# WORKSHOP MANUAL HUD STREAMLINED PUBLIC HOUSING AND SECTION 8 HCV ADMINISTRATIVE CHANGES

## IMPLEMENTATION OF HUD'S FINAL RULE PERTAINING TO STREAMLINED PUBLIC HOUSING AND SECTION 8 HCV PROGRAM ADMINISTRATIVE CHANGES:

**GENERAL GUIDANCE:** See attached summary of streamlined administrative changes in HUD regulations pertaining to the Public Housing and Section 8 HCV Programs, published in the Federal Register on March 8, 2016. Also see attached HUD NOTICE PIH 2016-05 (HA) and NOTICE PIH 2016-06, issued April 7, 2016.

#### Step by Step Implementation of the Final Rule:

<u>STEP 1</u> - PHA consultation with its resident advisory board(s) for the purpose of obtaining their input, comments and recommendations regarding amendment of the PHA's ACOP, its form of Public Housing Dwelling Lease, and its Section 8 Administrative Plan in order to reflect the mandatory changes required under the final rule, and any of the discretionary changes deemed necessary by the PHA.

<u>STEP 2</u> – PHA preparation of amendments to its ACOP, form of Public Housing Dwelling Lease, and Section 8 Administrative Plan.

STEP 3 — HUD regulations require that the PHA post or otherwise make available for a minimum 30 day calendar period, a notice to its public housing and Section 8 residents informing them that the PHA has prepared and proposes to adopt, subject to receipt and consideration of their written comments, an amended ACOP, form of Public Housing Dwelling Lease, and Section 8 Administrative Plan reflecting the PHA selected changes therein (attach copies of the PHA selected changes to the tenant notice), and specifying that all written comments should be submitted to the PHA's Management Office by \_\_\_\_\_\_ (insert a date which follows the end of the 30 day review and comment period).

<u>STEP 4</u> – Prepare Resolutions for Adoption of the PHA's amended ACOP, form of Public Housing Dwelling Lease and Section 8 Administrative Plan.

Sample resolutions containing suggested wording for the changes are included hereunder for your guidance. It is to be noted that the samples for amendment of the ACOP and the Section 8 Administrative Plan include wording for all of the Final Rule changes, both mandatory and discretionary.

<u>STEP 5</u> Present Resolution to the Board of Commissioners for Adoption.

# SUMMARY OF HUD STEAMLINED PUBLIC HOUSING AND SECTION 8 HCV PROGRAM ADMINISTRATIVE REGULATIONS:

GENERAL - ON TUESDAY, MARCH 8, 2016 HUD PUBLISHED A FINAL STREAMLINING RULE IN THE FEDERAL REGISTER. THIS RULE SPECIFIES CERTAIN MANDATORY (requires adoption) AND DISCRETIONARY (adoption is not mandatory) CHANGES IN PUBLIC HOUSING AND HOUSING CHOICE VOUCHER PROGRAMS THAT REQUIRE AMENDMENT OF PHA PUBLIC HOUSING ADMISSIONS AND OCCUPANCY POLICIES (ACOP), PUBLIC HOUSING DWELLING LEASE FORMS, AND SECTION 8 ADMINISTRATIVE PLANS.

THE FOLLOWING IS A SUMMARY OF THE HUD STREAMLINING RULE CHANGES. PLEASE SEE ATTACHMENTS A THROUGH O OF HUD NOTICE PIH 2016-05 (HA), ISSUED APRIL 7, 2016 , FOR ADDITIONAL DETAILS.

#### **SUMMARY OF CHANGES:**

#### RULE #1 PH (APPLIES TO PUBLIC HOUSING ONLY, AND IS A MANDATORY CHANGE)

#### **VERIFICATION OF SOCIAL SECURITY NUMBERS**

IF A CHILD-UNDER-SIX WAS ADDED TO THE FAMILY IN THE SIX-MONTH PERIOD PRIOR TO THE HOUSEHOLD'S DATE OF ADMISSION, THEN DOCUMENTATION VERIFYING THE CHILD'S SOCIAL SECURITY INFORMATION NEED ONLY BE SUPPLIED WITHIN 90 DAYS OF THE DATE OF ADMISSION. ONE ADDITIONAL 90-DAY EXTENSION MAY BE ADDED, IF THE APPLICANT'S FAILURE TO MEET THE FIRST TIMELINE WAS OUTSIDE HIS OR HER CONTROL.

#### RULE #1 HCV (APPLIES TO SECTION 8 HCV ONLY, AND IS A MANDATORY CHANGE) -

#### VERIFICATION OF SOCIAL SECURITY NUMBER

IF A CHILD-UNDER-SIX WAS ADDED TO THE FAMILY IN THE SIX MONTH PERIOD PRIOR TO THE HOUSEHOLD'S DATE OF VOUCHER ISSUANCE, THEN DOCUMENTATION VERIFYING THE CHILD'S SOCIAL SECURITY INFORMATION NEED ONLY BE SUPPLIED WITHIN 90 DAYS OF THE EFFECTIVE OF THE HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT. THE 90-DAY CLOCK DOES NOT START TICKING UNTIL THE DATE OF LEASE-UP. ONE ADDITIONAL 90-DAY EXTENSION MAY BE ADDED, IF THE APPLICANT'S FAILURE TO MEET THE FIRST TIMELINE WAS OUTSIDE HIS OR HER CONTROL.

RULES # 2,3,4,5,6 and 7 PH/HCV (APPLY TO BOTH PUBLIC HOUSING AND SECTION 8 PROGRAMS, RULES 2, 3 and 5 ARE MANDATORY CHANGES, AND RULES 4 AND 7 ARE DISCRETIONARY CHANGES)

#### RULE # 2 PH/HCV -

#### DEFINITION OF EXTREMELY LOW-INCOME FAMILY

AN EXTREMELY LOW-INCOME FAMILY IS DEFINED AS A VERY LOW-INCOME FAMILY WHOSE INCOME DOES NOT EXCEED THE HIGHER OF 30 PERCENT OF AREA MEDIAN INCOME OR THE POVERTY LEVEL.

#### Rule # 3 PH/HCV -

#### **EXCLUSION OF MANDATORY EDUCATION FEES FROM INCOME**

EDUCATION ASSISTANCE IN EXCESS OF AMOUNTS NEEDED FOR TUITION IS TO BE COUNTED AS INCOME FOR THE PURPOSE OF DETERMINING WHETHER AN INDIVIDUAL IS ELIGIBLE TO RECEIVE ASSISTANCE. THE DEFINITION OF TUITION INCLUDES MANDATORY EDUCATION FEES, THEREFORE THE FINANCIAL ASSISTANCE USED TO PAY MANDATORY EDUCATION FEES WILL NOT BE CONSIDERED INCOME. MANDATORY EDUCATION FEES OFTEN INCLUDE, BUT ARE NOT LIMITED TO, STUDENT SERVICE FEES, STUDENT ASSOCIATION FEES, STUDENT ACTIVITY FEES, AND LABORATORY FEES.

