

HOUSING AUTHORITY OF THE CITY OF FOUNTAIN

**ADMISSIONS AND
CONTINUED OCCUPANCY POLICY**

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ADMISSIONS AND CONTINUED OCCUPANCY POLICY

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The Housing Authority of the City of Fountain (FHA) will administer the Public Housing Program in a manner that will insure consistent and fair treatment to all persons interested in program participation.

I. Nondiscrimination and Accessibility

A. Complying with Civil Rights Laws

1. Civil rights laws protect the rights of applicants and residents to equal treatment by the FHA in the way it carries out its programs. It is the policy of the FHA to comply with all Civil Rights laws, including but not limited to:

- Title VI of the Civil Rights Act of 1964, which forbids discrimination on the basis of race, color, religion, national origin or sex;
- Title VIII of the Civil Rights Act of 1968 (as amended by the 1974 HCDA and the Fair Housing Amendments Act of 1988), which extends protection against discrimination based on disability and familial status, and spells out forms of prohibited discrimination;
- Executive Order 11063;
- Section 504 of the Rehabilitation Act of 1973, which describes specific housing rights of persons with disabilities;
- The Age Discrimination Act of 1975, which establishes certain rights of the elderly;
- Title II of the Americans with Disabilities Act of 1990 (ADA) which requires that the FHA provide individuals with disabilities with access to its programs, services and activities including, common areas and public spaces. However, Title II does not require that individual housing units be accessible to individuals with disabilities; rather, Section 504 and the Fair Housing Act governs access for individuals with disabilities to the FHA's housing units.
- Any applicable State laws or local ordinances, and
- Any legislation protecting the individual rights of tenants, applicants or staff that may subsequently be enacted.

2. The FHA shall not discriminate because of race, color, national origin, sex, religion, familial status, sexual orientation or disability in the leasing, rental, occupancy, use, or other disposition of housing or related facilities, including land that is part of a development under the FHA's jurisdiction covered by a public housing Annual Contributions Contract with HUD.

3. FHA shall not, on account of race, color, national origin, sex, religion, familial status, sexual orientation or disability:

- (a) Deny anyone the opportunity to apply for housing (when the waiting list is open), nor deny to any qualified applicant the opportunity to lease housing suitable to its needs;
- (b) Provide anyone housing that is different (of lower quality) from that provided to others;
- (c) Subject anyone to segregation or disparate treatment;

- (d) Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;
- (e) Treat anyone differently in determining eligibility or other requirements for admission;
- (f) Deny anyone access to the same level of services; or
- (g) Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program.

4. FHA shall not automatically deny admission to otherwise qualified applicants because of their membership in some group to which negative behavior may be imputed. Instead, each applicant who is a member of a particular group will be treated as an individual based on his or her attributes and behavior.

5. FHA shall correct situations or procedures that create a barrier to equal housing opportunity for all. To permit people with disabilities to take full advantage of the FHA's housing program and non-housing programs, in accordance with Section 504, and the Fair Housing Amendments Act of 1988, there are requirements, optional actions and prohibitions:

- (a) FHA must, upon request by an applicant or resident with a disability:
 - make structural modifications to its housing and non-housing facilities; and
 - make reasonable accommodations in its procedures or practices, **unless** such structural modifications or reasonable accommodations
 - would result in an undue financial and administrative burden on the Authority, or
 - would result in a fundamental alteration in the nature of the program.
- (b) In making structural modifications to "Existing housing programs" or in carrying out "Other Alterations" for otherwise qualified persons with disabilities, FHA may, but is not required to:
 - Make each of its existing facilities accessible;
 - make structural alterations when other methods can be demonstrated to achieve the same effect;
 - Make structural alterations that require the removal or altering of a load-bearing structural member; or
 - Provide an elevator in any multifamily housing project solely for the purpose of locating accessible units above or below the grade level.
- (c) When the FHA is making "Substantial Alterations" to an existing housing facility, FHA may, but is not required to:
 - Provide an elevator in any multifamily housing project solely for the purpose of locating accessible units above or below the grade level;
 - Make structural alterations that require the removal or altering of a load-bearing structural member; or

- Make structural alterations to meet minimum accessibility requirements where it is structurally impracticable.

6. FHA will not permit these policies to be subverted to do personal or political favors. FHA will not offer units in an order different from that prescribed by this policy, since doing so violates the policy, federal law, and the civil rights of the other families on the waiting list.

B. Making Programs and Facilities Accessible to People with Disabilities

1. Facilities and programs used by residents will be accessible to a person in a wheelchair. Application and management offices, hearing rooms, community centers, day care centers, laundry facilities, craft and game rooms, etc. (to the extent that the FHA has such facilities) will be usable by residents with a full range of disabilities. To the extent that the FHA offers such facilities, if none is already accessible, some will be made so, subject to the undue financial and administrative burden test.

2. Documents used by applicants and residents will be accessible for those with vision or hearing impairments. Also, all documents will be written simply and clearly to enable applicants with learning or cognitive disabilities to understand as much as possible. Unless prohibited by local law, documents may be translated into languages other than English.

3. FHA will present examples to help applicants and residents understand eligibility, rent computation, applicant screening, reasonable accommodations, and lease compliance. In writing materials for applicants and residents, FHA staff will be prepared to explain rules and benefits verbally, as often as may be needed, because some disabilities may affect an applicant's ability to read or understand.

4. When FHA has initial contact with the applicant, FHA staff will ask whether the applicant requires an alternate form of communication. Examples of alternative forms of communication might include, but are not limited to: a qualified sign language interpreter provided for and paid for by the FHA; having written materials explained orally by staff either in person or by telephone; provision of written materials in large/bold font; information on audiocassette; permitting applicants to file applications by mail; and, permitting alternative sites for the receipt of applications. In addition, the FHA's obligation to provide alternative forms of communication to persons with disabilities does not preclude an individual's right to have a friend, relative or advocate accompany him/her for purposes of conducting business with the FHA.

5. Some applicants will not be able to read (or to read English), so intake staff must be prepared to read and explain anything that they would normally hand to an applicant to be read or filled out. Applicants who read or understand little English may furnish an interpreter who can explain what is going on. FHA is not required to pay the costs associated with having a foreign language interpreter (as they are for a sign language interpreters for the hearing impaired because the Fair Housing law makes no such requirement).

6. At a minimum, FHA will prepare information to be used by applicants and residents in plain-language accessible formats.

II. Eligibility for Admission and Processing of Applications

A. Affirmative Marketing

1. FHA will conduct affirmative marketing, as needed, so that the waiting list includes a mix of applicants with races, ethnic backgrounds, ages and disabilities proportionate to the mix of those groups in the eligible population of the area. All marketing efforts will include outreach to those least likely to apply.

2. Marketing and informational materials will:

- (a) Comply with Fair Housing Act requirements on wording, logo, size of type, etc.;
- (b) Describe the housing units, application process and waiting list structure accurately;
- (c) Use clear and easy to understand terms and more than strictly English-language print media;
- (d) Contact agencies that serve potentially qualified applicants least likely to apply (e.g. the disabled) to ensure that accessible/adaptable units are offered to applicants who need their features;
- (e) Make clear who is eligible: low income individuals and families; working and nonworking people; and people with both physical and mental disabilities; and
- (f) Be clear about FHA's responsibility to provide reasonable accommodations to people with disabilities.

B. Qualification for Admission

1. It is FHA's policy to admit **only** qualified applicants.

2. An applicant is qualified if he or she meets all of the following criteria:

- (a) Is a family. A family consists of two (2) or more persons that have a family type of relationship or a single person who is:
 - eligible to receive old age benefits under Title II of the Social Security Act; or
 - a remaining member of a tenant family; or
 - displaced by government action or when a family dwelling has been extensively damaged and recognized as a federal disaster; or
 - disabled; or
 - single pregnant females; or
 - any other single person;
- (b) Meets HUD requirements on citizenship or immigration status, as set forth in Section II C. of this policy;

- (c) Has an Annual Income (as defined in Section XI of this document) at the time of admission that does not exceed the income limits (maximum incomes by family size established by HUD) posted in FHA offices;
- (d) Provides documentation of Social Security numbers for all household members or certifies that he/she does not have a Social Security numbers, as set forth in Section II D. of this policy; and
- (e) Meets the Applicant Selection Criteria in Section II. F. of these policies, including completing a FHA-approved pre-occupancy orientation session if requested.

C. Restriction on Assistance to Non-citizens

By law, only U.S. citizens and eligible non-citizens may benefit from federal rental programs. Compliance with these rules ensures that only eligible families may be qualified for admission to the property. These requirements apply to families making application to the property, families on the waiting list, and tenants. This paragraph describes the procedures the FHA shall use to determine applicant eligibility based on citizenship/immigration status.

1. Family's Citizenship/Immigration Status.

- (a) All family members, regardless of age, shall declare their citizenship or eligible immigration status.
- (b) Non-citizens (except those age 62 and older) shall sign a Verification Consent Form and submit documentation of their status or sign a declaration that they do not claim to have eligible status. Non-citizens age 62 and older shall sign a declaration of eligible immigration status and provide a proof of age document. U.S. citizens shall sign a declaration of citizenship.
- (c) A mixed family—a family with one or more ineligible family members and one or more eligible family members—may receive, prorated assistance, continued assistance, or a temporary deferral of termination of assistance. Applicants who hold a non-citizen student visa are ineligible for assistance, as are any non-citizen family members living with the student.

2. Reviewing a Family's Citizenship/Immigration Status.

- (a) The FHA shall determine the applicant's citizenship or immigration status during the initial eligibility determination, prior to move-in.
- (b) As part of the annual or interim recertification process, the FHA shall determine the citizenship/immigration status of tenants from whom the FHA has not previously

collected the proper documentation or whose documentation suggested that their status was likely to change.

- (c) If the status of a family member in a mixed family changes from ineligible to eligible, the family may request an interim recertification.
- (d) The required evidence of citizenship/immigration status for any new family member shall be submitted at the first interim or regular recertification after the person moves to the unit.

3. Notification to Applicants.

- (a) The FHA shall give each applicant, at the time of application, notification of the requirement either to submit evidence of citizenship or eligible immigration status or to choose not to claim eligible status. The notification shall:
 - i. State that financial assistance is contingent on submission and verification of citizenship or eligible immigration status;
 - ii. Describe the type of evidence that shall be submitted;
 - iii. Give the time period in which evidence shall be submitted; and
 - iv. State that assistance may be prorated, denied, or terminated if any or all family members are determined ineligible for assistance.
- (b) The FHA may notify families that they are eligible for assistance, or for partial assistance, as a mixed family.
- (c) The FHA shall notify families in writing if they are found to be ineligible based upon citizenship/immigration status.

