

HOUSING AUTHORITY OF THE CITY OF AUSTIN



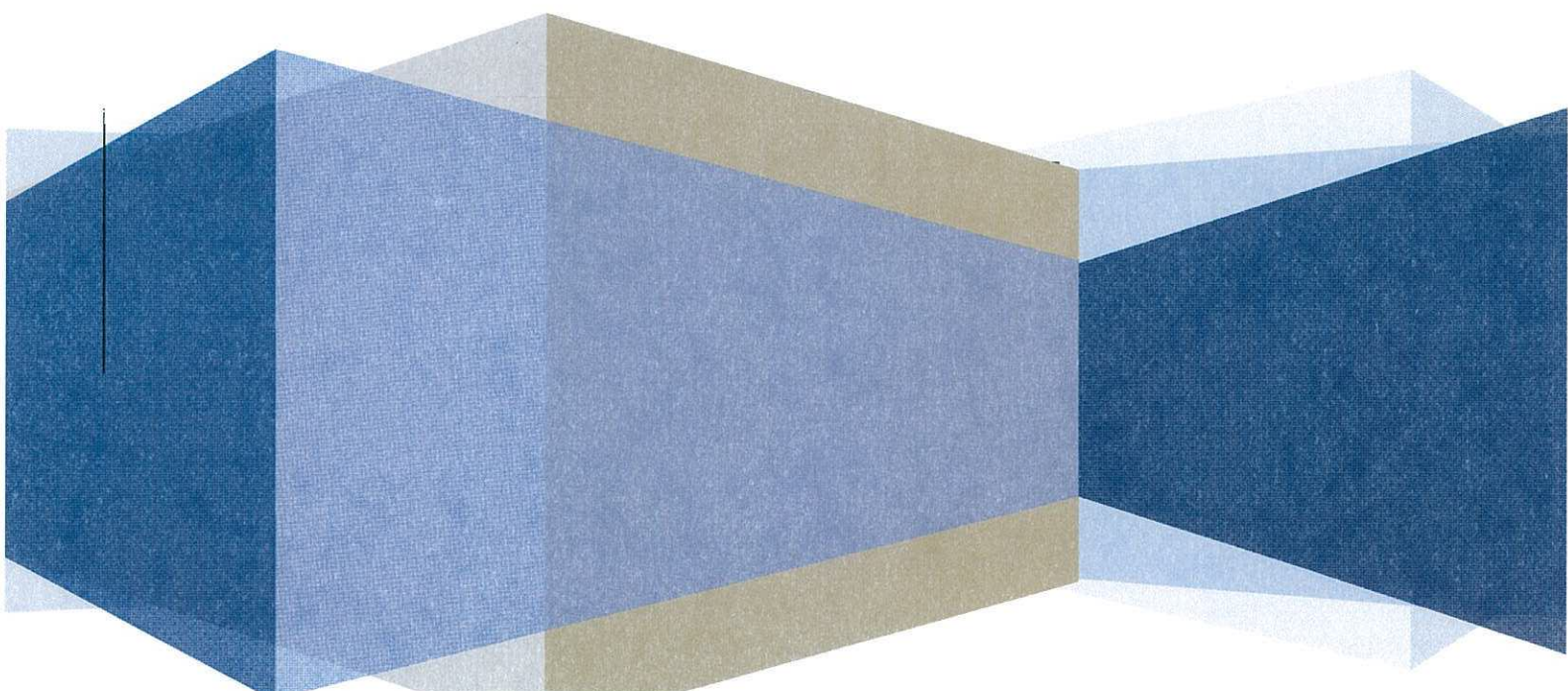
Proposed Revisions to the Admissions and Continued Occupancy Plan

There will be a 30-day public comment period commencing 8:00 a.m. on May 23, 2016 through 5:00 p.m. on ~~June 21~~ **July 13**, 2016 for the revisions for the Admissions and Continued Occupancy Plan. All comments should be made in writing and delivered to 1124 S. IH-35 Austin, TX 78704 and made to the attention of Michael Gerber, President/CEO.

A Public Hearing to present comments regarding all proposed revisions will be conducted as follows:

June 14, 2016 10:00 a.m. Santa Rita Courts
(Citywide Advisory Board Meeting)
2341 Corta 78702

The Housing Authority of the City of Austin Board of Commissioners will vote on the proposed revisions to the 2016 PHA Annual Plan, Admission and Continued Occupancy Policy and Housing Choice Voucher Administrative Plan on ~~Friday, July 22, 2016~~ **Thursday, August 18, 2016**, at the HACA Central Office located at 1124 S. IH-35, Austin, Texas 78704 at 12:00 p.m. A forum will be available during Citizens Communication to voice your



Summary of Proposed Changes to the Admissions & Continued Occupancy Policy (ACOP)

Section	Page(s)	Summary of Proposed Change
<p>Chapter 3 - Section 3-II.A. INCOME ELIGIBILITY AND TARGETING</p>	<p>Pages 31-32</p>	<p>Change: Updates the definition of "Extremely low-income family" to include very low-income families (income between 30-50% of the median family income) who are also below the federal poverty level. Rationale: <i>This is a required change as part of the streamlining rule. The expansion of the definition makes it easier for PHAs to meet the income targeting requirements while also ensuring that no family below the federal poverty level would be denied housing due to the income targeting rules.</i></p>
<p>Chapter 3 - Section 3-II.C. SOCIAL SECURITY NUMBERS & Chapter 7 - Section 7-II.B. SOCIAL SECURITY NUMBERS</p>	<p>Pages 34-35 & Pages 138-139</p>	<p>Change: When a child under age 6 is added to the household up to six months before Admission of the household, this change allows the family 90 days to provide a SSN for the child. The family will be offered housing and the child considered a family member during this time. Rationale: <i>This is a required change as part of the streamlining rule. The intent is to provide the family a sufficient amount of time to provide the SSN for a new addition to the family.</i></p>
<p>Chapter 3 - Section 3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION</p>	<p>Pages 40-42</p>	<p>Change: Arrest records (without conviction or other additional information) will not be grounds for denial of admission. Information about an arrest record may cause HACA to request additional information. Rationale: HUD provided clear guidance through a PIH Notice indicating that arrest records alone are not sufficient for denial of an application.</p>
<p>Chapter 4 - Section 4-I.B. APPLYING FOR ASSISTANCE</p>	<p>Pages 54-56</p>	<p>Change: Changes the process for application to online web-based application. Paper applications still accepted for those in need of reasonable accommodation. Rationale: <i>This change will streamline the application process for Public Housing and PBRA, reducing staff time for manual data entry. This will also make the application process more easily accessible from any location with internet access.</i></p>
<p>Chapter 4 - Section 4-II.B. ORGANIZATION OF THE WAITING LISTS</p>	<p>Pages 57-58</p>	<p>Change: Creates a site-based waiting list for each property instead of the existing community-wide waiting list. Rationale: <i>The change allows applicants to have a choice in where they live. This change also facilitates the transition from Public Housing to Project Based Rental Assistance through RAD.</i></p>
<p>Chapter 4 - Section 4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES</p>	<p>Page 60</p>	<p>Change: Updates the language to reflect the option to electronically report changes through the Applicant Portal. Rationale: <i>This change streamlines the update process, reducing staff time for manual entry. This also makes the reporting process easier for applicants, as they can do it without coming to our office from any location with internet access.</i></p>