#### RULE # 4 PH/HCV -

#### STREAMLINED ANNUAL REEXAMINATION FOR FIXED SOURCES OF INCOME

UPON ADMISSION TO THE PUBLIC HOUSING ( OR HCV) PROGRAM, THERE MUST BE A THIRD-PARTY VERIFICATION OF ALL INCOME AMOUNTS FOR ALL FAMILY MEMBERS AND A FULL REEXAMINATION AND REDETERMINATION EVERY THREE YEARS. IN THE INTERIM, A STREAMLINED INCOME DETERMINATION MAY BE PERFORMED FOR A FAMILY MEMBER WITH A FIXED SOURCE OF INCOME BY APPLYING TO A PREVIOUSLY DETERMINED OR VERIFIED SOURCE OF INCOME A COST OF LIVING ADJUSTMENT (COLA) OR INTEREST RATE ADJUSTMENT SPECIFIC TO EACH SOURCE OF FIXED INCOME. THE COLA OR CURRENT INTEREST RATE APPLICABLE TO EACH SOURCE OF FIXED INCOME MUST BE OBTAINED EITHER FROM A PUBLIC SOURCE OR FROM TENANT-PROVIDED (OR "HCV PROGRAM PARTICIPANT-PROVIDED") THIRD-PARTY GENERATED DOCUMENTATION. IN THE ABSENCE OF SUCH VERIFICATION FOR ANY SOURCE OF FIXED INCOME, THIRD-PARTY VERIFICATION OF INCOME AMOUNTS MUST BE OBTAINED.

THE DEFINITION OF A "FAMILY MEMBER WITH A FIXED SOURCE OF INCOME" INCLUDES PERIODIC PAYMENTS AT REASONABLY PREDICTABLE LEVELS FROM THE FOLLOWING SOURCES: SOCIAL SECURITY; SUPPLEMENTAL SOCIAL SECURITY; SUPPLEMENTAL DISABILITY INSURANCE; FEDERAL, STATE, LOCAL, OR PRIVATE PENSION PLANS, ANNUITIES OR OTHER RETIREMENT

BENEFIT PROGRAMS, INSURANCE POLICIES, DISABILITY OR DEATH BENEFIT PROGRAMS, AND OTHER SIMILAR TYPES OF PERIODIC PAYMENT PROGRAMS.

THE STREAMLINED INCOME DETERMINATION APPLIES FOR ANY FIXED SOURCE OF INCOME, EVEN IF THE PERSON OR FAMILY WITH A FIXED SOURCE OF INCOME ALSO HAS NON-FIXED SOURCES OF INCOME.

#### Rule # 5 PH/HCV -

#### EARNED INCOME DISREGARD

THE EARNED INCOME DISREGARD (EID) SHALL APPLY FOR A STRAIGHT 24-MONTH PERIOD, WITH A CLEAR START DATE AND END DATE. IRRESPECTIVE OF WHETHER A FAMILY MAINTAINS CONTINUED EMPLOYMENT DURING THE 24-MONTH PERIOD. THE LIFETIME ALLOWANCE IS 24 MONTHS. THE HOUSING AUTHORITY IS REQUIRED TO TRACK THE START DATE, THE TWELVE MONTH DATE, AND THE 24-MONTH END DATE OF THE EARNED INCOME DISREGARD. AT THE TWELVE MONTH DATE, THE DISREGARD MAY CHANGE FROM 100 PERCENT TO NOT LESS THAN 50 PERCENT OF EARNED INCOME. FOR FAMILIES ALREADY ENROLLED AND PARTICIPATING IN EID PRIOR TO 4/7/16, THE PREVIOUS REQUIREMENTS WILL CONTINUE TO APPLY UNTIL THE BENEFIT PERIOD EXPIRES FOR THESE FAMILIES.

#### RULE # 6 PH/HCV -

#### FAMILY DECLARATION OF ASSETS UNDER \$5000

FOR A FAMILY WITH NET ASSETS EQUAL TO OR LESS THAN \$5,000, THE HOUSING AUTHORITY MAY ACCEPT THE FAMILY'S DECLARATION OF THE ASSETS FOR THE PURPOSES OF RECERTIFICATION. THE HOUSING AUTHORITY MUST OBTAIN THIRD-PARTY VERIFICATION OF ALL FAMILY ASSETS EVERY THREE YEARS.

#### RULE # 7 PH/HCV -

#### **UTILITY REIMBURSEMENTS**

UTILITY REIMBURSEMENT PAYMENTS SHALL BR MADE ON A MONTHLY BASIS. HOWEVER, THE HOUSING AUTHORITY HAS THE OPTION OF MAKING UTILITY REIMBURSEMENT PAYMENTS TOTALING \$45 OR LESS NO LESS FREQUENTLY THAN ONCE EVERY CALENDAR-YEAR QUARTER. THE AUTHORITY MUST INSTITUTE A HARDSHIP POLICY FOR TENANTS NEGATIVELY IMPACTED BY EXERCISE OF THIS OPTION DUE TO FINANCIAL HARDSHIP. IN THE EVENT THAT A FAMILY

VACATES ITS ASSISTED HOUSING UNIT IN ADVANCE OF THE DUE DATE FOR ITS NEXT UTILITY PAYMENT, THE HOUSING AUTHORITY WILL REIMBURSE THE FAMILY FOR A PRORATED SHARE OF THE APPLICABLE REIMBURSEMENT.

RULES # 8,9 and 10 PH ( APPLY TO PUBLIC HOUSING ONLY, Rule # 8 IS MANDATORY, Rules # 9 AND 10 ARE DISCRETIONARY) —

#### RULE #8 PH -

#### PUBLIC HOUSING RENTS FOR MIXED FAMILIES

THE HOUSING AUTHORITY SHALL USE THE ESTABLISHED FLAT RENT APPLICABLE TO THE UNIT TO CALCULATE RENTS FOR MIXED FAMILIES (FAMILIES WHERE SOME OF THE MEMBERS ARE INELIGIBLE NON-CITIZENS) EXCEPT IN SITUATIONS WHERE THE MIXED FAMILY'S TOTAL TENANT PAYMENT EXCEEDS THE FLAT RENT, WHEREIN THE TENANT MUST THEN PAY THE TOTAL TENANT PAYMENT.

THE 2014 APPROPRIATIONS ACT REQUIRES THE HOUSING AUTHORITY TO ESTABLISH FLAT RENTS EQUAL TO NO LESS THAN 80 PERCENT OF THE APPLICABLE FAIR MARKET RENT. IN THE EVENT THAT IMPLEMENTATION OF THIS REQUIREMENT WOULD INCREASE A FAMILY'S RENT BY MORE THAN 35 PERCENT, THE HOUSING AUTHORITY MUST PHASE IN THE FLAT RENT AS NECESSARY TO ENSURE THAT A FAMILY'S RENTAL PAYMENT DOES NOT INCREASE BY MORE THAN 35 PERCENT IN ANY ONE YEAR.

#### RULE # 9 PH -

#### TENANT SELF-CERTIFICATION FOR COMMUNITY SERVICE REQUIREMENTS

THE HOUSING AUTHORITY MAY ACCEPT A TENANT'S SIGNED SELF-CERTIFICATION OF COMPLIANCE WITH THE COMMUNITY SERVICE REQUIREMENT. SELF-CERTIFICATIONS MUST INCLUDE DETAILS (INCLUDING CONTACT INFORMATION) ON WHAT THE COMMUNITY SERVICE ACTIVITY WAS AND WHERE IT WAS COMPLETED AND A CERTIFICATION THAT THE CERTIFIED STATEMENT IS TRUE.

THE AUTHORITY WILL UNDERTAKE PERIODIC QUALITY ASSURANCE REVIEWS OF A SAMPLE OF SELF-CERTIFICATIONS AND VALIDATE THEIR ACCURACY WITH THIRD-PARTY VERIFICATION PROCEDURES CURRENTLY IN PLACE. THE AUTHORITY WILL NOTIFY TENANTS THAT SELF-CERTIFICATION MAY BE SUBJECT TO SUCH VALIDATION.