4. FHA Preparation to Collect Documentation of Citizenship/Immigration Status.

The FHA is required to verify with the Department of Homeland Security (DHS) the validity of documents provided by applicants. The FHA shall obtain the following documentation for each family member regardless of age:

- (a) From U.S. citizens, a signed declaration of citizenship. The FHA may require verification of the declaration by requiring presentation of a U.S. birth certificate or U.S. passport;
- (b) From non-citizens 62 years and older, a signed declaration of eligible non-citizen status and proof of age;
- (c) From non-citizens under the age of 62 claiming eligible status:
 - i. A signed declaration of eligible immigration status;
 - ii. A signed consent form; and
 - iii. One of the DHS-approved documents listed below:

- Form I-551, Alien Registration Receipt Card (for permanent resident aliens).
 - Form I-94, Arrival-Departure Record annotated with one of the following:
 1. “Admitted as a Refugee Pursuant to Section 207”;
 2. “Section 208” or “Asylum”;
 3. “Section 243(h)” or “Deportation stayed by Attorney General”; or
 4. “Paroled Pursuant to Section 212(d)(5) of the INA.”
 - Form I-94, Arrival-Departure Record (with no annotation) accompanied by one of the following:
 1. A final court decision granting asylum (but only if no appeal is taken);
 2. A letter from an DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from a DHS district director granting asylum (application filed was before October 1, 1990);
 3. A court decision granting withholding of deportation; or
 4. A letter from an asylum officer granting withholding of deportation (if application was filed on or after October 1, 1990).
 - Form I-688, Temporary Resident Card annotated “Section 245A” or “Section 210.”
 - Form I-668B, Employment Authorization Card annotated “Provision of Law 274a.12(11)” or “Provision of Law 274a.12.”
 - A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicant’s entitlement to the document has been verified.
 - Form I-151, Alien Registration Receipt Card.
 - Other acceptable evidence. If other documents are determined by the DHS to constitute acceptable evidence of eligible immigration status, they shall be announced by notice published in the Federal Register.
- (d) Non-citizens not claiming eligible immigration status may elect to sign a statement that they acknowledge their ineligibility for assistance.

5. Timeframes for Submitting Evidence of Citizenship/Immigration Status to the FHA.

Applicants shall submit required documentation of citizenship/immigration status no later than the date the FHA initiates verification of other eligibility factors. If the applicant cannot supply the documentation within the FHA’s specified timeframe, the FHA may grant the applicant an extension of not more than 30 days, but only if the applicant certifies that the documentation is temporarily unavailable and additional time is needed to collect and submit the required documentation. The FHA shall inform the applicant in

writing if an extension request is granted or denied and set forth the new deadline for submitting the documentation. If the request is denied, the FHA shall inform the applicant in writing of the reasons for the denial.

6. Prohibition Against Delay of Assistance.

The FHA may not delay the family's assistance if the family has submitted its immigration documentation in a timely manner but the DHS verification or appeals process has not been completed. If a unit is available, the family has come to the top of the waiting list, and at least one member of the family has been determined to be eligible, the FHA shall offer the family a unit. The FHA shall provide assistance to the family member determined to be eligible and to those family members that submitted their immigration documents on time. If any family members did not provide the required immigration documentation, then the assistance for the family shall be prorated.

7. Verifying Information on Immigration Status.

The FHA shall verify the validity of documents provided by applicants through the Alien Status Verification Index (ASVI) database. If the FHA is unable to obtain the results using the automated primary and secondary verification method, the FHA shall attempt to obtain results using the secondary verification paper process.

8. Appealing Determinations of Ineligibility.

The FHA shall notify the family in writing as soon as possible if the secondary verification process returns a negative result. The family has 30 days from the date of the notice to request an appeal of the DHS result. The family shall request in writing directly to the DHS and shall provide the FHA with a copy of the written request for appeal and proof of mailing.

9. Prohibition of Assistance to Non-citizen Students.

Non-citizen students and their non-citizen families may not receive assistance. Non-citizen students are not eligible for continuation of assistance, prorated assistance, or temporary deferral of termination of assistance.

A non-citizen student is defined as an individual who is as follows:

- (a) A resident of another country to which the individual intends to return;
- (b) A bona fide student pursuing a course of study in the United States; and
- (c) A person admitted to the United States solely for the purpose of pursuing a course of study as indicated on an F-1 or M-1 student visa.

This prohibition applies to the noncitizen student's noncitizen spouse and children.

However, spouses and children who are citizens may receive assistance. For example, a family that includes a noncitizen student married to a U.S. citizen is a mixed family.

D. Disclosure of Social Security Numbers.

Applicants and participants shall disclose and document the social security numbers (SSNs) for all household members, excluding those individuals who were age 62 or older as of January 31, 2010 whose initial determination of eligibility was begun prior to January 31, 2010, and those individuals who do not contend eligible immigration status, and provide proof of the SSNs reported.

(a) Required Documentation.

Applicants shall provide documentation of SSNs. Adequate documentation means:

- i. an original social security card issued by the Social Security Administration (SSA);
- ii. an original SSA-issued document which contains the name and SSN of the individual; or
- iii. an original document issued by a federal, state, or local government agency which contains the name and SSN of the individual.

(b) Rejection of Documentation. The FHA will reject a document that:

- i. is not an original document; or
- ii. is the original document but it has been altered, mutilated, or is not legible; or
- iii. appears to be a forged document (e.g., does not appear to be authentic).

The FHA will explain to the applicant the reason(s) why the document(s) is not acceptable and request the individual obtain acceptable documentation of the SSN and submit it to the FHA within 90 days.

(c). Timeframe for Applicants Providing Social Security Numbers.

- i. Applicants currently on or applying to the waiting list need to disclose, but do not need to provide verification of, a SSN for all non-exempt household members at the time of application and for placement on the waiting list. However, applicants must provide verification of a SSN for all non-exempt household members before they can be housed.
- ii. If housing applicants from the waiting list have not provided verification of SSNs for all non-exempt household members at the time a unit becomes available, the next eligible applicant will be offered the available unit.
- iii. The applicant who has not provided verification of SSNs for all non-exempt household members has 90 days from the date they are first offered an available unit to verify the SSNs. During this 90-day period, the applicant may, at its discretion, retain its place on the waiting list. After 90 days, if the applicant is unable to verify the SSNs of all non-exempt household members, the applicant will be determined ineligible and removed from the waiting list.

(d) Timeframe for Participants to provide Social Security Numbers.

- i. All participants, except those individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010 (based on the effective date of the form HUD-50058 or form HUD-50058, whichever is applicable), and those individuals who do not contend eligible immigration status, must disclose and provide verification of their SSN at the time of their next interim or annual recertification if:
 - a. They have not previously disclosed a SSN;
 - b. Previously disclosed a SSN that HUD or the SSA determined was invalid; or
 - c. Been issued a new SSN.
- ii. If a participant fails to provide a valid and verified SSN, the household is subject to termination of tenancy.
- iii. SSN Not Previously Disclosed by a participant household member. The head of household must bring SSN verification, through one or more of the documents listed in (a) above, to the recertification meeting for any household member who has not disclosed and provided verification of their SSN.
- iv. The head of household will be notified when Enterprise Income Verification (EIV) System pre-screening or the SSA validation determines that a household member has provided an invalid SSN.

(e) If a participant or any member of a tenant's household is or has been assigned a new SSN, the tenant must provide the SSN and documentation to verify the SSN at:

- i. The time of receipt of the new SSN; or
- ii. The next interim or regularly scheduled recertification.

(f) If a participant adds a Household Member

- i. When a participant requests to add a household member who is age six or older, the documentation of the SSN must be provided at the time of the request or at the time the recertification that includes the new household member is processed. The new household member will not be added until such time as the documentation is provided.
- ii. Child Under the Age of Six
 - a. When adding a household member who is a child under the age of six with a SSN, the child's SSN must be disclosed and verification provided at the time of processing the recertification of family composition that includes the new household member.
 - b. If the child does not have a SSN, the household will have 90 days in which to provide documentation of a SSN for the child. An additional 90-day period will be granted if the failure to provide documentation of a SSN is due to circumstances that are outside the control of the participant. Examples include but are not limited to: delayed processing of the SSN application by the SSA, natural disaster, fire, or death in family. During this time period, the child will be included as part of the household and will receive all of the benefits of the

program in which the tenant is involved, including the dependent deduction. An alternate ID will be assigned to the child until the documentation of the SSN is required to be provided. At the time of the disclosure of the SSN, an interim recertification must be processed changing the child's alternate ID to the child's verified SSN. If the SSN is not provided, the household is subject to termination of assistance.

- iii. Authorization for Release of Information. All adults in each applicant family shall sign an Authorization for Release of Information prior to receiving assistance and annually thereafter.

E. Establishing and Maintaining the Waiting List

1. It is the policy of the FHA to administer its waiting list as required by HUD's regulations.

2. Opening and Closing Waiting Lists.

(a) For any unit size or type, if the FHA's waiting list has sufficient applications to fill anticipated vacancies for the coming 12 months, FHA may elect to:

- i. close the waiting list completely; or
- ii. close the list during certain times of the year.

(b) A decision to close the waiting list will consider the number of applications for each size and type of unit, the number of applicants who qualify for a preference, and the ability of FHA to house applicants in twelve to eighteen months. Decisions to close waiting lists, restrict intake, or open waiting lists will be publicly announced.

(c) When the waiting list is closed, the FHA will not maintain a list of individuals who wish to be notified when the waiting list is re-opened.

3. Determining if the Waiting List should be Closed. FHA will use its Procedure on Opening and Closing the Waiting List to determine whether the waiting list(s) should be closed.

4. Updating the Waiting List.

(a) The FHA may update its waiting list by contacting all applicants in writing. If, after a written attempt, no response is received, the FHA will withdraw the name of an applicant from the waiting list.

At the time of initial application, the FHA will advise families that they must notify the FHA when their circumstances, mailing address or phone numbers change.

(b) FHA will remove an applicant's name from the waiting list only in accordance with its Procedure on Updating the Waiting List and Removing Applications.

F. Processing Applications for Admission

1. FHA will accept and process applications in accordance with applicable HUD Regulations and FHA's **Procedure on Taking Applications and Initial Processing**. FHA will assume that the facts certified to by the applicant in the preliminary application are correct, although all those facts will be verified later in the application process.

2. Interviews and Verification Process.

As applicants approach the top of the waiting list, they will be contacted and asked to come to the FHA for an interview to complete their applicant file. Applicants who fail to attend their scheduled interview or who cannot be contacted to schedule an interview will have their applications withdrawn, subject to reasonable accommodations for people with disabilities.

(a) The following items will be verified according to FHA's **Procedure on Verification**, to determine qualification for admission to FHA's housing:

- i. Family composition and type (Elderly/Disabled/near elderly /non-elderly);
- ii. Annual Income;
- iii. Assets and Asset Income;
- iv. Deductions from Income;
- v. Social Security Numbers of all Family Members;
- vi. Applicant Screening Information; and
- vii. Citizenship or eligible immigration status.

(b) Third party written verification is the required form of documentation to substantiate applicant or resident claims. If attempts to obtain third party written verification are unsuccessful, FHA may also use (1) phone verifications with the results recorded in the file, dated, and signed by FHA staff, (2) review of documents, and, if no other form of verification is available, (3) applicant certification. Applicants must cooperate fully in obtaining or providing the necessary verifications.

(c) Verification of eligible immigration status shall be carried out pursuant to 24 CFR § 5.5. and Section II C of this Policy. Citizens are permitted to certify to their status.

3. Applicants reporting zero income will be asked to complete a family expense form to document how much they spend on: food, transportation, health care, child care, debts, household items, etc. and what the source of income is for these expenses.