Section	Page(s)	Summary of Proposed Change
<p>Chapter 5 - Section 5-I.B. DETERMINING BEDROOM SIZE</p>	<p>Pages 71-72</p>	<p>Change: Changes the minimum number of persons required for each bedroom size. Provides applicants with the choice to determine what bedroom size they prefer (among the ones for which they qualify). Provides a list of "qualifying events" for exceptions to the occupancy standard.</p> <p>Rationale: This change will be required when we move to PBRA and it was determined that it would be best to make the change already now.</p>
<p>Chapter 6 - Section 6-I.E. EARNED INCOME DISALLOWANCE & Chapter 6 - Section 6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS</p>	<p>Pages 88-90, Pages 119-120 & Pages 127-128</p>	<p>Change: The exclusion of earned income for the EID is for two years (24 months) maximum instead of four years (48 months). There will be 12 months at 100% exclusion and 12 months at 50% exclusion.</p> <p>Rationale: The tracking of the starts and stops of employment during the 48 months of EID was an administrative burden. HUD is granting this relief, streamlining the administrative work while still allowing the family a two year break on fully counting their earned income.</p>
<p>Chapter 6 - Section 6-I.G. ASSETS</p>	<p>Pages 91-92</p>	<p>Change: HACA will conduct third-party verification of assets at Admission. After that, HACA will only third-party verify assets with a net value of \$5000 or less every three years. During the other two years, HACA will accept self-certification of the value of the asset and the anticipated income from the asset. HACA will conduct third-party verification of all assets valued over \$5000 every year.</p> <p>Rationale: This is part of HUD's streamlining rule. This is intended to provide administrative relief, while still maintaining accountability with regard to income from assets.</p>
<p>Chapter 6 - Section 6-III.D. PRORATED RENT FOR MIXED FAMILIES & Chapter 17 - Section 17-II.C PUBLIC HOUSING MAXIMUM RENTS</p>	<p>Page 117 & Pages 267-270</p>	<p>Change: The calculation for pro-rating rent for mixed families (families with some members with legal status and others without legal status) will now use the flat rent for the applicable unit instead of the maximum rent. In effect, this ends the need for maximum rents.</p> <p>Rationale: This is a required change as part of the streamlining rule. This is also more in line with the HCV program and PBRA which use contract rent to calculate the pro-rated rent.</p>
<p>Chapter 7 - Section 7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS</p>	<p>Pages 145-146</p>	<p>Change: HUD is allowing a streamlined income determination for any fixed income sources. The PHA can apply the verified COLA or % increase to the previous year's verified or adjusted amount. The income is subject to third-party verification at Admissions and every three years.</p> <p>Rationale: This is part of HUD's streamlining rule. This is intended to reduce the administrative burden of conducting annual reexaminations while still maintaining program integrity with protections against fraud.</p>

Section	Page(s)	Summary of Proposed Change
Chapter 11 - Section 11-I.D. DOCUMENTATION AND VERIFICATION	Pages 201-204	<p>Change: Resident self-certification of completion of the CSSR is now allowed. If self-certification is accepted, the PHA must validate a sample of self-certifications to prevent fraud.</p> <p>Rationale: <i>This change is part of the streamlining rule intended to reduce the administrative burden for the implementation of the CSSR.</i></p>
Chapter 12 - Section 12-II.B. TYPES OF REQUIRED TRANSFERS	Page 212	<p>Change: Adds language allowing HACA to transfer families who would be over the tax credit income limit, before the property converts to RAD PBRA with Tax Credits.</p> <p>Rationale: Gives HACA an additional tool to use with families that would not qualify for the tax credit program.</p>

certification from the family and live-in aide stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

HACA has the discretion not to approve a particular person as a live-in aide, and may withdraw such approval, if [24 CFR 966.4(d)(3)(i)]:

- The person commits or has committed 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.
- The person currently owes rent or other amounts to HACA or to another PHA in connection with the housing choice voucher program or public housing assistance under the 1937 Act.

Within 20 business days of receiving a request for a live-in aide, including all required documentation related to the request, HACA will notify the family of its decision in writing. If HACA denies the request for a live-in aide or denies approval of a particular live-in aide, the family may request a grievance hearing within the required timeframe specified in the decision letter.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to set income limits that determine the eligibility of applicants for HUD’s assisted housing programs, including the public housing program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

Types of Low-Income Families [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A very low-income family whose annual income does not exceed the higher of:

(1) The poverty guidelines established by the Department of Health and Human Services applicable to the family of the size involved (except in the case of families living in Puerto Rico or any other territory or possession of the United States); or

(2) Thirty (30) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the area median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.

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~~A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.~~

HUD may establish income ceilings higher or lower than 30, 50 or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 960.201]

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be a *low-income* family.

Using Income Limits for Targeting [24 CFR 960.202(b)]

At least 40 percent of the families admitted to the PHA's public housing program during a PHA fiscal year from the PHA waiting list must be *extremely low-income* families. This is called the "basic targeting requirement."

If admissions of extremely low-income families to the PHA's housing choice voucher program during a PHA fiscal year exceed the 75 percent minimum-targeting requirement for that program, such excess shall be credited against the PHA's public housing basic targeting requirement for the same fiscal year.

The fiscal year credit for housing choice voucher program admissions that exceed the minimum voucher program targeting requirement must not exceed the lower of:

- Ten percent of public housing waiting list admissions during the PHA fiscal year.
- Ten percent of waiting list admission to the PHA's housing choice voucher program during the PHA fiscal year.
- The number of qualifying low-income families who commence occupancy during the fiscal year of public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

For discussion of how income targeting is used in tenant selection, see Chapter 4.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals) or noncitizens that have eligible immigration status. At least one family member must be a citizen, national or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible

may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 14 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible [24 CFR 5.512(a)].

HACA Policy

HACA will not provide assistance to a family before the verification of at least one family member as a citizen, national or eligible noncitizen is made.

When HACA determines that an applicant family does not include any citizens, nationals or eligible noncitizens, following the verification process, the family will be sent a written notice within 20 calendar days of the determination. The notice will explain the reasons for the denial of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with HACA. The informal hearing with HACA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 14.

Time Frame for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the resident family the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

HACA Policy

HACA will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10, HUD Streamlining Rule 3/8/2016]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status, and they do not apply to existing program participants as of January 31, 2010, who have previously disclosed their SSN and HUD has determined the SSN to be valid.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit. The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

HACA Policy

If the provided documentation is not acceptable evidence of the social security number, HACA will explain to the applicant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to HACA within 90 calendar days. The explanation and request will be documented in the applicant file. If the applicant family is otherwise eligible to participate in the program, the family will maintain its position on the waiting list for this 90 calendar day period.

If all household members have not disclosed their SSN at the time a unit becomes available, the available unit will be offered to the next eligible applicant family on the waiting list. At the conclusion of the 90 calendar day period and if the applicant family has still not submitted acceptable evidence of the SSN, HACA will grant the family an additional 90 calendar day period to comply with the SSN disclosure and documentation requirement if the family was unable to comply with the requirements due to circumstances that could not have reasonably been foreseen and were outside the control of the family.

If a child under the age of 6 years was added to the assistance applicant household within the 6-month period prior to the household's date of admission, the assistance applicant may become a participant, so long as the documentation required in this section is provided to the processing entity within 90 calendar days from the date of admission into the program. The processing entity must grant an extension of one additional 90-day period if the processing entity determines that, in its discretion, the assistance applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the assistance applicant. If the applicant family fails to produce the documentation required in this section within the required time period, the housing authority may terminate assistance or tenancy of the individual participant or the entire family.

HACA Policy

HACA will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family or other emergency.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicle identification card U.S. military discharge (DD 214) U.S. passport	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records School or government-issued photo ID for age 16 and over

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the HACA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the HACA and be signed in the presence of a PHA representative or HACA notary public. Legal identity will be verified on an as needed basis.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, ~~and~~ Notice PIH 2012-10 and the Streamlining Rule]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing residents who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

The PHA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state or local government agency, which contains the name and SSN of the individual

The PHA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

HACA Policy

If the provided documentation is not acceptable evidence of the social security number, HACA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to HACA within 90 calendar days. The explanation and request will be documented in the tenant file.

When the resident requests to add a new household member who is at least 6 years of age or who is under the age of 6 and has an SSN, the resident must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a resident requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the resident must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

HACA Policy

HACA will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family or other emergency.

If a child under the age of 6 years was added to the assistance applicant household within the 6-month period prior to the household's date of admission, the assistance applicant may become a participant, so long as the documentation required in this section is provided to the processing entity within 90 calendar days from the date of admission into the program. The processing entity must grant an extension of one additional 90-day period if the processing entity determines that, in its discretion, the assistance applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the assistance applicant. If the applicant family fails to produce the documentation required in this section within the required time period, the housing authority may terminate assistance or tenancy of the individual participant or the entire family.

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HACA Policy

HACA will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family or other emergency.

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▲ Social security numbers must be verified only once during continuously-assisted occupancy.

HACA Policy

HACA will verify each disclosed SSN by:

- Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers.
- Making a copy of the original documentation submitted, returning it to the individual and retaining a copy in the file folder.