#### RULE # 10 PH -

#### PUBLIC HOUSING GRIEVANCE PROCEDURES

THIS RULE ELIMINATES CERTAIN PROVISIONS AND REQUIREMENTS PERTAINING TO PUBLIC HOUSING GRIEVANCE PROCEDURES.

IN ADDITION, THIS RULE REDEFINES A HEARING OFFICER TO INCLUDE A SINGLE OFFICER OR A PANEL OF HEARING OFFICERS; REQUIRES PHAS TO INCORPORATE POLICIES FOR SELECTING A HEARING OFFICE IN THEIR DWELLING LEASE AND TO REVISE THE LEASE ACCORDINGLY; REQUIRES PHAS TO DELIVER TO THE COMPLAINANT AND OTHER CONCERNED PARTIES A WRITTEN NOTIFICATION SPECIFYING THE TIME, PLACE, AND PROCEDURES GOVERNING A HEARING; AND REQUIRES PHAS TO CREATE AND MAINTAIN A LOG OF HEARING OFFICER DECISIONS AND MAKE THE LOG AVAILABLE TO ALL CONCERNED PARTIES;

FOR DETAILS REGARDING THE ABOVE , SEE ATTACHMENT J OF HUD NOTICE PIH 2016-05 (HA), ISSUED APRIL 7, 2016

RULES # 11, 12, 13, 14 AND 15 HCV (APPLIES TO SECTION 8 HCV ONLY)

#### RULE # 11 HCV - -

#### BIENNIAL INSPECTIONS AND THE USE OF ALTERNATIVE INSPECTION METHODS

THE 2014 APPROPRIATIONS ACT AUTHORIZES PHAS TO COMPLY WITH THE REQUIREMENT TO INSPECT HCV UNITS DURING THE TERM OF A HAP CONTRACT BY INSPECTING SUCH UNITS NOT LESS THAN BIENNIALLY RATHER THAN ANNUALLY TO ASSURE COMPLIANCE WITH HUD'S HOUSING QUALITY STANDARDS.

PHAS MAY COMPLY WITH THE BIENNIAL INSPECTION REQUIREMENT BY RELYING UPON THE USE OF ALTERNATIVE METHODS FOR INSPECTION OF HCV DWELLING UNITS. IF THE HOUSING AUTHORITY USES AN ALTERNATIVE INSPECTION METHOD THAT INVOLVES SAMPLING, THAT SAMPLE MUST INCLUDE HCV UNITS. IN ADDITION, IF THE HOUSING AUTHORITY WANTS TO USE INSPECTION PROTOCOLS OTHER THAN THE LOW-INCOME TAX CREDIT (LIHTC) OR HOME PROGRAM PROTOCOLS OR USE AN INSPECTION NOT PERFORMED BY HUD, THE AUTHORITY MUST FIRST SUBMIT TO HUD, FOR PRIOR APPROVAL, THE PROPOSED PROTOCOL AND AN ANALYSIS SHOWING THAT SUCH PROTOCOL IS AS RIGOROUS AS THE HOUSING QUALITY STANDARDS (HQS) PROTOCOL.

John Mark Legal

#### RULE # 12 HCV -

#### HQS REINSPECTION FEES

THE HOUSING AUTHORITY MAY CHARGE A REASONABLE REINSPECTION FEE IF A DEFICIENCY IS FOUND TO PERSISTS DURING A REINSPECTION AFTER THE EXPIRATION OF THE TIMEFRAME FOR REPAIRS OR IF THE OWNER STATED THAT A DEFICIENCY HAD BEEN FIXED AND THE DEFICIENCY IS FOUND DURING REINSPECTION TO PERSIST. ANY FEES COLLECTED MAY BE USED ONLY FOR ACTIVITIES RELATED TO THE PROVISION OF TENANT-BASED ASSISTANCE.

#### ULE #13 HCV -

#### **EXCEPTION PAYMENT STANDARDS FOR PROVIDING REASONABLE ACCOMMODATIONS**

THE HOUSING AUTHORITY MAY APPROVE AN EXCEPTION PAYMENT STANDARD OF UP TO 120 PERCENT OF THE FAIR MARKET RENT (FMR) WITHOUT HUD'S APPROVAL IF THE PAYMENT STANDARD IS REQUIRED AS A REASONABLE ACCOMMODATION FOR A FAMILY THAT INCLUDES A PERSON WITH A DISABILITY. THE HOUSING AUTHORITY IS REQUIRED TO PERFORM A RENT REASONABLE DETERMINATION WITH REGARD TO UNITS ASSISTED IN ACCORD WITH THIS PROVISION.

IN THE CASE OF DWELLING UNITS SUBJECT TO A REASONABLE ACCOMMODATION, THE HOUSING AUTHORITY MAY APPLY THE UTILITY ALLOWANCE FOR THE ACTUAL UNIT SIZE THE FAMILY IS LIVING IN (INSTEAD OF THE LESSER OF THE UNIT SIZE THE FAMILY WOULD OTHERWISE HAVE QUALIFIED FOR).

#### RULE # 14 HCV -

#### FAMILY INCOME AND COMPOSITION: REGULAR AND INTERIM EXAMINATIONS

EFFECTIVE 4/8/16 THE HOUSING AUTHORITY IS NO LONGER REQUIRED TO CONDUCT AN INTERIM REEXAMINATION OF INCOME WHENEVER A NEW FAMILY MEMBER IS ADDED.

#### RULE # 15 HCV -

#### UTILITY PAYMENT SCHEDULES

THIS CHANGE REQUIRES PHAS TO USE THE APPROPRIATE UTILITY ALLOWANCE FOR THE LESSER OF THE SIZE OF THE DWELLING UNIT ACTUALLY LEASED BY THE FAMILY OR THE VOUCHER SIZE ISSUED, AS DETERMINED UNDER THE PHAS SUBSIDY STANDARDS.

IN CASES WHERE A REASONABLE ACCOMMODATION HAS BEEN PROVIDED FOR A FAMILY THAT INCLUDES A PERSON WITH DISABILITIES, THE PHA MUST USE THE APPROPRIATE UTILITY ALLOWANCE FOR THE SIZE OF THE DWELLING UNIT ACTUALLY LEASED BY THE FAMILY. TO ENSURE COMPLIANCE WITH THIS PROVISION, PHAS MUST EMPLOY AD HOC REPORTS THAT ARE AVAILABLE THROUGH THE INVENTORY MANAGEMENT SYSTEM/PUBLIC AND INDIAN HOUSING INFORMATION CENTER.

### SAMPLE

HOUSING AUTHORITY OF THE:					
RESOLUTION No.					
RESOLUTION BY THE BOARD OF COMMISSIONERS OF THE HOUSING					
AUTHORITY OF THEAPPROVING AN					
AMENDED PUBLIC HOUSING ADMISSIONS AND CONTINUED					
OCCUPANCY POLICY (ACOP).					
RESOLUTION					
WHEREAS, it is necessary and desirable that the Housing Authority amend its Public Housing					
Admissions and Occupancy Policy (ACOP) in order to include therein					
provisions necessary to reflect recent HUD changes pertaining to					
admission and participation in the Authority's Public Housing Program,					
which changes were published in the Federal Register on March 8,					
2016, and addressed in HUD Notice PIH-2016-05 (HA), issued April 7,					
2016; and					
WHEREAS, provisions reflecting the subject changes are set forth in					
the attachment hereto.					
BE IT RESOLVED by the Board of Commissioners of the Housing					
Authority of the, that the Authority's Public					
Housing Admissions and Occupancy Policy (ACOP) be, and hereby is					
amended, effective this date, by including therein the provisions set					

forth in attachment hereto, which attachment is incorporated herein and made a part hereof by reference; and

**BE** IT FURTHER RESOLVED that a copy of this resolution and the amended ACOP approved hereunder, be forwarded to the HUD Newark field office.