4. FHA's applications for admission to public housing shall indicate for each application the date and time of receipt; applicant's race and ethnicity; determination by FHA as to eligibility of the applicant; when eligible, the unit size(s) for which eligible; preference, if any; and the date, location, identification, and circumstances of each vacancy offered and accepted or rejected .

G. Screening Applicants for Admission

1. All applicants shall be screened in accordance with HUD's regulations and sound management practices. During screening, FHA will require applicants to demonstrate ability to comply with essential provisions of the lease as summarized below:

- (a) to pay rent and other charges as required by the lease in a timely manner;
- (b) to care for and avoid damaging the unit and common areas;
- (c) to use facilities and equipment in a reasonable way;
- (d) to create no health, or safety hazards, and to report maintenance needs;
- (e) not to interfere with the rights and peaceful enjoyment of others, and to avoid damaging the property of others;
- (f) not to engage in criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or staff; and not to engage in drug-related criminal activity; and
- (g) to comply with necessary and reasonable rules and program requirements of HUD and the FHA.

2. How FHA will check ability to comply with essential lease requirements:

- (a) Applicant's ability and willingness to comply with the essential lease requirements will be checked and documented in accordance with FHA's **Procedure on Applicant Screening**. Applicant screening shall assess the conduct of the applicant and other family members listed on the application, in present and prior housing. Any costs incurred to complete the application process and screening will be paid by the FHA.
- (b) The history of applicant conduct and behavior must demonstrate that the applicant family can reasonably be expected not to:
 - Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare;
 - Adversely affect the physical environment or financial stability of the project;
 - Violate the terms and conditions of the lease;
 - Require services from FHA staff that would alter the fundamental nature of FHA's program.
- (c) FHA will complete a rental history check, if applicable, on all applicants.

- (d) Payment of funds owed to FHA or any other housing authority is part of the screening evaluation. FHA will reject an applicant for unpaid balances owed the FHA by the applicant for any program that FHA operates and for unpaid balances owed any other housing authority.
- (e) FHA will complete a criminal background check on all adult applicants or any member for whom criminal records are available. Before the FHA rejects an applicant on the basis of criminal history, the FHA must notify the household of the proposed rejection and provide the household member whose criminal history is at issue with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.
- (f) If any screening activity suggests that an applicant household member may be currently engaged in illegal use of drugs, the FHA shall seek information from a drug abuse treatment facility to determine whether the facility has reasonable cause to believe the household member is currently engaging in illegal drug use.
- (g) FHA may complete a home visit on all applicants that have passed criminal history screening and have incomplete or questionable landlord references to determine if the applicant's housekeeping would create health or sanitation problems. Staff completing the home visit will consider whether the conditions they observe are the result of the applicant's treatment of the unit or are caused by the unit's overall substandard condition.
- (h) Housekeeping criteria to be checked shall include, but not be limited to:
 - Conditions in living room, kitchen (food preparation and clean-up), bathroom, bedrooms, entrance-ways, halls, and yard (if applicable);
 - Cleanliness in each room; and
 - General care of appliances, fixtures, windows, doors and cabinets.

Other FHA lease compliance criteria will also be checked, such as:

- Evidence of destruction of property;
- Unauthorized occupants;
- Evidence of criminal activity; and
- Conditions inconsistent with application information.

All applicants shall have at least two days' advance written notice of Home Visits.

- (i) FHA's examination of relevant information respecting past and current habits or practices will include, but is not limited to, an assessment of the applicant's adult family members':
 - Past performance in meeting financial obligations, especially rent and utility bills.

- Record of disturbance of neighbors (sufficient to warrant a police call) destruction of property, or living or housekeeping habits that may adversely affect the health, safety, or welfare of other tenants or neighbors.
- History of criminal activity on the part of any applicant family member involving crimes of physical violence to persons or property or other criminal acts including drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or development.

- FHA may require an applicant to exclude a household member in order to be admitted if that household member has participated in or been culpable for criminal actions that warrant rejection;

- FHA may, if a statute requires that the FHA prohibit admission for a prescribed period of time after some disqualifying behavior or event, choose to continue that prohibition for a longer period of time.

- A record of eviction from housing or involuntary termination from residential programs (taking into account date and circumstances).
- An applicant's ability and willingness to comply with the terms of FHA's lease.

(j) The FHA is **required** to reject the applications of certain applicants for criminal activity or drug abuse by household members:

- The FHA shall reject the application of any applicant for three years from the date of eviction if any household member has been evicted from any federally assisted housing for drug-related criminal activity. However, the FHA may admit the household if the FHA determines that:
 - i. The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the FHA, or
 - ii. The circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).
- The FHA is required to reject the application of a household if the FHA determines that:
 - i. Any household member is currently engaging in illegal use of a drug; or
 - ii. The FHA has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents; or

- iii. Any household member has ever been convicted of manufacture or production of methamphetamine on the premises of any federally assisted housing; or
 - iv. Any member of the household is subject to a lifetime registration requirement under a State sex offender registration program; or
 - v. Any member of the household's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- (k) An applicant's intentional misrepresentation of information related to eligibility, housing history, allowances, family composition or rent will result in rejection. Unintentional mistakes that do not confer any advantage to the applicant will not be considered misrepresentations.
- (l) Applicants must be able to demonstrate the ability and willingness to comply with the terms of FHA's lease, either alone or with assistance that they can demonstrate they will have at the time of admission. Availability of assistance is subject to verification by FHA.

3. Screening applicants who claim mitigating circumstances.

- (a) If negative information is received about an applicant, FHA shall consider the time, nature, and extent of the applicant's conduct and the factors that might indicate a reasonable probability of favorable future conduct. To be considered, mitigating circumstances must be verifiable.
- (b) Mitigating circumstances are facts relating to the applicant's negative rental history or behavior, that, when verified, indicate: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, AND applicant's prospect for lease compliance is an acceptable one, justifying admission. Mitigating circumstances would overcome or outweigh information already gathered in the screening process.
- (c) If the applicant asserts that mitigating circumstances relate to a change in disability, medical condition or treatment, FHA shall refer such information to persons qualified to evaluate the evidence and verify the mitigating circumstance. FHA shall also have the right to request further information to verify the mitigating circumstance, even if such information is of a medically confidential nature. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.
- (d) Examples of mitigating circumstances might include:
 - Evidence of successful rehabilitation;
 - Evidence of the applicant family's participation in social service or other appropriate counseling service; or

- Evidence of successful and sustained modification of previous disqualifying behavior.
- (e) Consideration of mitigating circumstances does not guarantee that applicant will qualify for admission. FHA will consider such circumstances in light of:
- the applicant's ability to verify the mitigating circumstances and prospects for improved future behavior;
 - the applicant's overall performance with respect to all the screening requirements; and
 - the nature and seriousness of any criminal activity, especially drug related criminal activity that appears in the applicant's record.

4. Qualified and Unqualified Applicants.

- (a) Verified information will be analyzed and a determination made with respect to:
- Eligibility of the applicant as a family;
 - Eligibility of the applicant with respect to income limits for admission;
 - Eligibility of the applicant with respect to citizenship or eligible immigration status;
 - Unit size required for the family; and
 - Qualification of the applicant with respect to the Selection Criteria.
- (b) Qualified families will be notified by FHA of the approximate date of admission insofar as that date can be determined; however the date stated by FHA is an estimate and does not guarantee that applicants can expect to be housed by that date.
- (c) Unqualified applicants will be promptly notified by a Notice of Rejection from FHA, stating the basis for such determination and offering an opportunity for informal hearing (see **Procedure for Informal Hearing for Rejected Applicants**). Informal hearings for applicants are different from the resident grievance process. Applicants are not entitled to use of the resident grievance process.

H. Occupancy Guidelines

Units shall be occupied by families of the appropriate size. This policy maintains the usefulness of the units, while preserving them from excessive wear and tear and under-utilization. All units are one bedroom and the maximum number of persons per unit is two.

III. Tenant Selection and Assignment Plan

A. Organizing the Waiting List

It is FHA's policy that each applicant shall be assigned his/her appropriate place on a single communitywide waiting list maintained for all eligible families wishing to participate in the Public

Housing Program upon date and time the application is received. FHA will maintain its waiting list in a form that records the date and time of application, and the race and ethnicity of the family head.

1. All applicants will be processed based upon date and time of application after consideration of the Income Targeting Requirements identified in this policy statement. Applicants on the waiting list may be skipped over in order to meet the FHA's Income Targeting Requirements. A family will be processed through the waiting list using the following procedures.

- (a) In order to be placed on the waiting list an interested family must complete an initial eligibility application. Applications are available at the office of the FHA.
- (b) Applications will be time dated by staff upon receipt of a complete application in the FHA office.
- (c) All applications will be reviewed to determine if the family appears to meet income and family definition requirements.
- (d) The appropriate bedroom size will be determined based upon the occupancy standards stated herein and the family will be placed on the correct waiting list by time and date.
- (e) An applicant determined to be ineligible will be notified in writing and advised of the reasons for the determination. The applicant will also be advised of his or her right to request an informal review of the decision within ten (10) business days of the notification.

2. The waiting list will be purged from time to time to eliminate any inactive applications, to reduce unnecessary administrative burden and to ensure that the list remains representative of the needs of the community.

3. Closing of the waiting list will be announced in a newspaper of general circulation with similar notification to interested social service organizations.

4. Re-opening of the waiting list will also be announced by public notice in a newspaper of general circulation with similar notification to interested social service organizations.

5. Changes in family income, composition, address and telephone numbers must be reported to the FHA by the family.

B. Making Unit Offers to Applicants

1. To assure equal opportunity and nondiscrimination on grounds of race, color, sex, religion, national origin, sexual orientation, disability or familial status offers will be made in accordance with the following criteria:

- (a) The first qualified applicant in sequence on the waiting list is made one offer of a unit of appropriate type.
- (b) The applicant must accept the vacancy offered or be dropped from the waiting list.
- (c) Applicants who are removed from the waiting list because they refuse unit offers without good cause may not reapply for housing for twelve (12) months.

2. In the selection of a family for a unit with accessible features, FHA will give preference to families that include a person with disabilities who can benefit from the unit features.

3. The applicant must accept the vacancy offered within five (5) business days of the date the offer is communicated (by phone, mail, or the method of communication designated by an applicant with disabilities) or be removed from the waiting list. All offers made over the phone will be confirmed by letter.

4. If more than one unit is available, the first unit to be offered will be the unit that is or will be ready for move-in first. "Ready for move-in" means the unit has no Housing Quality Standard deficiencies and is broom clean. If two units are ready for move-in on the same day, the first unit to be offered will be the unit that became vacant first.

C. Removing Applicant Names from the Waiting List

To ensure vacant units are filled in a timely manner, FHA needs a waiting list that is accurate. While each applicant must keep FHA apprised of changes in address, phone number, income or other circumstances, no applicant shall be removed from the waiting list except when one of the following situations occurs:

- 1. The applicant receives and accepts an offer of housing;
- 2. The applicant requests that his/her name be removed from the waiting list;
- 3. The applicant is rejected, either because he/she is ineligible for public housing at the time of certification, or because he/she fails to meet the applicant selection criteria; or
- 4. The application is withdrawn because the FHA attempted to contact the applicant and was unable to.