Once an individual's status is classified as "verified" in HUD's EIV system, HACA will retain and secure all SSN documents in the tenant file throughout the family's tenancy in Public Housing. Thereafter, it will be retained in accordance with HACA's record retention policies,

- An applicant is deemed preliminarily ineligible and shall be rejected and not placed on the HACA waiting list if currently housed in this same program and listed as the head of household or co-head of household.
- For the purpose of providing a housing opportunity to as many applicants as possible, 12 months should elapse before an applicant is preliminarily eligible to reapply for the same program they have just moved out of. This shall include voluntary withdrawals in the conventional public housing program.
- An applicant is deemed preliminarily ineligible and shall be rejected if applying for the same program for which they have already been denied admissions due to criminal history or derogatory rental history, unreported income or fraud within a 12-month period. The applicant will not be eligible to request an informal review of this rejection due to the fact that the applicant was offered an informal review when they were initially denied admissions for criminal history and/or derogatory rental history. Twelve months should elapse from the date of denial or date of the hearing decision whichever is later.
- An applicant is deemed preliminarily ineligible and shall be rejected if applying for the conventional public housing program and has rejected a public housing unit offer from HACA within the last 12 months from the date of the last housing offer.
- A family is deemed evicted if a lease termination/violation letter had been sent to the family alleging a breach of the lease based upon drug-related criminal activity, criminal activity, non-payment of rent or other breach and the family has voluntarily vacated, or if a judgment for eviction is rendered, or if the family vacated due to the oral threatened termination of the lease.
- HACA complies with all Fair Housing laws. Applicants have the right to request a Reasonable Accommodation. HACA will consider all Reasonable Accommodation requests under the Fair Housing Act and Section 504 of the American Disabilities Act. Information related to the Fair Housing Act, Section 504 and Requests for Reasonable Accommodation will be included in the denial letters.
- If the basis for the denial relates to family violence, the applicant may qualify for an exception under the VAWA Amendments. Information related to VAWA will be included in the denial letters.

Criminal Activity [24 CFR 960.203 (e)]

Under the Public Housing Assessment System (PHAS), PHAs that have adopted policies, implemented procedures and can document that they successfully screen out and deny admission to certain applicants with unfavorable criminal histories receive points.

The PHA is responsible for screening family behavior and suitability for tenancy. In doing so, the PHA may consider an applicant's history of criminal activity involving crimes of physical violence to persons or property and other criminal acts that would adversely affect the health, safety or welfare of other tenants.

HACA Policy

If any household member has engaged in or attempted any of the following criminal activities regardless of the date committed the family will be denied admission:

- capital murder
- murder/manslaughter
- kidnapping
- child molestation
- rape or crimes of a sexual nature
- incest
- gross lewdness
- arson

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past four years, the family will be denied admission:

- (1) Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution or use of a drug or the possession of a drug with intent to manufacture, sell distribute or use the drug [24 CFR 5.100].
- (2) Violent criminal activity, defined by HUD as 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 [24 CFR 5.100]. Criminal activity that may threaten the health, safety or welfare of other tenants [24 CFR 960.203(c)(3)].
- (3) Illegal possession/discharge/display/carrying of firearm or illegal weapon/ deadly weapon.
- (4) Assault, aggravated assault, assault by threat, stalking.
- (5) Physical violence to persons or property, or 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.
- (6) Criminal activity that may threaten the health or safety of HACA staff, contractors, subcontractors or agents.
- (7) Three or more ~~arrests or convictions~~ ~~incidences -or convictions~~ of alcohol-related criminal activity, including Driving under the Influence and Public Intoxication.
- (8) Burglary of a Habitation.

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three years, the family will be denied admission:

- (1) A pattern of abuse of alcohol, including, but not limited to, public intoxication and driving while intoxicated.
- (2) A pattern of fraud committed against a governmental entity.
- (3) A pattern of theft or fraud.
- (4) A pattern of organized criminal activity.
- (5) A pattern of prostitution.
- (6) A pattern (for the purposes listed above) consists of three or more incidences, with a minimum of one incident occurring within the past three years.

If an applicant has one offense of a Class C misdemeanor within the past four years, HACA will not deny the applicant. More than one Class C misdemeanor will be considered a pattern (for the purpose of determining eligibility) and the applicant may be subject to denial based on the nature of the offenses.

In making its decision to deny assistance, HACA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, HACA may, on a case-by-case basis, decide not to deny assistance.

Evidence of such criminal activity includes, but is not limited to, any record of convictions, arrests or evictions for suspected drug-related or violent criminal activity of household members. A conviction for such activity will be given more weight than an arrest or an eviction.

HACA will not deny an application solely on the basis of an arrest. If HACA receives arrest information which may be for a disqualifying activity, HACA may request additional information. Additional information that may be considered, if available, include the following:

- The police report associated with the arrest which provides the reported circumstances of the arrest.
- Any statements made by witnesses or the applicant not included in the police report
- Whether criminal charges were filed
- Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal
- Any other evidence relevant to determining whether or not the applicant engaged in the disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property.

Previous Behavior [960.203(c) and (d) and PH Occ GB, p. 48]

HUD authorizes the PHA to deny admission based on relevant information pertaining to the family's previous behavior and suitability for tenancy.

In the event of the receipt of unfavorable information with respect to an applicant, the PHA must consider the time, nature and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Section 3-III.F, the PHA may also need to consider whether the cause of the unfavorable information may be that the applicant is the victim of domestic violence, dating violence, sexual assault, or stalking.

HACA Policy

HACA will deny admission to an applicant family if HACA determines that the family:

- 1) Has been evicted for non-payment of rent at a federally subsidized housing program within the past two years.
- 2) Has a pattern of disturbance of neighbors, destruction of property or living or housekeeping habits at prior residences within the past two years which may adversely affect the health, safety or welfare of other tenants.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide HACA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes HACA's obligation to ensure the accessibility of the application process.

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the PHA to determine the format and content of its applications, as well as how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application [Notice PIH 2009-36].

HACA Policy

Due to the high volume of applicants seeking public housing, HACA utilizes a two-step application process. Under the two-step application process, HACA initially will require families to provide only the information needed to make an initial assessment of the family's preliminary eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

The first step in the application process is the submission of the pre-application. Pre-applications are accepted through the application web portal at www.austin.apply4housing.com. HACA will also maintain paper applications, as a reasonable accommodation, if there is the presence of a disability. Under no circumstances will anyone be denied the right to submit an application.

HACA offers several methods of applying for assistance.

1. Families may obtain application forms from HACA's Central office during normal business hours, Monday through Friday from 8 a.m. to 5 p.m., with the exception of holidays. Except as specified below, no applications will be taken by phone.
2. If the head of household resides outside of the Austin metropolitan area, is elderly or has a verifiable disability which prevents the applicant, or person on the applicant's behalf, to obtain an application from the HACA Central Offices (1124 S. IH 35, Austin, Texas 78704), HACA will mail the application to the applicant via first class mail.
3. Application forms may also be accessed via HACA's website at www.hacanet.org in the How to Obtain Housing section. Downloadable application forms may be printed, filled out and completed. Applications are available in English and in Spanish.
4. Families may complete the application online through HACA's web application. The web application can be accessed through HACA's website at www.hacanet.org.

Completed paper applications must be returned to HACA by mail, by fax to the Admissions Department or submitted in person during normal business hours to the HACA Central Office at 1124 S. IH35, Austin, Texas 78704. Normal business hours are

Monday through Friday, 8:00 AM to 5:00 PM, with the exception of holidays. Applications must be complete in order to be accepted by HACA for processing. The application must be signed by the applicant or a person with power of attorney on behalf of the applicant. No applications will be taken over the telephone. Incomplete applications will not be accepted and will not be file stamped with the date and time, and will be returned to the applicant. If the application was mailed, an Admissions representative will highlight the incomplete portions of the application and mail the application back to the applicant for completion.

Under no circumstances will anyone be denied the right to request or submit an application. Applicants may complete the application at HACA's Central Offices during normal business hours or may take the application to complete it elsewhere and bring it back during normal business hours. Upon receipt, the application will be file stamped with the date and time it was received.

Unless unable due to a disability, the applicant shall complete all required fields of the application through the application web portal, fill out all entries on the application form in ink or by a typewriter or complete the online electronic application. If the applicant is unable to complete the application form, by verifying the need to make a reasonable accommodation through documentation or visual observation, as applicable, and the applicant has represented that he or she has no one to assist him or her, a HACA employee shall assist the applicant in completing the application form based upon the information provided by the applicant.

