized Official	Title
Barbara B. Allen	Chair, Housing Authority Board of Commissioners
Signature: Barbara B. Allen	Date: 12/7/2011

Resolution No. 2468

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA APPROVING THE AUTHORITY'S ANNUAL PLAN FOR FISCAL YEAR 2012 AS REQUIRED BY QHWRA

WHEREAS, the Quality Housing and Work Responsibility Act (QHWRA), passed by the U.S. Congress and signed into law by the President in October of 1998 requires local housing authorities to annually prepare and submit to the U.S. Department of Housing and Urban Development (HUD) an Annual Plan; and

WHEREAS, the Authority's Annual Plan includes the Capital Fund Program application and reporting documents including the FY 2012 CFP Annual Statement, FY 2012-2016 CFP Five-Year Action Plan, and Performance and Evaluation Report for CFP 501-11; and

WHEREAS, prior to the submittal of said Plans, the Housing Authority Commission is to hold a public hearing on the Plans as well as review and approve said Plans; and

WHEREAS, the Housing Authority Commission has held the required public hearing and conducted the necessary review of the FY 2012 Annual Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA AS FOLLOWS:

1. That the Authority's FY 2012 Annual Plan, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and its submission to HUD is authorized.

2. That the Officers of the Authority are hereby authorized to execute on behalf of the Housing Authority all HUD required certifications relative to the Annual Plan including form HUD-50077 entitled PHA Certifications of Compliance with PHA Plans and Related Regulations.

3. That the foregoing Resolution No. 2468 was adopted by the Housing Authority of the City of Santa Barbara at a regular meeting of said Authority held on December 7, 2011 at 4:30 p.m. by the following vote.

AYES: David Hughes, Patrick Johnson, Catherine Woodford, Barbara B. Allen

NAYS: None

ABSENT: Geoff Green, Mary Johnston, Don Olson

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Housing Authority of the City of Santa Barbara this 7th day of December 2011.

ROBERT G. PEARSON, SECRETARY
HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

I hereby approve this Resolution No. 2468 this 7th day of December 2011.

BARBARA B. ALLEN, CHAIR
HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Housing Authority of the City of Santa Barbara

Program/Activity Receiving Federal Grant Funding

Public Housing, Capital Fund Program, Housing Choice Voucher Program, Shelter Plus Care, FSS Program, ROSS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

702 Laguna Street, Santa Barbara CA 93101
808 Laguna Street, Santa Barbara CA 93101
814 Laguna Street, Santa Barbara CA 93101

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

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

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

Name of Authorized Official	Title
Rob L. Fredericks	Deputy Executive Director/CAO
Signature X	Date 12/28/2011

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

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

Civil Rights Certification

Annual Certification and Board Resolution

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

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

Housing Authority of the City of Santa Barbara	CA076
PHA Name	PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)	
Name of Authorized Official Barbara B. Allen	Title Chair, Housing Authority Board of Commissioners
Signature Barbara B. Allen	Date 12/07/2011

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

I, James Armstrong the Santa Barbara City Administrator certify that the Five Year and Annual PHA Plan of the City of Santa Barbara Housing Authority is consistent with the Consolidated Plan of City of Santa Barbara prepared pursuant to 24 CFR Part 91.

1/3/2012

Signed / Dated by Appropriate State or Local Official

DISCLOSURE OF LOBBYING ACTIVITIES

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

Approved by OMB
0348-0046

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

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

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

4. Name and Address of Reporting Entity:
[x] Prime [ ] Subawardee
Tier _____, if known:

Congressional District, if known: 4c

5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:

Congressional District, if known:

6. Federal Department/Agency:
Department of Housing and Urban Development

7. Federal Program Name/Description:

CFDA Number, if applicable: _____

8. Federal Action Number, if known:

9. Award Amount, if known:
$

10. a. Name and Address of Lobbying Registrant
(if individual, last name, first name, MI):
Housing Authority of the City of Santa Barbara
808 Laguna Street
Santa Barbara CA 93101

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

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

Signature: Rob Fredericks
Print Name: Rob Fredericks
Title: Deputy Executive Director/CAO
Telephone No.: 805-865-1071 Date: 12/28/2011

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Standard Form LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.