In attempting to contact to an applicant, the following methods shall be undertaken before an application may be withdrawn:

- (a) The applicant will be sent a letter by first class mail to the applicant's last known address, asking the applicant to contact the FHA;
- (b) When (5) five business days have elapsed from the date when the FHA mails the letter and, there is no response from the applicant, the application will be cancelled.

- (c) If an applicant contacts FHA as required within the deadlines stated above, he/she shall be reinstated at the former waiting list position;
- (d) When FHA is unable to contact an applicant by first class mail to schedule a meeting, or interview or to make an offer, FHA shall suspend processing of that application until the applicant is either withdrawn (no contact by the applicant) or reinstated (contact by the applicant within the stated deadlines). While an application is suspended, applicants next in sequence will be processed.

5. Persons who fail to respond to FHA attempts to contact them because of verified situations related to a disability shall be entitled to reasonable accommodation. In such circumstances FHA shall reinstate these individuals to their former waiting list positions.

6. Families whose applications are withdrawn or rejected must reapply for housing when the waiting list is open. Families whose applications were withdrawn may not reapply for twelve (12) months.

D. Good Cause for Applicant Refusal of Unit Offer

If an applicant is willing to accept the unit offered but is unable to move at the time of the offer and presents clear evidence (“good cause”) that acceptance of the offer of a suitable vacancy will result in undue hardship not related to considerations of race, color, sex, religion or national origin, the applicant will not be dropped to the bottom of the list.

1. Examples of “good cause” for refusal of an offer of housing are:

- (a) The unit is not ready for move-in at the time of the offer of housing. “Ready for move-in” means the unit has no Housing Quality Standard deficiencies and is broom clean. If an applicant refuses a unit because it is not ready for move-in, the applicant will be offered the next unit that is ready for move-in;
- (b) Inaccessibility to source of employment, education, or job training, children’s day care, or educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities;
- (c) The family demonstrates that accepting the offer will place a family member’s life, health or safety in jeopardy. The family must provide specific and compelling documentation such as restraining orders, other court orders, or risk assessments from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption;
- (d) A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (each as listed on final application) or live-in aide necessary to the care of the principal household member;
- (e) The unit is inappropriate for the applicant’s disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a thirty (30) day notice to move; or

(f) An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing.

2. If good cause is verified, the refusal of the offer shall not require that the applicant be dropped to the bottom of the waiting list or otherwise affect the family's position on the waiting list.

3. FHA will maintain a record of units offered, including location, date, and circumstances of each offer, and each acceptance or refusal, including the reason for the refusal.

E. Leasing Accessible Units

1. Before offering a vacant accessible unit to a non-disabled applicant, FHA will offer such units:

- (a) First, to a current public housing resident having a disability that requires the special features of the vacant unit; and
- (b) Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

2. When offering an accessible/adaptable unit to a non-disabled applicant, FHA will require the applicant to agree to move to an available non-accessible unit within thirty (30) days when a current resident or an applicant with a disability needs the unit. This requirement is also reflected in the lease signed with the applicant.

F. Administering the Applicant and Transfer Waiting Lists

Applications for admission and transfer will be processed at the main office of the FHA. Initial intake, waiting list management, screening, and assigning of housing (including transfers) will be made from the central office. Offers may be made in person, in writing or by phone from the main office.

G. Transfers

FHA has three possible types of transfers: Emergency, Administrative - Category 1 and Category 2. The definition of each transfer is found in the Transfer section.

1. Emergency and Category 1 administrative transfers will take priority over admissions.

Category 2 administrative transfers will be processed at the rate of four admissions to each transfer. The specific definitions of each type of transfer are covered in Section V, Transfers, below.

2. Tenants on the transfer list may refuse transfer offers for the "good cause" reasons cited in Section C above without losing their position on the transfer list.

3. Tenants who refuse a transfer offer without good cause may be removed from the transfer list and tenants whose transfers are mandatory are subject to lease termination.

4. Tenants may use the FHA Grievance Procedure if they are refused the right to transfer or if FHA is requiring them to transfer and they do not want to do so.

H. Informal Review

The FHA shall provide an applicant with the opportunity for an Informal Review if the applicant has been denied participation in the public housing program.

The FHA shall use the following procedures to advise the applicant and conduct the review:

1. The applicant shall be given written notification of the denial of participation. Such notice shall state the reasons for the denial.
2. The notice shall state that the applicant has a right to request, in writing, an informal review of the decision to deny participation within ten (10) business days of the date of the notification.
3. The informal review shall be conducted within ten (10) business days of the receipt by the FHA of the request for such review. The Executive Director shall select a person, other than the person who made or approved the decision under review or a subordinate of such person, to conduct the Informal Review.
4. The applicant may present written or oral objections to the decision to deny participation at the Informal Review.
5. The FHA shall notify the applicant of the FHA final decision concerning participation within ten (10) business days. Such notice shall include a brief statement of the reasons for the final decision.

The Executive Director shall have sole the sole discretion to designate the person(s) who shall conduct the Informal Review.

IV. Leasing Policies

A. General Leasing Policy

1. All units must be occupied pursuant to a lease that complies with HUD's regulations.
2. The lease shall be signed by the head, spouse, and all other adult members of the household and by the Executive Director or other authorized representative of FHA, prior to actual admission.
3. If a resident transfers from one FHA unit to another, a new lease will be executed for the dwelling into which the family moves.
4. If at any time during the life of the lease agreement, a change in the resident's status results in the need for changing or amending any provision of the lease, either:
 - (a) A new lease agreement will be executed, or
 - (b) A Notice of Rent Adjustment will be executed, or
 - (c) An appropriate rider will be prepared and made a part of the existing lease.

All copies of such riders or insertions are to be dated and signed by the Resident and by the Executive Director or other authorized representative of FHA.

5. Residents must advise FHA if they will be absent from the unit for more than 7 days. Residents shall notify the manager, secure the unit and provide a means for FHA to contact the resident in an emergency. Failure to advise FHA of an extended absence is grounds for termination of the lease.

B. Showing Units Prior to Leasing

1. When offering units, FHA will provide the applicant with a brief property description and other information to help orient the applicant to the neighborhood and location in the property. If the offer of a unit is preliminarily accepted by the applicant, the manager of the property will contact the applicant to set up a date to show the unit.

2. Once the unit is shown and the applicant accepts the unit, the FHA will execute a lease. If the applicant refuses the unit, a signed reason for refusal should be obtained from the applicant. The reason for the refusal will then be reviewed by the FHA for a “good cause” determination.

3. No lease will have an effective date before the unit is ready for occupancy.

C. Additions to the Household and Visitors

1. Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit.

- (a) Except for natural births to or adoptions by family members, or court awarded custody, any family seeking to add a new member must request approval in writing before the new member moves in.
- (b) Also included, would be situations in which a person (often a relative) comes to the unit as a visitor but stayed on in the unit because the tenant needed support, for example, after a medical procedure.
- (c) All persons listed on the most recent certification form and the lease must use the dwelling unit as their sole residence.

2. When a resident requests approval to add a new person to the lease, FHA will conduct pre-admission screening of any proposed new adult member to determine whether the FHA will grant such approval. Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are exempt from the pre-admission screening process, although the resident still needs prior permission from FHA to add children other than those born to, adopted by or awarded by the court to the family.

3. Examples of situations where the addition of a family or household **member is subject to screening** are:

- (a) Resident plans to be married and requests to add the new spouse to the lease;
 - (b) Resident desires to add a new family member to the lease, employ a live-in aide, or take in a foster child(ren) over the age for which juvenile justice records are available;
 - (c) A unit is occupied by a remaining family member(s) under age 18 (who is not an emancipated minor) and an adult, not a part of the original household, requests permission to take over as the head of the household.
4. Residents who fail to notify FHA of additions to the household or who permit persons to join the household without undergoing screening are in violation of the lease. Persons added without FHA approval will be considered unauthorized occupants and the entire household will be subject to eviction.
5. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on FHA premises that would be a lease violation.
- (a) Visits of less than three days need not be reported to or approved by the Manager.
 - (b) Visits of more than three and less than fourteen days are permitted, provided they are reported to the Manager within 72 hours and authorized by the manager.
 - (c) Visits of more than 14 calendar days shall be authorized only by the Executive Director with advance documentation of extenuating circumstances.
 - (d) Visitors remaining beyond this period shall be considered unauthorized occupants and the head of the household shall be guilty of a breach of the lease.
6. Roomers and lodgers shall not be permitted to move in with any family. Violation of this provision is grounds for termination of the lease.
7. Residents will not be given permission to allow a former resident of FHA who has been evicted to occupy the unit for any period of time. Violation of this requirement is grounds for termination of the lease.
8. Family members over age 17 or emancipated minors who move from the dwelling unit to establish new households shall be removed from the lease.
- (a) The resident shall report the move-out within 30 calendar days of its occurrence.
 - (b) These individuals may not be readmitted to the unit and must apply as a new applicant household for placement on the waiting list.
 - (c) Medical hardship, or other extenuating circumstances shall be considered by FHA in making determinations under this paragraph.

V. Transfer Policy

A. General Transfer Policy

1. Transfers will be made without regard to race, color, national origin, sex, religion, sexual orientation or familial status. Residents can be transferred to accommodate a disability.

2. Residents will not be transferred to a dwelling unit of equal size except to alleviate hardship of the resident or other undesirable conditions as determined by the Executive Director or designee.
3. Residents will receive one offer of a transfer. Refusal of that offer without good cause will result in lease termination for mandatory transfers or the removal of the household from the transfer list for voluntary transfers.

B. Types of Transfers

1. The order in which families are transferred shall be subject to the hierarchy by category set forth below.

- (a) **Emergency Transfers** are **mandatory** when FHA determines that conditions pose an immediate threat to resident life, health or safety. Emergency transfers may be made to: permit repair of unit defects hazardous to life, health, or safety; alleviate verified disability problems of a life threatening nature; or protect members of the household from attack by the criminal element in a particular property or neighborhood.

These transfers shall take priority over new admissions.

- (b) **Category 1 Administrative** transfers include **mandatory** transfers to: remove residents who are witnesses to crimes and may face reprisals; provide housing options to residents who are victims of hate crimes or extreme harassment; alleviate verified medical problems of a serious (but not life-threatening) nature; permit modernization or demolition of units; or permits a family that requires a unit with accessible features to occupy such a unit.

These transfers shall take priority over new admissions.

Requests for these transfers will be made to the manager with necessary documentation to substantiate the need for such transfers. Transfers may also be initiated by FHA (e.g. moving a person with mobility problems to a unit with accessible features or moving residents to a unit to permit modernization or demolition).

- (c) **Category 2 Administrative** transfers may be made to: avoid concentration of the most economically and socially deprived families, correct occupancy standards, or address situations that interfere with peaceful enjoyment of the premises.

These transfers will not take priority over new admissions.

C. Processing Transfers

1. A centralized transfer waiting list will be administered by the FHA
2. Transfers will be sorted into their appropriate categories by the FHA.

Admissions will be made in the following order:

- First: Emergency transfers, then
- Category 1 Administrative Transfers,
- Applicants,
- Category 2 Administrative Transfers

Within each category, transfer applications will be sorted by the date the completed file (including any verification needed) is received by the FHA.