Adopted:		Date:	
	Secretary		

#### **ATTACHMENT:**

# 1. PROVISIONS PERTAINING TO VERIFICATION OF MANDATORY SOCIAL SECURITY NUMBERS:

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

An applicant family with a child under the age of 6 years may become a participant family, even if the SSN for the child has not been verified at the time of admission. If the SSN has not been verified at the end of the initial 90-day period following the date of admission, then the Housing Authority must determine whether the applicant's failure to meet the first timeline was outside his/her control, and as a result, a 90-day extension is merited. If it is not merited, the Housing Authority must follow the provisions of 24 CFR 5.218. If a 90-day extension is merited, then the Housing Authority must either verify the SSN for the child by the end of the 90-day extension period or follow the provisions of CFR 5.218.

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

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, a medical insurance company or provider (including Medicare and Medicaid), an employer, or a trade union,
- Earning Statements or payroll stubs.
- Bank Statements.
- IRS Form 1099.
- Benefit award letter(s) from government agency(ies).
- Retirement benefit letter.
- Court records pertaining to real estate, tax notices, marriage and divorce, judgment or bankruptcy records.
- Verification of benefits or Social Security Number from the Social Security Administration.

### 2. <u>PROVISIONS PERTAINING TO DEFINITION OF EXTREMELY LOW-INCOME</u> FAMILY:

In order to be eligible for assistance, an applicant must be within the Housing Authority's HUD established low-income limits for occupancy, which include extremely low-income families whose income does not exceed the higher of 30 percent of area median income or the poverty level, very-low income families whose income does not exceed 50 percent of area median income, and low-income families whose income does not exceed 80 percent of area median income. These limits apply only to HCV Program admission, and are not applicable to program participation.

All applicant's must meet the Low-Income eligibility requirements as established by HUD. Any exceptions to these requirements must have been approved previously by the HUD Field Office.

The Housing Authority will follow the statutory requirement which requires that at least 75 percent of newly admitted families to its HCV Program in any given fiscal year be extremely low-income families whose income does not exceed 30 percent of the area median income or the poverty level. To insure this requirement is met the Authority will monitor on a quarterly basis the incomes of newly admitted families and the incomes of the families on the waiting list. If it appears that the requirement to house extremely low-income families will not be met, the Housing Authority will skip higher income families on the waiting list to reach extremely low-income families. If there are not enough extremely low-income families on the waiting list the Authority will conduct outreach of a non-discriminatory basis to attract extremely low-income families in order to reach the statutory requirement. The waiting list will be maintained in accordance with the following guidelines:

- 1. The applications will be a permanent file.
- 2. All applicants in the pool will be maintained in the order of preference.
- 3. Applications equal in preference will be maintained by date and time sequence.

### 3. PROVISIONS PERTAINING TO EXCLUSION FROM INCOME OF MANDATORY EDUCATION FEES:

Financial aid, scholarships and grants received by full-time students are not counted toward family income if applied toward tuition and mandatory education fees, , including, but not limited to, student service fees, student association fees, student activity fees, and laboratory fees.

### 4. STREAMLINED ANNUAL REEXAMINATION FOR FIXED SOURCES OF INCOME:

The Housing Authority, in accord with HUD directive, has elected to implement streamlined annual reexamination procedures for fixed sources of household income. Only the fixed sources of a family's income may be examined under the streamlined procedures. The non-fixed sources of a family member's income remain subject to third-party verification. In addition, upon request of the family being reexamined, the Housing Authority must perform third-party verification of all income sources.

The streamlined reexamination procedures apply only to HCV Program participants, they are not to be applied when verifying fixed income sources of applicants for HCV assistance.

The term "fixed income" includes income from:

- Social Security payments, including Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, State, local and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

Under the streamlined reexamination procedures pertaining to verification of fixed income such as Social Security payments (including SSI and SSDI income), Federal, State, local and private pension plans, other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments, the Housing Authority will make its determinations by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA

or current rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

In the initial year on which a streamlined income determination is made the COLA must be applied to a source of income that has been previously verified. The Housing Authority must also determine in the initial year whether a source of income is fixed. The Authority may do this by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. The Housing Authority may also make a determination by requiring a family to identify as to which source(s) of income are fixed. The Housing Authority must document in the tenant file how it made the determination that a source of income is fixed.

For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment would be made to the previously determined income amount (i.e., in year two, the COLA is applied to the year one income amount, as previously adjusted by COLA). For any family member whose income is determined pursuant to a streamlined income determination, third-party verification of all income amounts for all family members must be performed at least every three years. This means that, for the third income determination involving a family member whose income has been adjusted twice using a streamlined income determination, the Housing Authority would need to obtain third-party verification of all income amounts. This also means that if a family member with a fixed-income source is added to the family during year two, for example, then the Housing Authority must obtain third-party verification of all income amounts for that family member at the next reexamination if the Housing Authority wishes to

have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.

#### 5. PROVISION PERTAINING TO EARNED INCOME DISREGARD:

The mandatory Earned Income Disregard from annual income, sometimes called Earned Income Disallowance or EID, allows HCV tenants who have been out of work to accept a job without having their portion of rent payment increased right away. For purposes of rent calculation, the disallowance functions as an income exclusion, so a portion of a qualified tenant's increased income is not counted in their rent calculation for a period of time.

See 24 CFR 5.609 and the current HUD Occupancy Handbook (published prior to March 8, 2016) for information pertaining to the EID regulations. The provisions set forth in the said handbook pertaining to EID eligibility criteria, the benefit amount of the EID, the single lifetime eligibility requirement, and the ability of the applicable family member to stop and restart employment during the eligibility period remain unchanged, and still applicable. However, the following changes in EID regulatory provisions became effective as of April 7, 2016:

- The time period during which a family is eligible to receive the benefit of the earned income disregard/disallowance is now limited to 24 straight months.
- The requirement that the Housing Authority track family member changes in employment over a 4 year period, is now eliminated.

Prior to the above cited changes in regulations, families were eligible to receive the EID benefit for no more that 24 months, which could be spread over a 48month time period to account for potential changes in the employment status of the family member whose original employment caused the family to be eligible for the EID benefit. PHAs were required to track the employment of such family members, and stop and start the EID benefit accordingly. The above cited changes in this regulatory provision now provide as follows:

- Once a family member is determined to be eligible for the EID, the 24-calendar month period starts;
- If the family member discontinues the employment that initially qualified the family for the EID, the 24-calendar month period continues;
- During the 24-calendar month period the EID benefits are recalculated based on changes to family member income and employment (no change from prior practice);
- During the first 12-calendar month period the Housing Authority must exclude all increased income resulting from the qualifying employment of the family member. After the first 12-calendar month period, the Housing Authority must exclude from the annual income of the family at least 50 percent of any increase in income of such family member as a result of employment over the family member's income before the qualifying event (i.e., the family member's baseline income);
- The EID benefit is limited to a lifetime 24-month period for the qualifying family member;
- At the end of the 24 months, the EID ends regardless of how many months were "used."

#### Notes:

1. Families who became eligible to benefit from the EID or were benefiting from same on the day prior to the effective day (April 7, 2016) of the above cited changes in regulatory provisions, are eligible to receive the EID benefit for 24 months over a 48-month period.