The entire pre-application must be completed and submitted before the applicant will be placed on the waiting list. The system will confirm submission if all application requirements have been fulfilled. The web portal will apply an electronic date and time received stamp to each application in accordance with the confirmation of successful submission.

Corrections to the application are to be made by lining through the original entry and substituting the correct data. Such changes are to be dated and signed by the person making the change with a notation specifying the reasons for the change.

The application must be completely filled out and signed by the applicant before acceptance. Upon completion and signature of the application, the application will be file stamped by date and time as specified above and referred to the Admissions Department. Electronic applications will also be marked with the date and time of the application.

Complete signatures are to be used by HACA employees in signing all applications, leases and entries to historical sheets and verification documentation.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

The PHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard PHA application process.

Disabled Populations [24 CFR 8; PH Occ GB, p. 68]

The PHA must provide reasonable accommodation to the needs of individuals with disabilities. ~~The application taking facility and the entire application process must be fully accessible, or the~~

PHA must provide an alternate approach that provides equal access to the application process. Chapter 2 provides a full discussion of HACA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on HACA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

The PHA must review each completed pre-application received and make a preliminary assessment of the family's eligibility. The PHA shall place on the waiting list families for whom the list is open unless the PHA determines the family to be ineligible. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

Ineligible for Placement on the Waiting List

HACA Policy

If HACA can determine from the information provided that a family is preliminarily ineligible, the family will not be placed on the waiting list (see Chapter 3 for specific information on preliminary ineligibility). Where a family is determined to be preliminarily ineligible, HACA will send written notification of the preliminary ineligibility determination within 30 days of receiving a completed application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14). If, upon conclusion of the informal hearing process, the family's preliminary eligibility is restored, the family's original date and time of the pre-application will be restored on the waiting list.

Eligible for Placement on the Waiting List

HACA Policy

HACA will send written notification of the preliminary eligibility determination within 30 days of receiving a completed application. If applicable, the notice will also indicate the waiting list preference(s) for which the family appears to qualify.

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 to HACA preference(s) and the date and time their complete pre-application is received by HACA. Any complete application received by mail or by fax will be file stamped with the date which shall be the same business day of receipt and the time shall be specified as 5:00 p.m. Applications

faxed to HACA after business hours will be file stamped as received the following business day and the time shall be specified as 5:00 p.m.

HACA will assign families on the waiting list according to the bedroom size for which a family qualifies as established according to HACA's 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 HACA 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.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The PHA must have policies regarding the type of waiting list it will utilize as well as the various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for public housing and conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how the PHA may structure its waiting list and how families must be treated if they apply for public housing at a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST

The PHA's public housing waiting list shall be organized in such a manner to allow the PHA to accurately identify and select families in the proper order, according to the admissions policies described in this ACOP.

HACA Policy

The waiting list will contain the following information for each applicant listed:

- Name and address
- Social Security number (on the electronic copy)
- Unit size required
- Amount and source of annual income
- Date and time of application or application number
- Admission preference, if any
- Rank

The PHA may adopt one community-wide waiting list or site-based waiting lists. The PHA must obtain approval from HUD through submission of its Annual Plan before it may offer site-based waiting lists. Site-based waiting lists allow families to select the development where they wish to reside and must be consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].

HACA Policy

HACA will maintain ~~one single community-wide~~ site-based waiting lists for each of its developments. Within the list, HACA will designate subparts to easily identify who

should be offered the next available unit (i.e. mixed populations, general occupancy, unit size, and accessible units).

HACA will not adopt site-based waiting lists.

HUD directs that a family that applies to reside in public housing must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher or moderate rehabilitation program that the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)].

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, housing choice voucher and other subsidized housing programs [24 CFR 982.205(a)(1)].

HACA Policy

HACA will not merge the public housing waiting list with the waiting list for any other program HACA operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

The PHA is permitted to close the waiting list, in whole or in part, if it has an adequate pool of families to fill its developments. The PHA may close the waiting list completely, or restrict intake by preference, type of project, or by size and type of dwelling unit. [PH Occ GB, p. 31].

HACA Policy

HACA may close the waiting list when the estimated waiting period for housing applicants on the list reaches 24 months for the most current applicants. Where HACA has particular preferences or other criteria that require a specific category of family, HACA may elect to continue to accept applications from these applicants while closing the waiting list to others.

HACA will announce by public notice the closing of the waiting list. If the list remains open to certain categories of families, this information will be contained in the notice. The notice will be published at least 30 days prior to HACA closing the list.

Reopening the Waiting List

If the waiting list has been closed, it may be reopened at any time. The PHA should publish a notice in local newspapers of general circulation, minority media and other suitable media outlets that the PHA is reopening the waiting list. Such notice must comply with HUD fair housing requirements. The PHA should specify who may apply, and where and when applications will be received.

HACA Policy

HACA will announce the reopening of the waiting list at least 30 days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how applications are to be received.

HACA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

- Austin American-Statesman
- El Mundo
- The Villager
- Nokoa
- Ahora Si
- The Austin Chronicle

Notices may also be sent to organizations that typically assist low income families, including but not limited to:

- Salvation Army
- Caritas
- Any Baby Can
- Front Steps

4-II.D. FAMILY OUTREACH [24 CFR 903.2(d); 24 CFR 903.7(a) and (b)]

The PHA should conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to fill anticipated vacancies and to assure that the PHA is affirmatively furthering fair housing and complying with the Fair Housing Act.

Because HUD requires the PHA to serve a specified percentage of extremely low income families, the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for public housing.

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations.
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program.
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class.

PHA outreach efforts must be designed to inform qualified families about the availability of units under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers.
- Developing informational materials and flyers to distribute to other agencies.
- Providing application forms to other public and private agencies that serve the low income population.
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities.

HACA Policy

HACA will monitor the characteristics of the population being served and the characteristics of the population as a whole in HACA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

HACA Policy

While the family is on the waiting list, the family must inform HACA of changes in family size or composition, preference status or contact information, including current residence, mailing address and phone number. The changes must be be requested through the applicant portal or submitted in writing to the Admissions department. Update forms are available at HACA's Central Office in English and in Spanish. Update forms may also be accessed via HACA's website at www.hacanet.org in the How to Obtain Housing section. Forms may be downloaded, printed and completed. Completed update forms may be mailed, faxed or submitted in person to HACA's Admissions department. To avoid unauthorized changes, a photo ID must be presented in person or via fax, to confirm the applicant's identity before any requested changes to the application are made by the Admissions department.

When submitting changes through the applicant portal Applicants will also have the option to report changes in family circumstances electronically via the Applicant Portal. When first logging into the portal, applicants will be required to provide identity information (name, date of birth, social security number) to access their account. Once verified, they will receive a username and password for future logins to the Applicant Portal. The portal will be accessible through HACA's website at www.hacanet.org.

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.

4-II.F. UPDATING THE WAITING LIST

HUD requires the PHA to establish policies to use when removing applicant names from the waiting list [24 CFR 960.202(a)(2)(iv)].

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to the PHA's request for information or updates because of the family member's disability, the PHA must, upon the family's request, reinstate the applicant family to their former position on the waiting list as a reasonable accommodation [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.

HACA Policy

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, HACA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that HACA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

[Back to Top](#)**Chapter 5****OCCUPANCY STANDARDS AND UNIT OFFERS****INTRODUCTION**

This chapter contains policies for assigning unit size and making unit offers. The Housing Authority of the City of Austin's (HACA) waiting list and selection policies are contained in Chapter 4. Together, Chapters 4 and 5 of the ACOP comprise HACA's Tenant Selection and Assignment Plan (TSAP).

Policies in this chapter are organized in two parts.

Part I: Occupancy Standards. This part contains HACA's standards for determining the appropriate unit size for families of different sizes and types.

Part II: Unit Offers. This part contains HACA's policies for making unit offers and describes actions to be taken when unit offers are refused.

PART I: OCCUPANCY STANDARDS**5-I.A. OVERVIEW**

Occupancy standards are established by HACA 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. Part I of this chapter explains the occupancy standards. These standards describe the methodology and factors that HACA will use to determine the size unit for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This part also identifies circumstances under which an exception to the occupancy standards may be approved.