D. Good Record Requirement for Transfers

1. In general, and in all cases of all resident-requested transfers, residents will be considered for transfers only if the head of household and any other family members for the past two years:

- have not engaged in criminal activity that threatens the health and safety of residents and staff;
- do not owe back rent or other charges, or evidence a pattern of late payment; and
- meet reasonable housekeeping standards and have no housekeeping lease violations.

2. Exceptions to the good record requirements may be made for emergency transfers or when it is to FHA's advantage to make the transfer. The exception to the good record requirement will be made by the Executive Director taking into account the recommendation by the Manager. Absent a determination of exception, the following policy applies to transfers:

- If back rent is owed, the resident will not be transferred until a back rent is paid in full.
- A resident with housekeeping standards violations will not be transferred until he/she passes a follow-up housekeeping inspection.

E. Paying for Transfers

Residents shall bear the cost of transfers made at the residents' request. Transfers requested or required by FHA and all transfers for reasonable accommodations will be paid for or made by FHA.

VI. Eligibility for Continued Occupancy, Annual Reexaminations, and Remaining Family Members

A. Eligibility for Continued Occupancy

Residents who meet the following criteria will be eligible for continued occupancy:

1. Qualify as a family as defined in Section II of this policy.
2. Are in full compliance with the resident obligations and responsibilities as described in the dwelling lease.

3. Whose family members each have Social Security numbers or have certifications on file indicating they have no Social Security number.
4. Who meet HUD standards on citizenship or immigration status or are paying a pro-rated rent.
5. Who are in compliance with the FHA's 8 hour per month community service requirements.

B. Remaining Family Members and Prior Debt

Remaining family members age 18 years or older will be held responsible for arrearages incurred by the former head or spouse.

C. Reexaminations

1. Regular reexaminations: FHA shall, at least once a year, re-examine the family composition and incomes of all resident families.
2. Special Reexaminations: When it is not possible to estimate family income accurately, a temporary determination will be made with respect to income and a special reexamination will be scheduled every 60 days until a reasonably accurate estimate of income can be made.
3. Special reexamination shall be conducted when there is a change in the head of household that requires a remaining family member to take on the responsibilities of a leaseholder or within a reasonable time after requested by a family.
4. New Reexamination Date Following Income Disallowance: When a family qualifies for an earned income disallowance, the date for their next regular reexamination shall be permanently adjusted to be 12 months following the date that the income disallowance began.
5. Zero Income Families: Unless the family has income that is excluded for rent computation, families reporting zero income will have their circumstances examined every 60 days until they have a stable income. Monetary or non-monetary contributions from persons not residing in the dwelling unit for any purpose other than the payment or reimbursement of medical expenses shall be considered income.
6. Streamlined Income Determinations: For any family member with a fixed source of income, the FHA may elect to determine that family member's income by means of a streamlined income determination. A streamlined income determination shall 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.

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:

- (a) Social Security, Supplemental Security Income, Supplemental Disability Insurance;
- (b) Federal, state, local or private pension plans;
- (c) Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or
- (d) Any other source of income subject to adjustment by verifiable COLA or current rate of interest.

The FHA shall use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount. The FHA shall 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 the FHA shall 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, the FHA shall obtain third-party verification of all income amounts every three years.

7. Reexamination Procedures

- (a) At the time of reexamination, all adult members of the household will be required to sign an application for continued occupancy and other forms required by HUD.
- (b) Income, allowances, Social Security numbers, and such other data as is deemed necessary will be verified, and all verified findings will be filed in the resident's folder.
- (c) Verified information will be analyzed and a determination made with respect to:
 - Eligibility of the resident as a family or as the remaining member of a family;
 - Unit size required for the family (using the Occupancy Guidelines); and
 - Rent the family should pay.
- (d) Residents with a history of employment whose reexamination occurs when they are not employed will have income anticipated based on past and anticipated employment. Residents with seasonal or part-time employment of a cyclical nature will be asked for third party documentation of their employment including start and ending dates.
- (e) Income shall be computed in accordance with the definitions and procedures set forth in Federal regulations and this policy.
- (f) Families failing to respond to the initial reexamination appointment will be issued a final appointment within the same month. Failure to respond to the final request will result in the family being sent a notice of lease violation and referred to the Executive Director for termination of the lease.

8. Action Following Reexamination

If there is any change in rent, the lease will be amended, a new lease will be executed, or a Notice of Rent Adjustment will be issued.

VII. Interim Rent Adjustments: Fixed Rent System

A. Adjusting Rent Between Regular Reexaminations

1. Residents are required to report all changes in family composition or status to the FHA within ten (10) calendar days of the occurrence. Failure to report within the ten (10) calendar days may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report income decreases promptly. Residents are also required to report interim increases in income if they have been granted interim rent reductions.

2. FHA wishes to encourage families to improve their economic circumstances, so most changes in family income between reexaminations will not result in a rent change. FHA will process interim changes in rent in accordance with the chart below:

<u>INCOME CHANGE</u>	<u>FHA ACTION</u>
(a) Decrease in income for any reason, except for decrease that lasts less than thirty (30) days. Increase in income following FHA granting of interim rent decrease.	• FHA will process an interim reduction in rent if the income decrease will last more than thirty (30) days. FHA will process an interim increase for income increases that follow interim rent reductions.
(b) Increase in earned income from the employment of a current household member.	• FHA will either defer the increase to the next regular reexamination or, if the individual is eligible for an earned income disallowance, will grant the disallowance.
(c) Increase in unearned income (e.g. COLA adjustment for social security).	• FHA will defer the increase to the next regular reexamination.
(d) Increase in income because a person with income (from any source) joins the household.	• FHA will defer the increase to the next regular reexamination.
(e) FHA will process an interim increase in rent if the resident has misrepresented or failed to report facts upon which rent is based, so the rent the Resident is paying is less than it should have been. FHA will apply any increase in rent retroactive to the month following the month in which the misrepresentation occurred.	

3. Complete verification of the circumstances applicable to rent adjustments must be documented and approved by the Executive Director or his/her designee.

4. FHA will process interim adjustments in rent as follows:

(a) When a decrease in income is reported, and the Authority receives confirmation that the decrease will last less than thirty (30) days, an interim adjustment will not be processed.

Decreases in income resulting from welfare fraud or from welfare cuts for failure to comply with economic self-sufficiency requirements are not eligible for rent reductions

(b) Residents reporting decreases in income that are expected to last more than thirty (30) days will have an interim adjustment processed.

5. Residents granted a reduction in rent under these provisions will be required to report for special reexaminations at intervals determined by the FHA. Reporting is required until income increases or it is time for the next regularly scheduled reexamination, whichever occurs first.

B. Effective Date of Adjustments

Residents will be notified in writing of any rent adjustment including the effective date of the adjustment.

1. Rent decreases go into effect the first of the month following the reported change. Income decreases reported or verified after the tenant accounting cut-off date will be effective the first of the second month with a credit retroactive to the first month.

2. Rent increases (except those due to misrepresentation) require 30 days notice and become effective the first of the second month.

VIII. Lease Termination Procedures

A. General Policy: Lease Termination

No resident's lease shall be terminated except in compliance with HUD regulations and the lease terms.

B. Notice Requirements

1. No resident shall be given a Notice of Lease Termination without being told by FHA in writing the reason for the termination.

- The resident must also be informed of his/her right to request a hearing in accordance with the Grievance Procedure, and be given the opportunity to make such a reply as he/she may wish.
- Lease terminations for certain actions are not eligible for the Grievance Procedure, specifically: any criminal activity that threatens the health, safety, or right to peaceful

enjoyment of the premises of other residents or FHA employees; and any drug-related criminal activity.

2. Notices of lease termination may be served personally or posted on the apartment door.

3. Notice shall include a statement describing right of any resident with a disability to meet with the manager and determine whether a reasonable accommodation could eliminate the need for the lease termination.

C. Recordkeeping Requirements

A written record of every termination and/or eviction shall be maintained by FHA, and shall contain the following information:

- Name of resident, race and ethnicity, number and identification of unit occupied;
- Date of the Notice of Lease Termination and any other state or local notices required, which may be on the same form and run concurrently;
- Specific reason(s) for the Notice(s), with section of the lease violated, and other facts pertinent to the issuing of the Notice(s) described in detail;
- Date and method of notifying resident; and
- Summaries of any conferences held with resident including dates, names of conference participants and conclusions.

IX. Utilities

At its public housing development, the FHA pays the costs of all utilities directly to the supplier. However, where a tenant requests permission from the FHA to install an appliance that is in addition to the standard appliances supplied by the FHA, such tenant will be subject to a charge for excess utilities. The charge shall be monthly and shall be due and payable with the tenant's monthly rent payment. Excess utility charges have been developed by FHA in consultation with the utility supplier and have been reviewed by HUD.

Currently Excess Utility Charges – Resident Supplied Freezer/refrigerator \$3.00 per month.

Excess utility charges may be updated from time to time.

X. Flat Rents

A. Flat Rents

Flat rents are market-based rents. Once each year, at the annual recertification, all residents are offered the choice of paying an income-based rent or the Flat Rent. Flat Rents represent the actual market value of FHA's housing units and will be set at no less than eighty percent (80%) of the applicable Fair Market Rent (FMR) set annually by HUD or no less than eighty percent (80%) of the applicable small area FMR (SAFMR) or unadjusted rent, if applicable, as determined by HUD, that more accurately reflects local market conditions.

The FHA will take the following information into account in developing its Flat Rent Schedule:

- Applicable Fair Market Rent set by HUD;
- Rents of non-assisted rental units in the immediate neighborhood;
- Size of FHA's units compared to non-assisted rental units from the neighborhood;
- Age, type of unit and condition of FHA's units compared to non-assisted rental units from the neighborhood;
- Land use in the surrounding neighborhood;
- Amenities (childcare, laundry facilities, playgrounds, community rooms, social services, education/job training programs, etc.) at FHA's properties and in the surrounding neighborhood;
- Crime in FHA's developments and the surrounding neighborhood;
- Quality of local schools serving each FHA development;
- Availability of public transportation at each FHA development; and
- Availability of accessible units for persons with mobility impairments.

B. Annual Update of Flat Rents

FHA shall review the Flat Rent structure annually and adjust the rents as needed. When a resident chooses Flat Rent, his/her rent shall be adjusted only at the next regular reexamination/recertification rather than at the point the Flat Rent may change.

Upon issuance of new FMRs by HUD, the FHA shall:

- Determine if the current Flat Rent is at least eighty percent (80%) of the new FMR or SAFMR as applicable;
- Update the Flat Rent amounts if necessary to meet the eighty percent (80%) requirement within a reasonable time, but no later than ninety (90) days of HUD publishing the new FMRs; and
- Apply the new Flat Rents to all new admissions and to existing families at the next annual rent option, subject to the phase in requirement. If an existing tenant's rent payment would be increased by thirty five percent (35%) or more due to changes to the Flat Rent caused by a change to the FMR, such increase will be phased in so that the tenant will not experience an increase in their rental payment of more than thirty five percent (35%) in any one year.

XI. Definitions and Procedures to be used in Determining Income and Rent

A. Annual Income

Annual income is the anticipated total income from all sources, including net income derived from assets, received by the family head and spouse (even if temporarily absent) and by each additional family member including all net income from assets for the 12-month period following the effective date of initial determination or reexamination of income, exclusive of income that is temporary, non-recurring, or sporadic as defined below, or is specifically excluded from income by other federal statute. Annual income includes but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

2. The net income from operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business;

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the property;

For a family with net assets equal to or less than \$5,000, the FHA shall 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. The FHA shall obtain third party verification of all family assets every three years.