2. PHAs have the discretion to establish income exclusions beyond what is required of the EID, but these requirements may not be more restrictive than the minimum EID benefit requires under 24 CFR.

### 6. PROVISION PERTAINING TO FAMILY DECLARATION OF ASSETS UNDER \$5,000:

The Housing Authority will require the necessary information to determine the current cash value of family assets (the net amount the family would receive if the asset were converted to cash). Such information may include:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, checking account statements, certificates of deposit, bonds or financial statements completed by a financial institution or broker.
- Quotes from a stock broker or realty agent as to the net amount a family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be deduced from the statements.
- 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.

For all Certifications and Recertifications the Housing Authority will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the Certification or Recertification.

If the family certifies that they have disposed of assets for less than fair market value, certification or recertification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third-party verification will be obtained whenever possible.

The Housing Authority is required to obtain third-party verification of all family assets upon admitting a family to the Section 8 HCV Program and then again at least every three years thereafter. During the intervening annual reexaminations, the Authority has the discretion to accept a family's declaration that it has total net assets equal to or less than \$5,000.00, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, the Housing Authority does not need to request supporting documentation to verify the assets or the amount of income expected to be received from those assets. The family's declaration of total assets must show each asset and the amount of income expected from assets will be the family's "final asset income".

Whenever a family member is added, the Housing Authority will obtain third-party verification of the member's assets. At the next reexamination of income following the addition of that family member, the Authority must obtain third-party verification of all family assets if the addition of the new family member's assets puts the family above the \$5,000.00 threshold. If the addition of the new family member's assets does not put the family above the \$5,000.00 threshold, the Authority is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the new family member to the household, however, third-party verification of all family assets is requires at least every 3 years.

#### 7. PROVISIONS PERTAINING TO UTILITY REIMBURSEMENTS:

The Housing Authority may make utility reimbursement payments quarterly, rather than monthly, if the total quarterly reimbursement payment due to a family is equal to or less than \$45 per quarter. The Housing Authority may make such reimbursement payments retroactively or prospectively. If the Housing Authority chooses to make reimbursement payments retroactively, it must permit the family to request a hardship exemption, in accordance with 24 CFR 5.630(b)(2). If a family receives a hardship exemption, then the Housing Authority may either reimburse the family on a monthly basis or it may make *prospective* payments to the family, on a quarterly basis.

Quarterly payments must be made at least once per calendar quarter. Prospective payment must be made prior to the start of each quarter; retroactive payments must be made before the end of each quarter.

The process for determining the utility reimbursement amount and the ability of the Housing Authority to pay the family or the utility provider directly are not affected by this quarterly payment provision. Nor does such provision affect the Housing Authority's ability to make reimbursements via electronic deposit.

Upon admission to the HCV Program or at recertification, the Housing Authority staff person completing the required HUD reporting form(s) must note whether the utility reimbursement is \$15 per month or less. If it is, then the Housing Authority must inform the family whether reimbursement will be retroactive or prospective on a quarterly basis. If the Housing Authority's policy is to reimburse retroactively, then the Authority must also inform the family that they may request a hardship exemption; and, as stated above, if the family receives such exemption, then the Authority may either reimburse the family on a monthly basis or make prospective payments on a quarterly basis.

If a family leaves the HCV Program with an outstanding credit from the Housing Authority for a utility reimbursement, the Housing Authority must reconcile the credit with the family when the HAP contract terminates or no later than 30 days thereafter. -10 -

### 8. PROVISIONS PERTAINING TO PUBLIC HOUSING RENTS FOR MIXED INCOME FAMILIES:

The Housing Authority will use the established flat rent applicable to the unit to calculate rents for mixed families (families where some of the members are ineligible non-citizens) except in situations where the mixed family's total tenant payment (TTP) exceed the flat rent, wherein the tenant must then pay the total payment.

HUD regulations require the The Housing Authority to complete the following seven step process when determining rent for mixed families:

- Step 1. Determine the total tenant payment in accordance with 24 CFR 5.628. (Annual income includes income of all family members, including any family member who has not established eligible immigration status.)
- Step 2. Family maximum rent is equal to the applicable flat rent for the unit size to be occupied by the family.
- Step 3. Subtract the TTP from the family maximum rent. The result is the maximum subsidy for which the family could qualify if all members were eligible ("family maximum subsidy").
- Step 4. Divide the family maximum subsidy by the number of persons in the family (all persons) to determine the maximum subsidy per each family member who has citizenship or eligible immigration status ("eligible family member"). The subsidy per eligible family member is the "member maximum subsidy."
- Step 5. Multiply the member maximum subsidy by the number of family members who have citizenship or eligible immigration status ("eligible family members"). The product of this calculation is the "eligibility subsidy."
- Step 6. The mixed family TTP is the maximum rent minus the amount of the eligible subsidy.
- Step 7. Subtract applicable utility allowance, if any, from the mixed family TTP. The result of this calculation is the mixed family tenant rent.

When the mixed family's TTP is greater that he maximum rent, the Housing Authority must use the TTP as the mixed family TTP.

### 9. <u>PROVISIONS PERTAINING TO TENANT SELF-CERTIFICATION FOR COMMUNITY SERVICE AND SELF-SUFFICIENCY REQUIREMENTS:</u>

TheHousing Authority may accept a tenant's self-certification of compliance with the community service requirement. Self-certifications must include details (including contact information) describing the community service activity performed, where it was completed, and the tenant's signed and dated certification that the statement he or she is certifying to is true. The Housing Authority will undertake periodic quality assurance reviews of a sample of self-certifications and validate their accuracy using third-party verification procedures. The Authority will notify self-certifying tenants that their certifications may be subject to validation.

#### 10. PROVISIONS PERTAINING TO PUBLIC HOUSING GRIEVANCE PROCEDURES:

The Housing Authority's procedures for both informal review of applicant admission denials and tenant grievance hearings are as follows:

Informal reviews of tenant admission denials and tenant grievance hearings may be conducted by any person or panel of persons designated by the Housing Authority, other than a person(s) who made or approved the decision under review or a subordinate of such person or persons.

Applicants have the right to:

- Present written or oral objections to the Housing Authority's determination;
- Examine the documents in the file, which are the basis for the Housing Authority's action;
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue(s) of the review/hearing;
- Request that Housing Authority staff be available or present at the review/hearing to answer questions pertinent to the issue(s); and
- Be represented by legal counsel, advocate, or other designated representative at his or her own expense.

If the applicant/tenant requests copies of documents relevant to the review/hearing, the Housing Authority will make the copies available and assess a charge for the copy service based upon the Authority's current fee schedule. In no case will the applicant/tenant be allowed to remove the review/hearing file or documents therein from the Housing Authority's office.

The Housing Authority retains the right to:

- Present evidence and any information pertinent to the issue of the review/hearing;
- Be notified in advance of the review/hearing date if the applicant/tenant intends to be represented by legal counsel, advocate or another party;
- Prior to the review/hearing, examine and copy any documents to be relied upon during the review/hearing by the applicant/tenant;
- Have its attorney present at the review/hearing; and
- Have staff persons and other witnesses familiar with the issue(s) of the review/hearing present or on call during the review/hearing process.

The review/hearing shall concern only the issue(s) for which the applicant has received the opportunity for a review/hearing. Evidence presented at the review/hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented at the review/hearing which have not been provided to the other party before the review/hearing, if requested by the other party. "Documents" include records and regulations.