5-I.B. DETERMINING UNIT SIZE

In selecting a family to occupy a particular unit, the PHA may match characteristics of the family with the type of unit available, for example, number of bedrooms [24 CFR 960.206(c)].

HUD does not specify the number of persons who may live in public housing units of various sizes. PHAs are permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children [PH Occ GB, p. 62].

Although the PHA does determine the size of unit the family qualifies for under the occupancy standards, the PHA does not determine who shares a bedroom/sleeping room.

The PHA's occupancy standards for determining unit size must be applied in a manner consistent with fair housing requirements.

HACA Policy

HACA will reference the following standards in determining the appropriate unit bedroom size for a family:

BEDROOM SIZE	MINIMUM NUMBER OF PERSONS	MAXIMUM NUMBER OF PERSONS
0 (efficiency)	1	1
1	1	2
2	2	4
3	3	6
4	6 ₄	8
5	7 ₅	10

To ensure appropriate use of needed resources, HACA will use these occupancy standards and the following guidelines. This will serve to ensure that families have the appropriate amount of space and are neither over housed nor under housed.

HACA will use the same occupancy standards for all of its developments. HACA’s occupancy standards are as follows:

- Generally, there is a minimum of one person and maximum of two people per bedroom. HACA does not determine who shares a bedroom.
- The family is given the choice of which bedroom size is appropriate for their family, as long as the number of family members is within the range listed in the chart above.
- Once the family has selected an eligible bedroom size they will be placed on the waiting list for that bedroom size. Changes to the bedroom size cannot be made unless a qualifying event occurs. Qualifying events include:
 - Changes in the family composition (removing or adding household members) which result in the family no longer being eligible for the chosen bedroom size.
 - Changes in the ages of children, resulting in two children of the opposite sex, with one at least seven (7) years of age. These children will not be required to share a bedroom.
 - Addition of persons of different generations (grandparent and grandchild, parent and child). These family members will not be required to share a bedroom.
 - Need for a different bedroom size as a reasonable accommodation for a disability.
- Generally, two persons are expected to share a bedroom. HACA will assign one bedroom for each two persons within the household, except in the following circumstances:
 - Two children of the opposite sex will not be required to share a bedroom, unless one of the children is under seven (7) years of age.
 - Persons of different generations (example: grandparent and grandchild; parent and child) will not be required to share a bedroom.
- A couple (married or unmarried, same sex or opposite sex) engaged in a consensual sexual relationship will be allocated one bedroom.
- Authorized live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide’s family.

In calculating the incremental difference, HACA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the families most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with HACA's interim reporting requirements (see chapter on reexaminations).

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program and other grant funds received from HUD.

HACA Policy

To qualify as a training program, the program must meet the definition of a *training program* provided above for state and local employment training programs.

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance. The earned income disallowance is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255]

The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to adult individuals in families already participating in the public housing program (not at initial examination). The disallowance is not available to adults who do not have eligible immigration status. Income increases that are disallowed pertain strictly to earned income only. 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 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 whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].

- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies or transportation assistance, the total amount received over the six-month period must be at least \$500.

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."

HACA Policy

HACA defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID. This income amount will be recorded on the family's last Form 50058.

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 eumulative and need not be consecutive.**

HACA Policy

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. This applies regardless of whether the eligible member reported the employment or increase in earnings in a timely manner (within 10 days of occurrence) or not. Example: an eligible family member reports a new job to the Housing Manager on June 12, 2008. HACA's third party verification confirms that the family member actually started employment on January 5, 2008. The initial EID exclusion period for this family member will begin on February 1, 2008.

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 eumulative and need not be consecutive.**

Lifetime Limitation

The EID has a ~~four~~**two**-year (~~48~~**24**-month) lifetime maximum. The ~~four~~**two**-year eligibility period begins at the same time that the initial exclusion period begins and ends ~~48~~**24** 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.

HACA Policy

During the 48²⁴-month eligibility period, HACA will conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends and at the end of the lifetime maximum eligibility period).

Individual Savings Accounts [24 CFR 960.255(d)]

HACA Policy

HACA chooses not to establish a system of individual savings accounts (ISAs) for Families who qualify for the EID.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family" [24 CFR 5.609(b)(2)].

Business Expenses

Net income is "gross income less business expense" [HCV GB, p. 5-19].

HACA Policy

To determine business expenses that may be deducted from gross income, HACA 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 the PHA to deduct from gross income expenses for business expansion.

HACA Policy

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 the PHA to deduct from gross income the amortization of capital indebtedness.

HACA Policy

Flat Rent Impact Analysis Calculation

In order to conduct a flat rent impact analysis, the PHA must multiply the family's current rent amount by 1.35 and compare the result to the flat rent under the PHA's policies.

Example: A family was paying a flat rent of \$500 per month. At their annual recertification, the PHA has increased the flat rent for their unit size to \$700. The PHA would conduct a flat rent impact analysis as follows:

$$\$500 \times 1.35 = \$675$$

Since the PHA's increased flat rent of \$700 would result in a rent increase of more than 35 percent, the PHA would offer the family the choice to pay either \$675 per month or an income-based rent. The flat rent increase would need to be phased in.

HACA Policy

HACA will review flat rents on an annual basis, and adjust them as necessary to ensure that flat rents continue to mirror market rent values. As required by Section 210 of the 2014 Appropriations Act, effective June 1, 2014 a PHA must also ensure that established flat rents are no less than 80 percent of the current applicable Fair Market Rents and that they will not cause a family's existing rental payment to increase more than 35 percent. The PHA will conduct a flat rent impact analysis to determine the percentage increase in the family's rent amount. If the increase is greater than 35 percent, the PHA will phase in the rent increase at the maximum amount annually over a three-year period so that it does not exceed 35 percent in any year until the flat rent is fully phased in. If the increase is 35 percent or less, there will be no phase-in. [Notice PIH 2014-12].

Flat Rents and Earned Income Disallowance [A&O FAQs]

Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurred.

A family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their 4824 month period would have the 12 ~~eumulative~~ months of full (100 percent) and phase-in (50 percent) exclusion continue while paying flat rent as long as the employment that is the subject of the exclusion continues, and the 4824-month lifetime limit would continue uninterrupted. A family paying flat rent could therefore see a family member's 4824-month lifetime limit expire while the family is paying flat rent.

Flat Rents and Mixed Families [A&O FAQs]

Mixed families electing to pay flat rent must first have a flat rent worksheet completed to see if the flat rent must be prorated. The worksheet is located in Appendix III of the *Form HUD-50058 Instruction Booklet*.

If the flat rent is greater than or equal to the public housing maximum rent, there is no proration of flat rent and the family pays the flat rent for the unit.

If the flat rent is less than the maximum rent, the worksheet will calculate a prorated flat rent. The mixed family will pay the prorated flat rent.

EXHIBIT 6-4: EARNED INCOME DISALLOWANCE

24 CFR 960.255 Self-sufficiency incentive—Disallowance of increase in annual income.

(a) *Definitions.* The following definitions apply for purposes of this section.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in public housing:

(i) Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;

(ii) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or

(iii) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least \$500.

(b) *Disallowance of increase in annual income.*

(1) *Initial 12-month exclusion.* During the 12-month period beginning on the date on which a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from the annual income (as defined in §5.609 of this title) of a qualified family any increase in the income of the family member as a result of employment over the baseline income of that family member.)

Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income (as defined in 5.609 of this title) of a qualified family any increase in income of the family member as a result of employment over prior income of that family member.

(2) *Phase-in of rent increase.* Upon the expiration of the 12-month period defined in paragraph (b)(1) of this section and for the subsequent 12-month period, the PHA must exclude from the annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

(3) *Maximum 2-year disallowance.* The disallowance of increased income of an individual family member as provided in paragraph (b)(1) or (b)(2) of this section is limited to a lifetime 24-month period. It applies for a maximum of 12 months for disallowance under paragraph (b)(1) of this section and a maximum of 12 months for disallowance under paragraph (b)(2) of this section, during the 24-month period starting from the initial exclusion under paragraph (b)(1) of this section.

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(4) Effect of changes on currently participating families. Families eligible for and participating in the disallowance of earned income under this section prior to May 9, 2016 will continue to be governed by this section in effect as it existed immediately prior to that date.