If the Family has Net Family Assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate as determined by HUD;

4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts (See B.14. below for treatment of delayed or deferred periodic payment of social security or supplemental security income benefits.);

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (But see paragraph B. 3. below concerning treatment of lump-sum additions as Family Assets.);

6. All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any family member;

7. Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of family members; and

8. All regular pay, special pay, and allowances of a family member in the Armed Forces. (See paragraph B. 7. below concerning pay for exposure to hostile fire.)

B. Items not included in Annual Income

Annual Income does not include the following:

1. Income from the employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);
3. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance, and worker's compensation), capital gains, one-time lottery winnings, and settlement for personal property losses (but see paragraphs 4 and 5 above if the payments are or will be periodic in nature);

[See paragraph 14. below for treatment of delayed or deferred periodic payments of Social Security or Supplemental Security Income benefits.]

4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide, provided the person meets the definition of a live-in aide as follows:

A live-in aide, is a person that has been approved by the FHA to reside in the unit, provided that the following conditions have been met:

- (a) At least one member of the family is disabled or at least 50 years of age;
 - (b) the family has provided the PHA with documentation from a qualified health care professional that such family member requires 24 hour care;
 - (c) no familial relationship exists between the live-in aid and any member of the family;
 - (d) the live-in aid shall be 18 years of age or older; and
 - (e) the live-in aid must be screened in accordance with the provisions of this Policy;
6. The full amount of student financial assistance paid directly to the student or the educational institution;
 7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
 8. Certain amounts received that are related to participation in the following programs:

- (a) Amounts received under HUD funded training programs (e.g. Step-up program: excludes stipends, wages, transportation payments, child care vouchers, etc. for the duration of the training);
- (b) Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) to allow participation in a specific program; and
- (d) Incremental earnings and/or benefits resulting to any family member from participation in qualifying state or local employment training program (including training programs not affiliated with the local government), and training of family members as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance by the FHA.

9. Temporary, non-recurring, or sporadic income (including gifts);

10. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

11. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of the household and spouse);

12. Adoption assistance payments in excess of \$480 per adopted child;

13. The incremental earnings and benefits to any resident:

- (a) whose annual income increases due to employment of a family member who was unemployed for one or more years previous to employment; or
- (b) whose annual income increases as the result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or
- (c) whose annual income increases due to new employment or increased earnings of a family member during or within six months of receiving state-funded assistance, benefits or services, will not be increased during the exclusion period. For purposes of this paragraph, the following definitions apply:

- i. State-funded assistance, benefits or services means 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 FHA in consultation with the local agencies administering Temporary Assistance for Needy Families (TANF) and Welfare-to-Work 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.
- ii. During the 12 month period beginning when the member first qualifies for a disallowance, the FHA must exclude from Annual Income any increase in income as a result of employment. For the 12 months following the exclusion period, 50% of the income increase shall be excluded.
- iii. Regardless of how long it takes a resident to work for 12 months (to qualify for the first exclusion) or the second 12 months (to qualify for the second exclusion), the maximum period for the disallowance (exclusion) is 48 months.
- iv. The disallowance of increased income under this section is only applicable to current residents and will not apply to applicants who have begun working prior to admission (unless their earnings are less than would be earned working ten hours per week at minimum wage, under which they qualify as unemployed).

14. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

16. Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

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

The following list of program benefits is the comprehensive list of benefits that currently qualify for the income exclusion in either any Federal program or in specific Federal programs (exclusions (viii), (xiii), (xxi), and (xxii) have provisions that apply only to specific HUD programs):

- i. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 ([7 U.S.C. 2017\(b\)](#));

- ii. Payments to volunteers under the Domestic Volunteer Service Act of 1973 ([42 U.S.C. 5044\(f\)\(1\)](#), 5058);
- iii. Certain payments received under the Alaska Native Claims Settlement Act ([43 U.S.C. 1626\(c\)](#));
- iv. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes ([25 U.S.C. 459e](#));
- v. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program ([42 U.S.C. 8624\(f\)](#));
- vi. Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (94, section 6);
- vii. The first \$2000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands ([25 U.S.C. 1407-1408](#)). This exclusion does not include proceeds of gaming operations regulated by the Commission;
- viii. Amounts of scholarships funded under title IV of the Higher Education Act of 1965 ([20 U.S.C. 1070](#)), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs ([20 U.S.C. 1087uu](#)). For section 8 programs only ([42 U.S.C. 1437f](#)), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 ([20 U.S.C. 1001 et seq.](#)), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 ([20 U.S.C. 1002](#))), shall not be considered income to that individual if the individual is over the age of 23 with dependent children ([Pub. L. 109-115](#), section 327) (as amended);
- ix. Payments received from programs funded under title V of the Older Americans Act of 1965 ([42 U.S.C. 3056g](#));
- x. Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (101) or any other fund established pursuant to the settlement in *In Re Agent Orange Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.);
- xi. Payments received under the Maine Indian Claims Settlement Act of 1980 (96, [25 U.S.C. 1728](#));
- xii. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 ([42 U.S.C. 9858q](#));

- xiii. Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act ([26 U.S.C. 32\(l\)](#));
- xiv. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (95);
- xv. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 ([42 U.S.C. 12637\(d\)](#));
- xvi. Any allowance paid under the provisions of [38 U.S.C. 1833\(c\)](#) to children of Vietnam veterans born with spina bifida ([38 U.S.C. 1802-05](#)), children of women Vietnam veterans born with certain birth defects ([38 U.S.C. 1811-16](#)), and children of certain Korean service veterans born with spina bifida ([38 U.S.C. 1821](#)).
- xvii. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act ([42 U.S.C. 10602\(c\)](#));
- xviii. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 ([29 U.S.C. 2931\(a\)\(2\)](#));
- (xix) Any amount received under the Richard B. Russell School Lunch Act ([42 U.S.C. 1760\(e\)](#)) and the Child Nutrition Act of 1966 ([42 U.S.C. 1780\(b\)](#)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);
- xx. Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 ([25 U.S.C. 1774f\(b\)](#));
- (xxi) Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. § 1437a(b)(4));
- xxii. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 ([Pub. L. 111-269](#); [25 U.S.C. 4103\(9\)](#)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-

Determination Act (NAHASDA) ([25 U.S.C. 4101 et seq.](#)) and administered by the Office of Native American Programs;

- xxiii. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 ([Pub. L. 111-291](#)); Show citation box
- xxiv. Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 ([Pub. L. 107-110](#), [42 U.S.C. 604\(h\)\(4\)](#));
- xxv. Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements” ([25 U.S.C. 117b\(a\)](#)); and
- xxvi. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (93, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations ([42 U.S.C. 5155\(d\)](#)).

C. Anticipating Annual Income.

If it is not feasible to anticipate income for a 12-month period, the Authority may use the annualized income anticipated for a shorter period, subject to an Interim Adjustment at the end of the shorter period.

D. Adjusted Income.

Adjusted Income (the income upon which rent is based) means Annual Income less the following deductions and exemptions:

For All Families

1. Child Care Expenses — A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which Annual Income is computed, BUT ONLY when such care is necessary to enable a family member to be gainfully employed, to seek employment or to further his/her education. Amounts deducted must be unreimbursed expenses and shall not exceed: (a) the amount of income earned by the family member released to work; or (b) an amount determined to be reasonable by FHA when the expense is incurred to permit education or to seek employment.
2. Dependent Deduction — An exemption of \$480 for each member of the family residing in the household (other than the head of household, or spouse, live-in aide, foster adult or foster child)

who is under eighteen years of age or who is eighteen years of age or older and disabled, or a full-time student.

3. **Work-related Disability Expenses** — A deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for family members with disabilities where such expenses are necessary to permit a family member(s), including the disabled member, to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) freed to work. Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for the visually impaired, and equipment added to cars and vans to permit their use by the disabled family member. Also included would be the annualized cost differential between a car and the cost of a van required by the family member with disabilities.

- a. For non-elderly families and elderly or disabled families without medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.
- b. For elderly or disabled families with medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income (provided the amount so calculated does not exceed the employment income earned) PLUS medical expenses as defined below.

For elderly and disabled families only:

4. **Medical Expense Deduction** — A deduction of unreimbursed Medical Expenses, including insurance premiums, anticipated for the period for which Annual Income is computed. Medical expenses include but are not limited to: services of physicians and other health care professionals, services of health care facilities, health insurance premiums (including the cost of Medicare), prescription and non-prescription medicines, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by FHA for the purpose of determining a deduction from income, the expenses claimed must be verifiable.

- a. For elderly or disabled families without work-related disability expenses: The amount of the deduction shall equal total medical expenses less three percent of Annual Income.
- b. For elderly or disabled families with both work-related disability expenses and medical expenses: the amount of the deduction is calculated as described in paragraph 3 (b) above.

5. **Elderly/Disabled Household Exemption** — An exemption of \$400 per household.

E. Computing Rent

1. The first step in computing rent is to determine each family's Total Tenant Payment. Total Tenant Payment is the highest of:

- **30% of adjusted monthly income;** or
- **10% of monthly income;** but never less than the
- **Minimum Rent;** and never more than the
- **Flat Rent, if chosen by the family**

2. Tenant Rent is computed by subtracting the utility allowance for tenant supplied utilities (if applicable) from the Total Tenant Payment. In developments where the FHA pays all utility bills directly to the utility supplier, Tenant Rent equals Total Tenant Payment.

3. Minimum Rent Financial Hardship Exemptions. A tenant who is required to pay the minimum rent of \$25.00 may request a financial hardship exemption under the following circumstances:

- a. When the family has lost eligibility for, or is awaiting an eligibility determination for a Federal, State or local assistance program;
- b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
- c. When the income of the family has decreased because of changed circumstances, including loss of employment;
- d. When the expenses of the family have increased because of changed circumstances, including medical costs, child care, transportation, education or similar items;
- e. When death has occurred in the family; and
- f. Other circumstances as determined by the FHA or HUD.

If a family requests a hardship exemption, the FHA will suspend the minimum rent requirement for a period of 90 days immediately upon receipt of the request. During this 90 day period, the FHA will determine whether there is a qualifying financial hardship and whether the hardship is long term. The family must demonstrate to the FHA that the financial hardship is long term.

If the FHA determines that there is a qualifying hardship, but that it is temporary, the FHA will reinstate the minimum rent from the time of the suspension and will enter into a payback agreement with the family.

If the FHA determines that there is a qualifying long term financial hardship, the FHA will exempt the family from the minimum rent requirement.

A family may appeal a financial hardship determination through the grievance procedure. A family who appeals is exempt from any escrow deposit that may be required.

4. Flat Rent Financial Hardship Exemptions

A tenant of the public housing project who has selected to pay the flat rent may request a financial hardship exemption under the following circumstances:

- a. When the income of the family has decreased because of changed circumstances, including loss or reduction of employment, death in the family and loss or reduction of earnings or other assistance;
- b. When the expenses of the family have increased because of changed circumstances, including medical costs, child care, transportation, education or similar items; and
- c. Other circumstances as determined by the FHA.