The person(s) conducting the review may ask the applicant/tenant for additional information and/or might recess the review/hearing in order to reconvene at a later date, before reaching a decision.

The person(s) conducting the review/hearing will determine whether the decision of the Housing Authority is in accordance with HUD regulations and Housing Authority Policy. Factual determinations relating to the individual circumstances of the applicant/tenant will be based on preponderance of the evidence presented during the review/hearing process.

The Housing Authority will notify the applicant of it's final decision within 14 calendar days after completion of the review/hearing process. The applicant/tenant will be informed of the reason(s) for the review/hearing officer's decision.

Notes: Written notification specifying the time, place, and the procedures governing a tenant grievance hearing will be delivered to the grievant/complainant and all other concerned persons within a reasonable time prior to the hearing date.

The Housing Authority will create and maintain a log of hearing officer decisions and make the log available to the hearing officer(s), prospective complainants and his/her representative. The log will include: the date of the hearing decision, the general reason for the grievance hearing, and whether the decision was in favor of the complainant or the Housing Authority.

### **SAMPLE**

HOUSING AUTHORITY OF THE				
RESOLUTION No				
RESOLUTION BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE APPROVING AN AMENDED FORM OF PUBLIC HOUSING DWELLING LEASE.				
RESOLUTION				
WHEREAS, the form of dwelling lease for the Authority's public housing program has been amended in order to comply with a recent changes in HUD regulations that requires the Authority to redefine its definition of a hearing officer for tenant grievances to include a single hearing officer or a panel of hearing officers; and				
WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that the Housing Authority approve its amended form of Public Housing Dwelling Lease by duly adopted resolution, and furnish HUD with a copy of the amended lease form and the resolution approving same.				
BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the, that the tenant grievance provision contained in the Authority's form of Public Housing Dwelling Lease be, and hereby is amended, effective this date, by redefining the definition of a hearing officer for tenant grievance purposes as "a single hearing officer or a panel of hearing officers."				
BE IT FURTHER RESOLVED, that a copy of this resolution and the amended form of lease approved hereunder be forwarded to the HUD Newark field office.				
Adopted: Date:				
Secretary				

#### **SAMPLE**

HOUSING AUTHORITY OF THE:
RESOLUTION No.
RESOLUTION BY THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THEAPPROVING AN
AMENDED SECTION 8 ADMINISTRATIVE PLAN.
<u>RESOLUTION</u>
WHEREAS, it is necessary and desirable that the Housing Authority amend its Section 8
Administrative Plan in order to include therein provisions necessary to
reflect recent HUD changes pertaining to admission and participation
in the Authority's Section 8 Housing Choice Voucher Program, which
changes were published in the Federal Register on March 8, 2016, and
addressed in HUD Notice PIH-2016-05 (HA), issued April 7, 2016; and
WHEREAS, provisions reflecting the subject changes are set forth in
the attachment hereto.
BE IT RESOLVED by the Board of Commissioners of the Housing
Authority of the, that the Authority's
Section 8 Administrative Plan be, and hereby is amended, effective this
date, by including therein the provisions set forth in attachment hereto,
which attachment is incorporated herein and made a part hereof by
reference; and

**BE IT FURTHER RESOLVED** that a copy of this resolution and the amended Section 8 Administrative Plan approved hereunder, be forwarded to the HUD Newark field office.

Adopted:		Date:	
	Secretary		

#### **ATTACHMENT:**

# 1. PROVISIONS PERTAINING TO VERIFICATION OF MANDATORY SOCIAL SECURITY NUMBERS:

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

If a child under six was added to the family in the six-month period prior to the household's date of voucher issuance, then documentation verifying the child's social security information need only be supplied within 90 days of the effective date of the Housing Assistance Payment (HAP) Contract. The 90-day clock does not start ticking until the date of lease-up. One additional 90-day extension may be added if merited, i.e., if the applicant's failure to meet the first timeline was outside his/her control. If a 90-day extension is merited, the Housing Authority must either verify the SSN for the child by the end of the 90-day extension period or follow the provisions of CFR 5.218; and if not merited, they must follow the applicable provisions of CFR 5.218.

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

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, a medical insurance company or provider (including Medicare and Medicaid), an employer, or a trade union,
- Earning Statements or payroll stubs.
- Bank Statements.
- IRS Form 1099.
- Benefit award letter(s) from government agency(ies).
- Retirement benefit letter.
- Court records pertaining to real estate, tax notices, marriage and divorce, judgment or bankruptcy records.
- Verification of benefits or Social Security Number from the Social Security Administration.

### 2. <u>PROVISIONS PERTAINING TO DEFINITION OF EXTREMELY LOW-INCOME</u> FAMILY:

In order to be eligible for assistance, an applicant must be within the Housing Authority's HUD established low-income limits for occupancy, which include extremely low-income families whose income does not exceed the higher of 30 percent of area median income or the poverty level, very-low income families whose income does not exceed 50 percent of area median income, and low-income families whose income does not exceed 80 percent of area median income. These limits apply only to HCV Program admission, and are not applicable to program participation.

All applicant's must meet the Low-Income eligibility requirements as established by HUD. Any exceptions to these requirements must have been approved previously by the HUD Field Office.

The Housing Authority will follow the statutory requirement which requires that at least 75 percent of newly admitted families to its HCV Program in any given fiscal year be extremely low-income families whose income does not exceed 30 percent of the area median income or the poverty level. To insure this requirement is met the Authority will monitor on a quarterly basis the incomes of newly admitted families and the incomes of the families on the waiting list. If it appears that the requirement to house extremely low-income families will not be met, the Housing Authority will skip higher income families on the waiting list to reach extremely low-income families. If there are not enough extremely low-income families on the waiting list the Authority will conduct outreach of a non-discriminatory basis to attract extremely low-income families in order to reach the statutory requirement. The waiting list will be maintained in accordance with the following guidelines:

- 1. The applications will be a permanent file.
- 2. All applicants in the pool will be maintained in the order of preference.
- 3. Applications equal in preference will be maintained by date and time sequence.

### 3. PROVISIONS PERTAINING TO EXCLUSION FROM INCOME OF MANDATORY EDUCATION FEES:

Financial aid, scholarships and grants received by full-time students are not counted toward family income if applied toward tuition and mandatory education fees, , including, but not limited to, student service fees, student association fees, student activity fees, and laboratory fees.

### 4. STREAMLINED ANNUAL REEXAMINATION FOR FIXED SOURCES OF INCOME:

The Housing Authority, in accord with HUD directive, has elected to implement streamlined annual reexamination procedures for fixed sources of household income. Only the fixed sources of a family's income may be examined under the streamlined procedures. The non-fixed sources of a family member's income remain subject to third-party verification. In addition, upon request of the family being reexamined, the Housing Authority must perform third-party verification of all income sources.

The streamlined reexamination procedures apply only to HCV Program participants, they are not to be applied when verifying fixed income sources of applicants for HCV assistance.

The term "fixed income" includes income from:

- Social Security payments, including Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, State, local and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

Under the streamlined reexamination procedures pertaining to verification of fixed income such as Social Security payments (including SSI and SSDI income), Federal, State, local and private pension plans, other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments, the Housing Authority will make its determinations by applying a verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount. The COLA

or current rate applicable to each source of fixed income must be obtained either from a public source or from tenant-provided third-party generated documentation. In the absence of such verification for any source of fixed income, third-party verification of income amounts must be obtained.