(2) Second twelve-month exclusion and phase-in. During the second cumulative twelve-month period after the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four-year disallowance. The disallowance of increased income of an individual family member as provided in paragraph (b)(1) or (b)(2) of this section is limited to a lifetime 48-month period. It only applies for a maximum of twelve months for disallowance under paragraph (b)(1) and a maximum of twelve months for disallowance under paragraph (b)(2), during the 48-month period starting from the initial exclusion under paragraph (b)(1) of this section.

(c) Inapplicability to admission. The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program (including the determination of income eligibility and income targeting).

(d) Individual Savings Accounts. As an alternative to the disallowance of increases in income as a result of employment described in paragraph (b) of this section, a PHA may choose to provide for individual savings accounts for public housing residents who pay an income-based rent, in accordance with a written policy, which must include the following provisions:

- (1) The PHA must advise the family that the savings account option is available;
- (2) At the option of the family, the PHA must deposit in the savings account the total amount that would have been included in tenant rent payable to the PHA as a result of increased income that is disallowed in accordance with paragraph (b) of this section;
- (3) Amounts deposited in a savings account may be withdrawn only for the purpose of:
 - (i) Purchasing a home;
 - (ii) Paying education costs of family members;
 - (iii) Moving out of public or assisted housing; or
 - (iv) Paying any other expense authorized by the PHA for the purpose of promoting the economic self-sufficiency of residents of public housing;
- (4) The PHA must maintain the account in an interest bearing investment and must credit the family with the net interest income, and the PHA may not charge a fee for maintaining the account;
- (5) At least annually the PHA must provide the family with a report on the status of the account; and
- (6) If the family moves out of public housing, the PHA shall pay the tenant any balance in the account, minus any amounts owed to the PHA

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings and machinery. This means HACA 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 the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

HACA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of \$2,000 to help a business get started, HACA 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

HACA Policy

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-I.G. ASSETS [24 CFR 5.609(b)(3), ~~and~~ 24 CFR 5.603(b) and 24 CFR 960.259]

Overview

There is no asset limitation for participation in the public housing program. However, HUD requires that the PHA include in annual income the "interest, dividends and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

General Policies

On January 22, 2013 HUD issued Notice PIH 2013-03 effective until March 31, 2014. The notice acknowledges and addresses the budget and staff constraints that PHAs have had to face in recent years. On November 5, 2013, HUD issued Notice PIH 2013-26 to extend for an additional year the temporary compliance provisions described in Notice PIH 2013-03. Originally set to expire on March 31, 2014, the notice will now remain effective until March 31, 2015.

To address these burdens, the notice gives a series of four optional methods to reduce administrative burden. On January 22, 2013 HUD issued Notice PIH 2013-03 which granted administrative relief to PHAs by allowing applicant and resident self-certification of assets and the income from assets with a net value of less than \$5000. This administrative relief was temporary and renewed through 2015.

On March 8, 2016, HUD published the Streamling Rule in the Federal Register. This rule made permanent changes to the way assets were verified, although with modifications to the process outlined in Notice PIH 2013-03.

The approved method to reduce administrative burden and streamline income recertification efforts states the following:

- Applicants must provide full third party verification (i.e. bank statements) at the time of determination of income eligibility.
 - For a resident family with net assets equal to or less than \$5,000, a PHA may accept, for purposes of recertification of income, a family's declaration that it has net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. The declaration must state the amount of income the family expects to receive from such assets; this amount must be included in the family's income.
- However, the PHA must obtain full third-party verification of assets every three years., allows HACA to accept a family's written self-declaration of the amount of assets equal to or less than \$5,000, and the amount of income expected to be received from those assets. This Asset verification method is approved through March 31, 2014 and any approved HUD extensions of this provision. If HUD doesn't approve an extension of this Asset verification method beyond March 31, 2014, HACA will verify all Assets following the verification hierarchy requirements.

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The following HACA forms, which are signed by all adult family members, will serve as documentation of the family's self-declaration of asset income: HACA housing application, HACA's Continued Occupancy Form and the Public Housing Update Form. If the family has net family assets equal to or less than \$5,000, HACA will not request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. If the family has net assets in excess of \$5,000, HACA will request supporting documentation (e.g. bank statements) from the family to confirm the assets.

Any assets reported by the family will be reported on the HUD Form 50058.

Income from Assets

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA

The tenant rent calculations must reflect any changes in the PHA's utility allowance schedule [24 CFR 960.253(c)(3)].

HACA Policy

Unless HACA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first interim or annual reexamination after the allowance is adopted.

6-III.D. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]

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. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PHA must:

- (1) Subtract the TTP from a **maximum the PHA-established flat** rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible (**family maximum subsidy**).
- (2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).
- (3) Multiply the member maximum subsidy by the number of eligible family members.
- (4) Subtract the subsidy calculated in the last step from the **maximum PHA-established flat rent applicable to the unit**. This is the prorated TTP.
- (5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

HACA Policy

Revised public housing **maximum flat** rents will be applied to a family's rent calculation at the first interim or annual reexamination after the revision is adopted. In instances where a mixed family's TTP is higher than the current **maximum flat** rent amount for the family's bedroom size, HACA will apply the higher TTP for purposes of determining family rent.

For policies related to the establishment of the public housing **maximum flat** rent see Chapter 16.

6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]

Flat Rents [24 CFR 960.253(b)]

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Changes in family income, expenses or composition will not affect the flat rent amount because it is outside the income-based formula.

Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and review of flat rents are contained in Chapter 16.

conditioning installed. A surcharge schedule for air conditioning has been established at the following properties:

- Lakeside Apartments
- Salina Apartments
- North Loop Apartments

176-I.D. NOTICE REQUIREMENTS [965.502]

The PHA must give notice to all residents of proposed allowances and scheduled surcharges, and revisions thereof. The notice must be given in the manner provided in the lease and must:

- Be provided at least 60 days before the proposed effective date of the allowances, scheduled surcharges or revisions.
- Describe the basis for determination of the allowances, scheduled surcharges or revisions, including a statement of the specific items of equipment and function whose utility consumption requirements were included in determining the amounts of the allowances and schedule of surcharges.
- Notify residents of the place where the PHA's documentation on which allowances and surcharges are based is available for inspection.
- Provide all residents an opportunity to submit written comments during a period expiring not less than 30 days before the proposed effective date of the allowances, scheduled surcharges or revisions.

176-I.E. REASONABLE ACCOMMODATION [24 CFR 965.508]

On request from a family that includes a disabled or elderly person, the PHA must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family [PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

PART II: ESTABLISHING FLAT RENTS AND PUBLIC HOUSING MAXIMUM RENTS

176-II.A. OVERVIEW

Flat rents are designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Public housing maximum flat rents are needed-also used to prorate assistance for a mixed family. A mixed family is one whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigrations status [24 CFR 5.504].

This part discusses how the PHA establishes and updates flat rents and public housing maximum rents. Policies related to the use of flat rents, family choice of rent, flat rent hardships and public housing maximum use of flat rents for prorating assistance for mixed families are discussed in Chapter 6.

176-II.B. FLAT RENTS [24 CFR 960.253(b), United States Housing Act of 1937 (42 U.S. Code § 1437a(a)(2)(B)(i), Notice PIH 2014-12 and Notice PIH 2015-13]

Establishing Flat Rents

Flat rents for public housing units are based on the market rent charged for comparable units in the private unassisted rental market. The flat rent should be equal to the estimated rent for which the PHA could promptly lease the public housing unit after preparation for occupancy. As required by Section 210 of the 2014 Appropriations Act and further amended by the 2015 Appropriations Act, PHAs must ensure that the flat rent is no less than the lower of 80 percent of:

1. the applicable Fair Market Rents established under Section 8(c) of the United States Housing Act of 1937; or
2. at the discretion of the Secretary, such other applicable fair market rental established by the Secretary that the Secretary determines more accurately reflects local market conditions and is based on an applicable market area that is geographically smaller than the applicable market area used for purposes of the applicable fair market rental under Section 8(c) of the United States Housing Act of 1937.