XII ENTERPRISE INCOME VERIFICATION (EIV)

A. Utilizing the EIV System

The FHA will utilize the HUD's Enterprise Income Verification (EIV) system. The EIV system is a source of information for the FHA to use in verifying reported income by applicants and tenants (and each household member) currently assisted in the Public Housing Program. The FHA will use the EIV system to validate social security numbers for program tenants and to verify household income before, during and/or after move-in, annual and interim reexamination time periods.

The data contained and provided by the EIV system will be protected by FHA officials and only used for official housing purposes in accordance with the FHA's EIV System Security Policy. Data will not be disclosed in any manner to anyone that would violate the privacy of the individuals represented.

All household members of at least 18 years of age are required to execute HUD form 9887, Notice and Consent for the Release of Information and HUD form 9887-A, Applicants/Tenant's Consent to the Release of Information. By signing these forms, the household member authorizes HUD and the FHA to obtain and verify income information from various sources. A current, signed form HUD-9887 must be on file to view and/or use the income reports. A current, signed form HUD-9887-A must be on file to obtain written third party verification of income.

B. Use of EIV Reports

1. Summary Report

The Summary Report provides a summary of household information taken from the current, active certifications contained in the Public and Indian Housing Information Center (PIC) file at the time of the income match. It also provides Identity Verification Status for each household member by identifying individuals whose personal identifiers:

- Match the Social Security Administration (SSA) database - “Verified”;
- Do not match the SSA database – “Failed”;
- Have not been sent by HUD to SSA for validation or have not yet been matched by SSA for validation – “Not Verified”; or
- SSA’s records indicate the person is deceased – “Deceased”

(a) Report Use

The Summary Report will be used at annual and interim recertifications to:

- Validate a tenant’s Social Security Number (SSN).
- Review and resolve discrepant or invalid personal identifiers of household members with a “failed” or “deceased” status.
- Nothing has to be done at the time of recertification with those household members with an Identity Verification Status of “Not Verified”. However, the Failed SSA Identity Test report will be checked monthly as a change in the Identity Verification Status may occur.

(b) File Documentation

The FHA will retain in the participant file:

- The Summary Report(s) as verification of the SSN for all household members whose Identity Verification Status is “Verified”.
- Correspondence or documentation received to resolve a household member’s “Failed” or “Deceased” status.
- Documentation for household members identified as exempt from disclosing and providing verification of a SSN. Household members that are exempt include:
 - Tenants who were 62 years of age or older as of January 31, 2010 and whose initial determination of eligibility was begun before January 31, 2010; and
 - Individuals who do not contend eligible immigration status

No employment or income information will be provided in EIV for exempt individuals and therefore, third party verification from the income source will be required.

If the Summary Report in the participant file shows an Identity Verification Status of “Verified” for all household members required to have a SSN, the FHA will not continue to print out the Summary Report at recertification unless there is a change in household composition or in a household member’s identity verification status. In addition, the FHA may remove and destroy copies of verification documentation received from the tenant to verify their SSN once the Identity Verification Status shows “Verified”. Staff is encouraged to minimize the number of tenant records that contain documents that display the full nine-digit SSN.

(c) Retention

The Summary Report and supporting documentation will be retained in the participant’s file for the term of the participation plus 3 years.

2. Income Reports

The Income Report provides employment and income reported by the Department of Health and Human Services (HHS) and SSA for each household member that passes the SSA identity test. It also identifies tenants who:

- May not have reported complete and accurate income information; and
- May be receiving multiple subsidies.

(a) Report Use

The Income Report will be used at annual and interim recertifications to:

- i. Serve as third party verification of the participant's employment and other reported income.
- ii. The Income Report may be used any time the FHA receives information that any participant household member is receiving income from Social Security, Supplemental Security Income (SSI), Wages, or Unemployment Compensation that has not been reported to the FHA.
- iii. New Admissions. The FHA will review Income Reports for new admissions within 90 days after the move-in information is transmitted to PIC to confirm/validate the income reported by the household.
- iv. Discrepancies. The FHA will resolve discrepancies in reported income with the family within 30 days of the EIV Income Report date.

(b) File Documentation

The FHA will retain in the participant file:

- i. Where there is no dispute of EIV Information:
 - EIV Income Report;
 - Current, acceptable, participant provided documents supporting the participant's income that may include, but is not limited to: four consecutive pay stubs or a hire letter that sets forth the date of hire, hourly wage and anticipated number of work hours per week to document employment income; copies of six consecutive bank statements; the award letter for social security benefits; the unemployment determination letter; or such other original documents that show the current income of the participant household member; and
 - Where the participant does not provide acceptable documents to the FHA, third party verification from the source of the income. The FHA may reject participant provided documents where: the document is not an original; the document appears to have been altered or is illegible; or the document appears to be forged.
- ii. Where the EIV Information is disputed:
 - EIV Income Report; and
 - Third party verification from the source of the disputed information.
- iii. Where the participant-reported income is not verified through the EIV system:
 - EIV Income Report;
 - Current, acceptable participant-provided documents as described above; and/or

- Third party verification from the source of the income.
- iv. Any correspondence with/from the participant relating to disputes of the employment or income reported in EIV.
- v. Form HUD-50058(s)

(c) Retention

The FHA will retain, in the participant file, a copy of the Income Report and any supporting documentation with the applicable form HUD-50058 for the term of tenancy plus 3 years.

The FHA will make copies of any participant provided documents and return the originals to the participant.

C. Income Discrepancy Report

The Income Discrepancy Report identifies households where there is a difference of \$2,400 or more in the wage, unemployment compensation and SSA benefit information reported in EIV and the wage, unemployment and SSA benefit information reported in PIC for the period of income used for the discrepancy analysis. The report serves as a tool to alert the FHA that there may be a discrepancy in the income reported by the participant during the period of income used for the discrepancy analysis.

1. Report Use

- a. The Income Discrepancy Report will be printed at the same time the Income Report is printed for use at annual and interim recertifications.
- b. Discrepancies will be reviewed and resolved at the time of recertification or within 30 days of the EIV Income Report date.
- c. Review data in PIC to make sure it agrees with the form HUD-50058 data.
- d. Correct any discrepant data in the PIC database.
- e. The Income Discrepancy Report may be used any time the FHA receives information that any participant household member is receiving income from Social Security, SSI, Wages, or Unemployment Compensation that has not been reported to the FHA.

2. Investigating Discrepancies

- a. The FHA will investigate and confirm possible income discrepancies of \$2,400 or more as disclosed on the EIV Income Discrepancy Report. The FHA will also investigate and confirm other possible errors that may result in over or underpayment of HUD subsidy.
- b. The FHA will not suspend, terminate, reduce, make a final denial of rental assistance, or take any other adverse action against an individual based solely on the data in EIV.
- c. When the participant disputes the employment and income information in EIV, the FHA will independently verify the disputed information by obtaining third party verification directly from the third party source.

- d. The FHA will notify the participant of the results of any third party verification and request that the participant come into the office, within ten (10) business days of the date of the notification, to discuss the results. The participant may contest the findings in the same manner as applies to other information and findings relating to eligibility factors.
- e. If the FHA determines that the participant is in non-compliance with his/her obligations under the program because he/she knowingly provided incomplete or inaccurate information, the FHA will follow the guidance in the Grievance Procedure and the procedures for terminating the lease.
- f. Where fraud is suspected, the FHA will report this to the HUD Office of the Inspector General (OIG) Office of Investigation in the District that has jurisdiction in the state of Colorado.

3. Unreported or Underreported Income

If the FHA determines that the participant unreported or underreported his/her income, the FHA will go back to the time the unreported or underreporting of income started, not to exceed the 5-year limitation that the participant was receiving assistance described on forms HUD-9887-A and HUD-9886, and calculate the difference between the amount of rent the participant should have paid and the amount of rent the participant actually paid. The FHA will notify the participant of any amount due and their obligation to reimburse the FHA. A record of this calculation will be provided to the participant and also retained in the participant's file.

Participant's Obligation to Reimburse. Tenants are obligated to reimburse the FHA if they are charged less rent than required by the Procedures for Computing Rent as set forth in Section XI due to underreporting or failure to report income. The participant is required to reimburse the FHA for the difference between the Tenant Rent that should have been paid and the Tenant Rent amount that was actually paid.

Repayment Options – Tenants can repay amounts due:

- In a lump sum payment; or
- By entering into a repayment agreement with the FHA; or
- A combination of the above.

Tenants who do not agree to repay amounts due in accordance with above, will be in non-compliance with the program rules and may be subject to termination.

4. File Documentation

The FHA will document the participant file, regardless of whether it determines the discrepancy to be valid or invalid, with the following:

- a. The Income Discrepancy Report.
- b. All correspondence to/from the participant regarding the income discrepancy.

- c. Documentation received to resolve the discrepancy, including written third party verification of income, if applicable.
- d. Corrected form HUD-50058(s), if applicable.
- e. Repayment Agreement, if applicable.

5. Retention

The FHA will retain in the participant file a copy of Income Discrepancy Report and any documentation related to the resolution of the discrepancy, including any repayment agreements for term of participation plus 3 years.

D. No Income Report

The No Income Report identifies tenants who have passed the SSA identity test but have no income reported by HHS or SSA for the participant. This does not mean that the participant has no income only that the participant may have income from a source not identified by EIV reports.

1. Report Use

- a. The FHA will interview tenants to determine whether the participant has other sources of income and will provide the participant the opportunity to disclose any such income.
- b. On a quarterly basis, “zero” income tenants, or tenants that report no income at all, will be required to disclose and the FHA will re-verify their income.

2. File Documentation

- a. The FHA will obtain written third party verification from the sources of other income reported by the participant, if applicable.
- b. Correspondence/documents received for re-verification of zero income tenants.

3. Retention

The FHA will retain in the participant file any documentation or third party verifications for other income reported by the participant for the term of tenancy plus 3 years.

E. New Hires Report

The New Hires Report identifies tenants who have new employment within the last 6 months.

1. Report Use

The FHA will run the New Hires report at least quarterly. For tenants identified in the New Hires Report, the FHA will:

- a. Contact the participant regarding new employment;
- b. Confirm new employment with the participant;
- c. Request the participant provided documents to support current income and/or third party verification from the employer, as applicable; and
- d. Process an Interim Recertification to include the new income, if applicable.

2. File Documentation

The FHA will retain in the participant file:

- a. New Hires Report with notation of action(s) taken.
- ii. Where there is no dispute of EIV Information:
 - EIV Income Report;
 - Current, acceptable, participant provided documents that may include: four consecutive pay stubs or a hire letter that sets forth the date of hire, hourly wage and anticipated number of work hours per week to document employment income; copies of six consecutive bank statements; the award letter for social security benefits; the unemployment determination letter; or such other original documents that show the current income of the participant household member; and
 - Where the participant does not provide acceptable documents to the FHA, third party verification from the source of the income. The FHA may reject participant provided documents where: the document is not an original; the document appears to have been altered or is illegible; or the document appears to be forged.
- c. Where the EIV Information is disputed:
 - EIV Income Report; and
 - Third party verification from the source of the disputed information.
- iv. Any correspondence with/from the participant relating to disputes of the employment or income reported in EIV.
- e. Form HUD-50058(s).