In the initial year on which a streamlined income determination is made the COLA must be applied to a source of income that has been previously verified. The Housing Authority must also determine in the initial year whether a source of income is fixed. The Authority may do this by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. The Housing Authority may also make a determination by requiring a family to identify as to which source(s) of income are fixed. The Housing Authority must document in the tenant file how it made the determination that a source of income is fixed.

For the second income determination involving a family member whose income was adjusted previously using a streamlined income determination, the adjustment would be made to the previously determined income amount (i.e., in year two, the COLA is applied to the year one income amount, as previously adjusted by COLA). For any family member whose income is determined pursuant to a streamlined income determination, third-party verification of all income amounts for all family members must be performed at least every three years. This means that, for the third income determination involving a family member whose income has been adjusted twice using a streamlined income determination, the Housing Authority would need to obtain third-party verification of all income amounts. This also means that if a family member with a fixed-income source is added to the family during year two, for example, then the Housing Authority must obtain third-party verification of all income amounts for that family member at the next reexamination if the Housing Authority wishes to

have all family members with fixed incomes on the same schedule with respect to streamlined annual reexaminations.

#### 5. PROVISION PERTAINING TO EARNED INCOME DISREGARD:

The mandatory Earned Income Disregard from annual income, sometimes called Earned Income Disallowance or EID, allows HCV tenants who have been out of work to accept a job without having their portion of rent payment increased right away. For purposes of rent calculation, the disallowance functions as an income exclusion, so a portion of a qualified tenant's increased income is not counted in their rent calculation for a period of time.

See 24 CFR 5.609 and the current HUD Occupancy Handbook (published prior to March 8, 2016) for information pertaining to the EID regulations. The provisions set forth in the said handbook pertaining to EID eligibility criteria, the benefit amount of the EID, the single lifetime eligibility requirement, and the ability of the applicable family member to stop and restart employment during the eligibility period remain unchanged, and still applicable. However, the following changes in EID regulatory provisions became effective as of April 7, 2016:

- The time period during which a family is eligible to receive the benefit of the earned income disregard/disallowance is now limited to 24 straight months.
- The requirement that the Housing Authority track family member changes in employment over a 4 year period, is now eliminated.

Prior to the above cited changes in regulations, families were eligible to receive the EID benefit for no more that 24 months, which could be spread over a 48month time period to account for potential changes in the employment status of the family member whose original employment caused the family to be eligible for the EID benefit. PHAs were required to track the employment of such family members, and stop and start the EID benefit accordingly. The above cited changes in this regulatory provision now provide as follows:

- Once a family member is determined to be eligible for the EID, the 24calendar month period starts;
- If the family member discontinues the employment that initially qualified the family for the EID, the 24-calendar month period continues;
- During the 24-calendar month period the EID benefits are recalculated based on changes to family member income and employment (no change from prior practice);
- During the first 12-calendar month period the Housing Authority must exclude all increased income resulting from the qualifying employment of the family member. After the first 12-calendar month period, the Housing Authority must exclude from the annual income of the family at least 50 percent of any increase in income of such family member as a result of employment over the family member's income before the qualifying event (i.e., the family member's baseline income);
- The EID benefit is limited to a lifetime 24-month period for the qualifying family member;
- At the end of the 24 months, the EID ends regardless of how many months were "used."

#### Notes:

1. Families who became eligible to benefit from the EID or were benefiting from same on the day prior to the effective day (April 7, 2016) of the above cited changes in regulatory provisions, are eligible to receive the EID benefit for 24 months over a 48-month period.

2. PHAs have the discretion to establish income exclusions beyond what is required of the EID, but these requirements may not be more restrictive than the minimum EID benefit requires under 24 CFR.

### 6. PROVISION PERTAINING TO FAMILY DECLARATION OF ASSETS UNDER \$5,000:

The Housing Authority will require the necessary information to determine the current cash value of family assets (the net amount the family would receive if the asset were converted to cash). Such information may include:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, checking account statements, certificates of deposit, bonds or financial statements completed by a financial institution or broker.
- Quotes from a stock broker or realty agent as to the net amount a family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be deduced from the statements.
- 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.

For all Certifications and Recertifications the Housing Authority will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the Certification or Recertification.

If the family certifies that they have disposed of assets for less than fair market value, certification or recertification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third-party verification will be obtained whenever possible.

The Housing Authority is required to obtain third-party verification of all family assets upon admitting a family to the Section 8 HCV Program and then again at least every three years thereafter. During the intervening annual reexaminations, the Authority has the discretion to accept a family's declaration that it has total net assets equal to or less than \$5,000.00, without taking additional steps to verify the accuracy of the declaration. If a family submits such a declaration, the Housing Authority does not need to request supporting documentation to verify the assets or the amount of income expected to be received from those assets. The family's declaration of total assets must show each asset and the amount of income expected from assets will be the family's "final asset income".

Whenever a family member is added, the Housing Authority will obtain third-party verification of the member's assets. At the next reexamination of income following the addition of that family member, the Authority must obtain third-party verification of all family assets if the addition of the new family member's assets puts the family above the \$5,000.00 threshold. If the addition of the new family member's assets does not put the family above the \$5,000.00 threshold, the Authority is not required to obtain third-party verification of all family assets at the next annual reexamination of income following the addition of the new family member to the household, however, third-party verification of all family assets is requires at least every 3 years.

#### 7. PROVISIONS PERTAINING TO UTILITY REIMBURSEMENTS:

The Housing Authority may make utility reimbursement payments quarterly, rather than monthly, if the total quarterly reimbursement payment due to a family is equal to or less than \$45 per quarter. The Housing Authority may make such reimbursement payments retroactively or prospectively. If the Housing Authority chooses to make reimbursement payments retroactively, it must permit the family to request a hardship exemption, in accordance with 24 CFR 5.630(b)(2). If a family receives a hardship exemption, then the Housing Authority may either reimburse the family on a monthly basis or it may make *prospective* payments to the family, on a quarterly basis.

Quarterly payments must be made at least once per calendar quarter. Prospective payment must be made prior to the start of each quarter; retroactive payments must be made before the end of each quarter.

The process for determining the utility reimbursement amount and the ability of the Housing Authority to pay the family or the utility provider directly are not affected by this quarterly payment provision. Nor does such provision affect the Housing Authority's ability to make reimbursements via electronic deposit.

Upon admission to the HCV Program or at recertification, the Housing Authority staff person completing the required HUD reporting form(s) must note whether the utility reimbursement is \$15 per month or less. If it is, then the Housing Authority must inform the family whether reimbursement will be retroactive or prospective on a quarterly basis. If the Housing Authority's policy is to reimburse retroactively, then the Authority must also inform the family that they may request a hardship exemption; and, as stated above, if the family receives such exemption, then the Authority may either reimburse the family on a monthly basis or make prospective payments on a quarterly basis.

If a family leaves the HCV Program with an outstanding credit from the Housing Authority for a utility reimbursement, the Housing Authority must reconcile the credit with the family when the HAP contract terminates or no later than 30 days thereafter.

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## 8. PROVISIONS PERTAINING TO BIENNIAL INSPECTIONS AND THE USE OF ALTERNATIVE INSPECTION METHODS:

The six types of inspections performed by the Housing Authority are:

- 1. Initial/Move-in Inspection, conducted upon receipt of Request For Lease Approval.
- 2. Annual Inspections, conducted every 12 months.
- 3. Biennial Inspection, conducted biennially (every other year) rather than annually at the discretion of the Housing Authority.
- 4. Special/Complaint Inspection, conducted at the request of owner, family or an agency or third-party.
- 5. Move-Out/Vacate Inspection, conducted at landlord's request or if claim is to be submitted.
- 6. Quality Control Inspection, conducted on 5 percent of HCV Program units administered by the Housing Authority.