Notice PIH 2015-13 further identifies that the Small Area Fair Market Rentals (SAFMR) established by HUD satisfies the criteria identified as the second option. Whether the PHA chooses the FMR or the SAFMR, the flat rent is subject to utility adjustments. PHAs are now required to apply a utility allowance to flat rents. Flat rents at 80 percent of the FMR or SAFMR must be reduced by the amount of the unit's utility allowance, if any. Should the 80 percent threshold increase a family's existing rental payment by more than 35 percent, the new flat rent must be phased in to ensure existing rental payments do not increase by more than 35 percent annually.

Review of Flat Rents

The PHA must ensure that flat rents continue to mirror market rent values as well as comply with the provisions laid out in the 2014 Appropriations Act and PIH Notice 2014-12. No later than 90 days after HUD publishes new annual FMRs, PHAs must revise flat rents as necessary based on the rent reasonableness analysis and changes to the FMR. The PHA must offer changes to the flat rent to all new admissions and to existing families at the next annual rent option.

If the FMR falls from year to year, the PHA may, but is not required to, lower the flat rent to 80 percent of the current FMR.

HACA Policy

HACA will review flat rents on an annual basis, and adjust them as necessary to ensure that flat rents continue to mirror market rent values, are no less than 80% of the current applicable Fair Market Rents(FMR) or Small Area Fair Market Rents (SAFMR)and will not cause a family's existing rental payment to increase more than 35%. If the FMR or SAFMR is lower than the previous year, HACA may reduce flat rents to at least 80 percent of the current FMR or SAFMR.

PHAs that determine that reasonable rents would be less than 60 percent of the applicable FMR may choose to request an exception flat rent. In order to demonstrate the need for an exception flat rent, PHAs are required to submit a market analysis methodology that demonstrates the value for the unit. While HUD does not prescribe a particular formula for determining the

market analysis, PHAs must compare the public housing unit in the area using the following factors:

- Location, quality, size, unit type, age of the unit, and
- Amenities, housing services, maintenance, and utilities the PHA will provide under the lease.

HACA Policy

If HACA determines that reasonable rents would be less than 60 percent of the applicable FMR, the HACA will request an exception flat rent and conduct the market survey.

Posting of Flat Rents

HACA Policy

HACA will publicly post the schedule of flat rents in a conspicuous manner in the applicable HACA community's bulletin board as well as at HACA's Central Office.

Documentation of Flat Rents [24 CFR 960 Interim Rule]

The PHA is not required to maintain documentation regarding the PHA's methods of determining a unit's flat rent, as the process setting flat rents is now less reliant upon discretionary actions by the PHA, except in the case of exception requests, which require documentation provided by PHAs.

16-H.C. PUBLIC HOUSING MAXIMUM RENTS

Establishing Public Housing Maximum Rents

PHAs are prohibited from making financial assistance available to persons who are not citizens or nationals of the United States, and to those who do not have eligible immigration status [24 CFR 5.500]. Therefore, in order to assist mixed families, PHAs must prorate assistance. Public housing maximum rents are needed in order to calculate the tenant rent for a mixed family.

The public housing maximum rent is based on value of the 95th percentile of the total tenant payment (TTP) for each tenant within the PHA. PHAs may calculate a maximum rent on either a PHA or project wide basis. A separate maximum rent can be provided for each separate project or projects may be combined into logical groups, if appropriate. HUD recommends that a single project basis be avoided for a project unless at least 50 dwelling units are involved.

PHAs may use the "direct comparison" or the "unit distribution" method for establishing the public housing maximum rents for each unit size. Appendix H, of Guidebook 7465.G, Restrictions on Assistance to Noncitizens provides detailed guidance on how to establish public housing maximum rents using the methodologies identified above.

Review of Public Housing Maximum Rents

HACA Policy

HACA will recalculate the public housing maximum rents on an annual basis.

Posting of Public Housing Maximum Rents

HACA Policy

HACA will publicly post the schedule of public housing maximum rents in a conspicuous manner in the applicable HACA community's bulletin board as well as at HACA's Central Office.

Documentation of Public Housing Maximum Rents

HACA Policy

HACA will maintain records that document how HACA determined the 95th percentile of TTP whether the maximum rent was determined HACA wide, project wide or with groupings of projects and the methodology used to determine maximum rents for each unit size.

PART III: FAMILY DEBTS TO THE PHA

176-III.A. OVERVIEW

This part describes the PHA's policies for recovery of monies owed to the PHA by families.

HACA Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, HACA holds the family liable to repay any difference between underpayments to HACA and the actual amounts owed to HACA.

HACA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover actual amounts owed as determined by HACA. When a family refuses to repay monies owed to HACA, HACA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

176-III.B. REPAYMENT POLICY

Family Debts to the PHA

HACA Policy

Any amount owed to HACA by a public housing family must be repaid. If the family is unable to repay the debt within 30 days of receipt of written notification of the full amount, HACA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement or breaches a repayment agreement, HACA will terminate the family's tenancy in accordance with the policies in Chapter 13. HACA will also pursue other modes of collection.

General Repayment Agreement Guidelines

Payment Thresholds

Notice PIH 2010-19 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination HACA may request documents that support submitted financial statements such as manifests, appointment books, cashbooks or bank statements.

If a family member has been self-employed less than 3 months, HACA will accept the family member's certified estimate of income. If the family member has been self-employed for 3 to 12 months, HACA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Streamlined Income Determination of Fixed Income Sources [24 CFR 960.257]

On March 8, 2016 HUD published the Streamlining Rule in the Federal Register. According to this rule, for any family member with a fixed source of income, a PHA may elect to determine that family member's income by means of a streamlined income determination. A streamlined income determination must be conducted by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

HACA Policy

HACA will apply this streamlined income determination for all fixed income sources in the following way:

- HACA will only use the streamlined income determination as part of a reexamination. HACA will require third-party verification of all income for applicants during the admissions process.
- A "family member with a fixed source of income" is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:
 - Social Security, Supplemental Security Income, Supplemental Disability Insurance;
 - Federal, state, local, or private pension plans;
 - Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or
 - Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.
- HACA will use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount. HACA will verify the appropriate COLA or current rate of interest from a public source or through tenant-provided, third party-generated documentation. If no such verification is available, then HACA will obtain third-party verification of income amounts in order to calculate the change in income for the source.
- For any family member whose income is determined pursuant to a streamlined income determination, HACA will obtain third-party verification of all income amounts every 3 years.

Social Security/SSI Benefits

HACA Policy

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To verify the SS/SSI benefits of applicants, HACA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member who receives social security benefits. If a family member is unable to provide the document, HACA help the applicant request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the original benefit verification letter, it will be required to provide the letter to HACA.

To verify the SS/SSI benefits of residents, HACA will follow the streamlined income determination outlined above. When third-party verification is required, HACA will obtain information about social security/SSI benefits through HUD's EIV system and confirm with the resident(s) that the current listed benefit amount is correct. If the resident disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, HACA will request a current SSA benefit verification letter from each family member that receives social security benefits. If a family member is unable to provide the document, HACA will help the resident request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the benefit verification letter, it will be required to provide the letter to HACA.

7-III.D. ALIMONY OR CHILD SUPPORT

HACA Policy

The way HACA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

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

- As a form of upfront income verification, HACA will access child support information via the Texas Office of Attorney General (OAG) child support online portal. Information accessed is limited to the custodial parent's case number(s), names of children related to each listed case, and a record of the last 12 payments received for each case, if any. Written consent by the family is secured via the OAG Form 1825, which is kept in the family's file.
- Copy of the receipts and/or payment stubs for the most recent 3 month period prior to the recertification effective date
- Copy of divorce decree to include signed child support and/or alimony order
- If the custodial parent does not have a Social Security number, or if HACA is unable to access the custodial parent's case information for any other reason, HACA will request a third party written verification from the state or local child support enforcement agency
- Third-party verification form from the person paying the support.
- 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 the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, HACA may require the family to provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

exemption status. This will ensure that the head of household is aware of the CSSR status and requirements of all household members.

11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]

Annual Determination

Determination of Exemption Status

An exempt individual is excused from the CSSR [24 CFR 960.603(a)].

HACA Policy

At least 60 days prior to lease renewal, HACA 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 HACA has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.

Upon completion of the verification process, HACA will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.

Determination of Compliance

The PHA must review resident family compliance with the CSSR annually, at least 30 days prior to the end of the 12-month lease term [24 CFR 960.605(c)(3)]. As part of this review, the PHA must verify that any family member that is not exempt from the CSSR has met his or her service obligation.