3. Retention

The FHA will retain documentation of the New Hires Report as follows:

- a. Master file – The FHA will retain the New Hires Report and supporting documentation in a master “New Hires Report” file for 3 years.
- b. Participant file – The FHA will retain a copy of the New Hires Detail Report for the participant along with any correspondence with participant, third party verifications, form HUD-50058(s), etc., for the term of tenancy plus 3 years.

F. Verification Reports

1. Existing Tenant Search - Identifies applicants who may be receiving assistance at a Multifamily or PIH location.
 - a. Report Use. At the time of processing an applicant for admission, the FHA will search each applicant and applicant household member to see if they are receiving assistance at another location. The FHA will discuss with the participant the circumstances relative to being assisted at another Multifamily or PIH property. The FHA will follow up with respective PHA or Owner/Management Agent (O/A) to confirm the individual's program participation status before admission and coordinate move-in/out dates with PHA or O/A.
 - b. File Documentation. Search results for each member of the household will be retained with the application or participant file, whichever is applicable, along with the results of any contact with the applicant, the respective PHA or O/A will be recorded with the search results for the affected household member.
 - c. Retention. The FHA will retain the results of any contact with the PHA or O/A where the applicant is reported as receiving assistance and will record on and/or with the search results for the affected household member. If not admitted – the FHA will retain search results and any supporting documentation with the application for 3 years. If admitted, the FHA will retain in the participant files the search results and any supporting documentation along with the application for the term of tenancy plus 3 years.
2. Multiple Subsidy Report - Identifies tenants who may be receiving rental assistance at more than one location.
 - a. Report Use. The FHA will obtain the Multiple Subsidy Report at least quarterly for both the Multifamily Housing and the Public and Indian Housing (PIH) programs. If a participant is identified as receiving assistance at more than one location, the FHA will provide the participant the opportunity to explain any circumstances relative to his/her being assisted at another location. The FHA will follow up with respective PHA or O/A, if necessary, to confirm that the participant is being assisted at the other location. Depending on the results, the FHA may need to take action to terminate the participant.
 - b. File Documentation. The FHA will retain the search results and documentation supporting any contacts made or information obtained to determine if a household and/or household member is receiving multiple subsidies. In addition, the FHA will retain documentation to support any action taken if a household and/or household member is receiving multiple subsidies.

If a participant's multiple subsidies were discussed and resolved at the time of recertification, this will be noted on the printed report and no further action will be required.

- c. Retention. The FHA will retain documentation of the Multiple Subsidy Report as follows:
- Master file – The FHA will retain the Multiple Subsidy Summary Report and supporting documentation in a master “Multiple Subsidy Report” file for 3 years.
 - Participant file – The FHA will retain a copy of the Multiple Subsidy Detail Report for the participant along with any documentation of action taken for a household member for the term of participation plus 3 years.
3. Failed EIV Pre-Screening Report - Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in PIC. These tenants will not be sent to SSA from EIV for the SSA identity test. Identifies tenants who need to disclose a SSN to replace a PIC generated id number.
- a. Report Use. The FHA will obtain the report monthly and will:
- Follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification;
 - Check accuracy of data entry, e.g., numbers not transposed in SSN;
 - Contact participant to confirm and obtain documents to verify discrepant personal identifiers; and
 - Correct PIC data within 30 days of the date of the report.
- b. File Documentation.
- Failed EIV Pre-screening Report documented with action taken to resolve invalid or discrepant personal identifiers.
- This report will include those persons who are exempt from the SSN disclosure and verification requirements. In these instances the FHA will note on the copy of the report retained in the “Failed EIV Pre-Screening Report” master file that the participant(s) is exempt from the SSN requirements.
- If a participant’s information was corrected at the time of recertification but the EIV data has not yet been updated, this will be noted on the printed report and no further action is required.
- c. Retention. The FHA will retain documentation for the Failed EIV Pre-Screening Report as follows:
- Master file – The FHA will retain the Failed EIV Pre-screening Report in a master “Failed EIV Pre-screening Report” file documented with the actions taken to resolve invalid or discrepant personal identifiers for 3 years.
 - Participant file – The FHA will retain a copy of the Failed EIV Pre-screening Report for the participant along with any documentation to verify discrepant personal identifiers for the term of the participation plus 3 years.
4. Failed Verification Report (Failed SSA Identity Test). This report identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database as well as deceased tenants.

- a. Report Use. The FHA will obtain the report monthly and will:
 - Follow up with tenants identified on the report where discrepant personal identifiers were not corrected at the time of recertification;
 - Check accuracy of data entry in PIC;
 - Contact participant to confirm and obtain documents to verify discrepant personal identifiers; and
 - Correct PIC data within 30 days of the date of the report.
- b. File Documentation. The FHA will maintain the Failed Verification Report (Failed SSA Identity Test) report documented with the actions taken to resolve invalid or discrepant personal identifiers.

If a participant's information was corrected at the time of recertification but the EIV data has not yet been updated, this will be noted on the printed report and no further action is required.

- c. Retention. The FHA will retain documentation for the Failed Verification Report as follows:
 - Master file – The FHA will retain the Failed Verification Report in a master “Failed Verification Report” file documented with the actions taken to resolve invalid or discrepant personal identifiers for 3 years.
 - Participant file – The FHA will retain a copy of the Failed Verification Report for the participant along with any documentation to verify discrepant personal identifiers for the term of the participation plus 3 years.
5. Deceased Tenants Report. This report identifies tenants reported by SSA as being deceased.

- a. Report Use. The FHA will obtain the Deceased Tenants Report quarterly and will:
 - Confirm, in writing, with the head of household, next of kin or contact person or entity provided by the participant to determine whether or not the person is deceased.
 - If deceased, within 30 days from date of report:
 - i. Update family composition, and, if applicable, income and allowance, on the form HUD-50058.
 - ii. For a single member household, process move-out using form HUD-50058. The effective date to be retroactive to the earlier of 14 days after the date of death or the date the unit was vacated.
 - Update any discrepant data in PIC within 30 days from the date of the report.
 - Encourage the participant to contact SSA if SSA's data is incorrect.
- b. File Documentation. The FHA will maintain the Deceased Tenants Report documented with the action taken to resolve any discrepancy along with:
 - Form HUD-50058 with change of family composition or move-out.

If action was taken to remove the deceased participant from the household or to terminate tenancy of a deceased single member of a household at the time of recertification but the EIV data has not yet been updated, this will be noted on the printed report and no further action is required.

- c. Retention. The FHA will retain documentation for the Deceased Tenants Report as follows:
- Master file – The FHA will retain the Deceased Tenants Report in a master “Deceased Tenants Report” file documented with the actions taken for 3 years.
 - Participant file – The FHA will retain a copy of the Form HUD-50058 and/or form HUD-50058-A plus any other documentation received for a particular participant for the term of participation plus 3 years.

XIII COMMUNITY SERVICE PROGRAM

The FHA has adopted the following policies governing the Community Service Requirement for all residents of its public housing units.

A. Definitions

1. Community Service – means the performance of voluntary work or duties that are a public benefit and that serve to improve the quality of life, enhance the resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities.
2. Exempt Individual – means an adult who:
 - a. Is 62 years or older;
 - b. (i) is blind or disabled individual, as defined under 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who certifies that because of this disability she or he is unable to comply with the service provision required, or (ii) Is a primary caretaker of such individual;
 - c. Is engaged in work activities;
 - d. Meets the requirements for being exempted from having to engage in a work activity under the State funded program funded under Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare-to-work program of the State, including State administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program.
3. Service Requirement – means the obligation of each adult resident, other than an exempt individual, to perform community service or participate in an economic self-sufficiency program required by this policy.

B. General Requirements

1. Service Requirement. Except for any family member who is an exempt individual, each adult resident of public housing must:
 - a. Contribute 8 hours per month of community service (not including political activities);
or
 - b. Participate in an economic self-sufficiency program for 8 hours per month; or

- c. Perform 8 hours per month of combined activities as described in paragraph (1)(a) and (b).
2. Resident Compliance.
- a. The FHA will maintain a list of not-for-profit organizations and a list of approved self-sufficiency activities for which a tenant may perform the required activities to fulfill the requirement of community service or participation in self-sufficiency programs. In addition, tenants may submit a written request to the FHA, in advance, to approve a proposed activity which will fulfill the community service or self-sufficiency requirement by the Tenant. The FHA will approve or deny the request within 10 business days of receipt of the written request from the tenant.
 - b. At each scheduled annual examination after admission to the public housing program or at least thirty days prior to the expiration of the lease period; the tenant must provide the FHA with a signed certification from the approved organization that the family member has performed the qualifying community service or self-sufficiency activity.
 - c. The FHA may not substitute community service or self-sufficiency activities performed by residents for work ordinarily performed by FHA employees, or replace a job at any location where residents perform activities to satisfy the service requirement.
3. Resident Exemption from Service Requirement. Upon admission to the public housing program and at each scheduled annual examination thereafter, the FHA shall determine whether a resident family member meets the definition of an Exempt Individual as set forth in this policy statement.
- a. If an applicant or resident family member claims an exemption due to the age of the family member, the FHA will require a copy of the family member's birth certificate, driver's license or social security information to determine the family member's age.
 - b. If an applicant or resident family member claims an exemption due to disability, the FHA will require (i) a medical certification that the family member is blind or disabled individual as defined under 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and a certification from the family member that because of this disability she or he is unable to comply with the service provisions required, or (ii) a certification that the family member is a primary caretaker of an individual described in (i) above.
 - c. If an applicant or resident family member claims an exemption due to work activities, the FHA will require a verification of such activities from the family member's employer.
 - d. If an applicant or resident family member claims an exemption due to the fact that the family member meets the requirements for being exempted from having to engage in a work activity under the State program funded under Part A or title IV of the Social Security Act (42 U.S.C. > 601 et seq.) or under any other welfare program of the State, including a State administered welfare-to-work program, a verification from the El Paso County Department of Social Services, or other administering entity, that the family member meets the requirements for being exempted from having to engage in work activity under such State program.
 - e. If an applicant or resident family member claims an exemption due to the fact that the family member meets the requirements of a family receiving assistance, benefits or services under a State program funded under Part A of title IV of the Social Security Act (42 U.S.C. > 601 et seq.) or under any other welfare program, and has not been found by the State or other administering entity to be in noncompliance with such program, a

verification from the El Paso County Department of Social Services, or other administering entity, that the family member is in fact receiving assistance, benefits or services under a State program funded under Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State, including a State administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such a program.

4. Family Violation of Service Requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term.
5. Notice of Noncompliance. If the FHA determines that there is a family member who is required to fulfill a service requirement, but who has violated this family obligation, the FHA will notify the tenant of this determination. The FHA notice to the tenant must:
 - a. Briefly described the noncompliance; and
 - b. State the FHA will not renew the lease at the end of the twelve month lease term unless:
 - i) The Tenant, and any other noncompliant resident, enter into a written agreement with the FHA, in the form and manner required by the FHA, to cure such noncompliance in accordance with such agreement; or
 - ii) The family provides written assurance satisfactory to the FHA that the tenant or other noncompliant resident no longer resides in the unit.
 - c. State that the Tenant may request a grievance hearing on the FHA determination and that the tenant may exercise any available judicial remedy to seek timely redress for the FHA's nonrenewal of the lease because of such determination.