The Housing Authority conducts an inspection in accordance with Housing Quality Standards (HQS) at least annually, or at the discretion of the Authority, biennially, within 14 days prior to the anniversary month of the contract. Special inspections may be scheduled between anniversary dates.

Biennial Inspections - The Housing Authority has the discretion of conducting periodic unit inspections biennially (every other year) rather than annually during the term of the Section 8 assisted tenancy. Periodic inspections do not include inspections conducted prior to the initial term of the lease or to interim inspections.

Biennial inspections, as opposed to annual inspections, may only be employed under the following circumstances:

- Inspection of units in properties that are already inspected under a local housing code enforcement program.
- Inspection of units that receive a "pass" score under HQS for two or more years in a row. The Housing Authority will continue with annual inspections of any units that fail to meet the above stated criteria for biennial inspection or that had health and/or safety deficiencies during its previous HQS inspection.

Alternative Inspection Methods - The Housing Authority may employ alternative inspection methods (methods other than HQS). Inspection by such alternative methods is limited as follows: The Housing Authority may rely upon two different categories of alternative inspections: (1) inspections conducted by HUD's Real Estate Assessment Center (REAC); or (2) other inspection methods that meet or exceed HQS and have been approved by REAC.

Note: REAC inspections employ unit sampling, and regulations require that the HCV units inspected be included in the universe of units forming the basis of the sample.

In order to rely on inspections other than those covered by REAC, The Housing Authority must submit to HUD the inspection method and an analysis showing that such method meets or exceeds HQS. The Housing Authority may not rely on such a method unless and until HUD has reviewed and approved use of the method. Upon HUD's approval of the inspection method the Housing Authority must amend its Section 8 Administrative Plan , making clear the specific properties or types of properties for which the HUD approved inspection method will be employed. If the inspection method relies upon sampling, then the HCV units must be included in the population of units forming the basis of the sample.

HUD will not approve an alternative inspection method or any variation thereof that fails to meet the performance requirements and acceptability criteria of unit inspection standards outlined at 24 CFR.

HUD require that reports for alternative inspection methods be obtained by the Housing Authority from the entity inspecting the units. Such reports must be available for HUD inspection for at least three years from the date of the latest inspection.

When using alternative inspection methods, including those methods which employ sampling, the Housing Authority must continue to submitted Form HUD-50058 into the PIC system in the same manner, which includes providing the date of last inspection, and the date the unit last passed inspection. For methods that employ sampling, the date of the inspection will be used for all units in the universe, even if those units were not selected for inspection. The SEMAP system has been modified to accept inspection dates of greater than 12 months since last inspection. Inspection dates submitted into PIC will now be counted as late if they show a time of greater than 24 months since last inspection.

Limitations on the use of alternative inspection methods. The Housing Authority may rely on an alternative inspection method to demonstrate compliance with the inspection requirements of 24 CFR in two circumstances:

- In the case of an alternative method that employs a "pass/fail" scoring system, the property inspected pursuant to such alternative method receives a "pass" score. The Housing Authority may rely on an alternative method if the property receives a "pass" score, even if deficiencies are identified.
- In the case of an alternative method that results in a list of deficiencies (without a "pass/fail designation), and the Housing Authority determines that none of the cited deficiencies would have resulted in a "fail" score under HQS.

Under any circumstance in which the Housing Authority is prohibited from relying on an alternative inspection method for a property, the Housing Authority must promptly conduct an HQS inspection of all units occupied by voucher program participants, and follow HQS procedures to remedy any identified deficiencies, as required under the HQS inspection method.

Duty to inspect - Irrespective of the biennial/alternative inspection method provision cited above, the Housing Authority has a duty to inspect a unit when a participant family or government official reports a condition that violates HQS. If the condition is life-threatening (i.e., the Housing Authority would require the owner to make the repair within no more than 24 hours), then the Housing Authority must inspect the unit within 24 hours of when the Authority receives the notification. If the condition is not life-threatening (I.e., the Housing Authority would require the owner to make the repair within no more than 30 calendar days), then the Housing Authority must inspect the unit within 15 days of when the Authority receives the notification. In the event of extraordinary circumstances, such as if a unit is within a presidentially declared disaster area or if a natural or manmade disaster makes inspection of a unit infeasible, HUD may waive the 24-hour or the 15-day inspection requirement until such time as the inspection can be made. In such circumstances, the Housing Authority must submit a waiver request to its HUD field office, stating the regulation from which a waiver is requested and including an explanation of why it is needed.

Note: Mixed-finance properties and triennial inspections — The Housing Authority may rely on an inspection of a mixed-finance property conducted using an alternative inspection method to meet the requirements of 24 CFR, if the inspection happens no less frequently than triennially. For purposes of this provision, a mixed-finance property is defined as a property that is assisted under the PBV program that is financed under a federal, state, and/or local housing program.

#### 9. PROVISIONS PERTAINING TO HQS REINSPECTION FEES:

The Housing Authority may establish and charge a reasonable fee to owners for a reinspection under two circumstances: (1) if an owner notifies the Housing Authority that a deficiency cited in the previous inspection has been repaired and a reinspection reveals that it has not and/or (2) if the allotted time for repair has elapsed and a reinspection reveals that any deficiency cited in the previous inspection that the owner is responsible for repairing has not been corrected.

The dollar amount of the Housing Authority's reinspection fee shall be equal to the dollar amount of the reinspection fee established and charged by the local governing body for reinspections performed by their responsible code enforcement agency under circumstances similar to those cited above.

The Housing Authority will assess the reinspection fee after the second reinspection.

The Housing Authority may not apply the subject fee to an owner for:

- deficiencies caused by the participant family;
- initial inspections;
- regularly scheduled inspections;
- an instance in which an inspector was unable to gain access to a unit; or
- new deficiencies identified during a reinspection. If new deficiencies are uncovered during reinspection, the Housing Authority shall follow normal procedures to address these newly identified deficiencies.

An owner who is assessed a reinspection fee may not pass the fee on to a participant family.

## 10. PRIVISIONS PERTAINING TO EXCEPTION PAYMENT STANDARDS FOR PROVIDING REASONABLE ACCOMMODATIONS

The Housing Authority may approve a payment standard of not more than 120 percent of the FMR without HUD approval if requested as a reasonable accommodation by a family that includes a person with a disability.

As a result of adoption of the above stated provision, the Housing Authority must maintain documentation that shows the following:

- A rent reasonableness analysis was conducted in accordance with the HCV regulations at 24 CFR;
- The family requested lease approval for the unit and requested an exception payment standard as a reasonable accommodation; and
- The unit has features that meet the needs of a family member with disabilities. For example, a unit may be suitable because of its physical features or for other reasons, such as having the requisite number of bedrooms, location on an accessible transit route, or proximity to accessible employment, education, services, or recreation.

All request for reasonable accommodation involving an exception from the payment standards must be submitted in written form, and include supporting documentation from a medical professional.

### 11.PROVISION PERTAINING TO FAMILY INCOME AND COMPOSITION, REGULAR AND INTERIM EXAMINATIONS:

The Housing Authority retains its discretionary right to conduct interim reexaminations whenever a family has an increase in income, including increases in income resulting from the addition of a new family member

#### 12. PROVISION PERTAINING TO UTILITY PAYMENT SCHEDULES:

In cases where a reasonable accommodation has been provided to a family that includes a person with disabilities, the Housing Authority must use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.