HACA Policy

Approximately 90 days prior to the end of the lease term, HACA will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will be required to submit HACA required documentation form(s) at their scheduled annual reexamination interview.

If the family fails to submit the required documentation at the interview, or by the HACA approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.

Change in Status between Annual Determinations

HACA Policy

Exempt to Nonexempt Status

If an exempt individual becomes nonexempt during the 12-month lease term, it is the family's responsibility to report this change to HACA within 10 calendar days.

Within 10 business days of a family reporting such a change, or HACA determining such a change is necessary, HACA will provide a 30-day written

notice of the effective date of the requirement, and a copy of the CSSR Information Packet which includes the CSSR policy, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of non-exemption will be the first of the month following 30-day notice.

Nonexempt to Exempt Status

If a nonexempt person becomes exempt during the 12-month lease term, it is the family's responsibility to report this change to HACA within 10 calendar days. Any claim of exemption will be verified by HACA in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.

Within 10 business days of a family reporting such a change, or HACA determining such a change is necessary, HACA will provide the family written notice that the family member is no longer subject to the CSSR, if HACA is able to verify the exemption.

The exemption will be effective immediately.

11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4) and 24 CFR 960.607]

The PHA must retain reasonable documentation of CSSR performance or exemption in participant files.

Documentation and Verification of Exemption Status

HACA Policy

All family members who claim they are exempt from the CSSR will be required to sign the CSSR exemption certification form. HACA will provide a completed copy to the family upon request and will keep a copy in the tenant file.

HACA will verify that an individual is exempt from the CSSR by following the verification hierarchy and documentation requirements in Chapter 7.

HACA makes the final determination whether or not to grant an exemption from the CSSR. If a resident does not agree with HACA determination, s/he can dispute the decision through the HACA's grievance procedures (see Chapter 14).

Documentation and Verification of Compliance

At each regularly scheduled reexamination, each nonexempt family member presents **a signed standardized certification form developed by the PHA documentation** of CSSR activities performed over the last 12 months **[Notice PHH 2009-48]**.

PHAs must obtain third-party verification of CSSR completion administered through outside organizations. Each PHA develops a standardized form with places for signature confirmation by supervisors, instructors, or counselors certifying the number of hours contributed. Additional supporting documentation may be requested of the resident to verify CSSR participation or exemption. Acceptable documentation demonstrating compliance include the following:

- A signed certification to the PHA by such other organization where the family performed the qualifying activities stating who performed the activities, when they were performed and for how many hours.
- A signed self-certification to the PHA by the family member stating that he or she has performed the qualifying activities. The signed self-certification must include the following:
 - A statement that the family member contributed at least 8 hours per month of community service not including political activities within the community in which the adult resides; or participated in an economic self-sufficiency program (as that term is defined in 24 CFR 5.603(b)) for at least 8 hours per month;
 - The name, address, and a contact person at the community service provider; or the name, address, and contact person for the economic self-sufficiency program;
 - The date(s) during which the tenant completed the community service activity, or participated in the economic self-sufficiency program;
 - A description of the activity completed; and
 - A certification that the tenant's statement is true.

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Copies of the certification forms and supporting documents must be retained in the PHA files. If the PHA accepts self-certifications, the PHA must validate a sample of these self-certifications using third-party verification.

HACA Policy

HACA will accept both third-party verification and self-certification of completion of the CSSR. If anyone in the family is subject to the CSSR, HACA will provide the family with CSSR documentation forms at move-in, at lease renewal, when a family member becomes subject to the requirement during the lease term, or upon request by the family.

Each individual who is subject to the requirement will be required to record their CSSR activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors and counselors certifying to the number of hours contributed. Or the family member can provide the self-certification as outlined above.

Families will be required to submit the documentation to HACA, upon request by HACA.

If HACA has reasonable cause to believe that the certification provided by the family is false or fraudulent, HACA has the right to request additional documentation be provided by the resident to verify CSSR participation.

An individual subject to the CSSR must complete the hours him/ herself. No other resident may perform the CSSR hours on another resident's behalf. CSSR hours may not be "donated" by another resident to an individual subject to completion of community service.

HACA will validate a sample of self-certifications. On an annual basis (beginning at the anniversary date of the implementation of self-certification), HACA will determine the number of family members that self-certified their CSSR for the previous 12 months. Then, using the chart below, HACA will determine the appropriate sample size and validate the self-certifications. [PIH Notice 2016-06, Attachment C]

<u>Universe Size</u>	<u>Sample Size AT LEAST</u>
<u>< or = 10</u>	<u>ALL</u>
<u>15</u>	<u>13</u>
<u>20</u>	<u>16</u>
<u>25</u>	<u>19</u>
<u>30</u>	<u>21</u>
<u>35</u>	<u>24</u>
<u>40</u>	<u>26</u>
<u>50</u>	<u>29</u>
<u>60</u>	<u>33</u>
<u>100</u>	<u>41</u>
<u>150</u>	<u>47</u>
<u>200</u>	<u>51</u>
<u>250</u>	<u>54</u>
<u>300</u>	<u>56</u>
<u>350</u>	<u>57</u>
<u>400</u>	<u>58</u>
<u>450</u>	<u>59</u>
<u>500</u>	<u>60</u>
<u>600</u>	<u>61</u>
<u>700</u>	<u>62</u>
<u>800</u>	<u>63</u>
<u>900</u>	<u>63</u>
<u>1000</u>	<u>64</u>
<u>1500</u>	<u>65</u>
<u>2500</u>	<u>66</u>

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11-I.E. NONCOMPLIANCE

Initial Noncompliance

The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the CSSR. Violation of the requirement is grounds for nonrenewal of the lease at the end of the 12-month lease term, but not for termination of tenancy during the course of the 12-month lease term [24 CFR 960.603(b)].

If the tenant or another family member has violated the CSSR, the PHA may not renew the lease upon expiration of the 12-month term of the lease, unless the tenant and any other noncompliant family member enter into a written work-out agreement with the PHA. Under this agreement the tenant or noncompliant family member must agree to cure the noncompliance by completing the additional CSSR hours needed to make up the total number of hours required, over the 12-month term of the new lease. In addition, all other members of the family who are subject to the requirement must be in compliance or must no longer be residing in the unit [24 CFR 960.607(c)], Notice PIH 2009-48].

Notice of Initial Noncompliance [24 CFR 960.607(b)]

A transfer that is required by the PHA is an adverse action, and is subject to the notice requirements for adverse actions [24 CFR 966.4(e)(8)(i)].

12-II.B. TYPES OF PHA REQUIRED TRANSFERS

HACA Policy

The types of transfers that may be required by HACA, include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization or rehabilitation, transfers to comply with income eligibility requirements at properties that will be converting to RAD with layered tax credits or other federal, state or local finance guidelines or restrictions, and emergency transfers as discussed in Part I of this chapter.

Transfers required by HACA are mandatory for the tenant.

Transfers to Make an Accessible Unit Available

When a family is initially given an accessible unit, but does not require the accessible features, the PHA may require the family to agree to move to a non-accessible unit when it becomes available [24 CFR 8.27(b)].

HACA Policy

When a non-accessible unit becomes available, HACA will transfer a family living in an accessible unit that does not require the accessible features, to an available unit that is not accessible. HACA may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit. This policy is incorporated into the housing lease.

Occupancy Standards Transfers

The PHA may require a resident to move when a reexamination indicates that there has been a change in family composition, and the family is either overcrowded or over-housed according to PHA policy [24 CFR 960.257(a)(4)]. On some occasions, the PHA may initially place a resident in an inappropriately sized unit at lease-up, where the family is over-housed, to prevent vacancies. The public housing lease must include the tenant's agreement to transfer to an appropriately sized unit based on family composition [24 CFR 966.4(c)(3)].

HACA Policy

HACA will transfer a family when the family size has changed and the family is now too large (overcrowded) or too small (over-housed) for the unit occupied.

For purposes of the transfer policy, overcrowded and over-housed are defined as follows:

- *Overcrowded*: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.
- *Over-housed*: the family no longer qualifies for the bedroom size in which they are living based on HACA's occupancy standards as described in Section 5-I.B.

HACA may also transfer a family who was initially placed in a unit in which the family was over-housed to a unit of an appropriate size based on HACA's occupancy standards, when HACA determines there is a need for the transfer.