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Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Stark Metropolitan Housing Authority, Ohio is referred to as "PHA" or "Housing Authority" or "SMHA" throughout this document.

The Public Housing Program was created by the U.S. Housing Act of 1937.

Administration of the Public Housing Program and the functions and responsibilities of the Public Housing Authority (PHA) staff shall be in compliance with the SMHA Personnel Policy, CWA, and SMHA's Admissions and Continued Occupancy Policy. The administration of the SMHA's housing program will also meet the requirements of the Department of Housing and Urban Development. Such requirements include any Public Housing Regulations, Handbooks, and applicable Notices. All applicable Federal, State and local laws, including Fair Housing Laws and regulations also apply. Changes in applicable federal laws or regulations shall supersede provisions in conflict with this policy. Federal regulations shall include those found in Volume 24 CFR, Parts 1, 5, 8, 100, 900-966, and V, VII and IX. (Code of Federal Regulations).

A. STARK METROPOLITAN HOUSING AUTHORITY'S MISSION STATEMENT

The SMHA provides eligible residents of Stark County with quality affordable housing in decent, safe, and nourishing neighborhoods. By working in partnership with public and private sectors, the SMHA provides families with housing Choice and the opportunity to achieve self-sufficiency.

SMHA is dedicated to providing this community with quality, affordable housing that is decent, well maintained and free from drugs and violent crime. We endeavor to provide livable communities that are made up of a diverse range of economic incomes so that the children of these communities have role models that are visibly striving to make economic gains for their families. We are committed to providing our residents with as many opportunities as possible to become economically self-sufficient. We shall do all of these things while serving our residents and neighboring citizens with the highest degree of professional courtesy, empathy and respect.

SMHA is committed to providing quality, affordable housing that is decent and safe, to eligible families in this community. We strive to make the best use of all available resources so that our residents may live in an environment that is clean, well maintained and attractive. Our goal is to manage our public housing units in a manner that is consistent with good, financially sound property management practices. By taking advantage of available community and government resources, we intend to provide our residents with as many opportunities for economic self-sufficiency as we can identify. We endeavor to instill pride and a desire for an enhanced quality

of life for our residents and their families. We are committed to serving our residents and this entire community in a manner that demonstrates professional courtesy, respect and caring.

B. LOCAL OBJECTIVES

This Admissions and Continued Occupancy Plan for the Public Housing Program is designed to demonstrate that SMHA is managing its program in a manner that reflects its commitment to improving the quality of housing available to its public, and its capacity to manage that housing in a manner that demonstrates its responsibility to the public trust. In addition, this Admissions and Continued Occupancy Policy is designed to achieve the following objectives:

To provide improved living conditions for very low and low income families while maintaining their rent payments at an affordable level.

To operate a socially and financially sound public housing agency that provides decent, safe, and sanitary housing within a drug free, suitable living environment for tenants and their families.

To avoid concentrations of economically and socially deprived families in any one or all of the SMHA's public housing developments.

To lawfully deny the admission of applicants, or the continued occupancy of residents, whose habits and practices reasonably may be expected to adversely affect the health, safety, comfort or welfare of other residents or the physical environment of the neighborhood, or create a danger to SMHA's employees.

To attempt to house a tenant body in each development that is composed of families with a broad range of incomes and rent-paying abilities that are representative of the range of incomes of low-income families in SMHA's jurisdiction.

To provide opportunities for upward mobility or families who desire to achieve self-sufficiency.

To facilitate the judicious management of SMHA's housing inventory, and the efficient management of SMHA staff.

To ensure compliance with Title VI of the Civil Rights Act of 1964 and all other applicable Federal laws and regulations so that the admissions and continued occupancy are conducted without regard to race, color, religion, creed, sex, national origin, disability, sexual orientation (LGBT) or familial status.

C. PURPOSE OF THE POLICY

The purpose of this Admissions and Continued Occupancy Policy (ACOP) is to establish guidelines for SMHA staff to follow in determining eligibility for admission and continued occupancy. These guidelines are governed by the requirements of the Department of Housing and Urban Development (HUD) with latitude for local policies and procedures. These policies and procedures for admissions and continued occupancy are binding upon applicants, residents, and SMHA.

SMHA's Board of Commissioners must approve the original policy and any changes. This required document is provided to HUD with the submission of the Agency Plan.

D. FAIR HOUSING POLICY

Nondiscrimination

It is the policy of SMHA to fully comply with Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, state and local Fair Housing laws, and any legislation protecting the individual rights of residents, applicants or staff which may be subsequently enacted.

SMHA will comply with all laws and court orders relating to civil rights, including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.) and 24 CFR Part 1
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Fair Housing Act (42 U.S.C. §§3601-3631) and 24 CFR Parts 100, 108, and 110
- Executive Order 11063 on equal opportunity in housing and 24 CFR Part 107
- Executive Order 13166 on improving access to services for persons with limited English proficiency
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and 24 CFR Part 8
- Age Discrimination Act of 1975 (42 U.S.C. §§6101-6107) and 24 CFR Part 146
- Title II of the Americans with Disabilities Act (42 U.S.C. §§12131-12134), 28 CFR 35
- All applicable state and local laws and ordinances

SMHA shall not discriminate because of race, color, sex, religion, familial status (in non-elderly designated housing), disability, sexual orientation, marital status, or national origin in the leasing,

rental, or other disposition of housing or related facilities, including land, included in any development or developments under its jurisdiction or in the use or occupancy thereof.

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

The PHA's locations are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the Ohio Relay telephone service provider.

SMHA shall not take any of the following actions on account of race, color, sex, religion, familial status, disability, sexual orientation, or national origin:

Deny to any family the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to its needs.

Provide housing that is different than that provided others.

Subject a person to segregation or disparate treatment.

Restrict a person's access to any benefit enjoyed by others in connection with any program operated by the Housing Authority.

Treat a person differently in determining eligibility or other requirements for admission.

Deny a person access to the same level of services.

Deny a person the opportunity to participate in a planning or advisory group that is an integral part of the public housing program.

SMHA shall not automatically deny admission to a particular group or category of otherwise eligible applicants (e.g. families with children born to unmarried parents or elderly pet owners). Each applicant in a particular group or category will be treated on an individual basis in the normal processing routine.

SMHA will seek to identify and eliminate situations or procedures that create a barrier to equal housing opportunity for all. In accordance with Section 504 of the Rehabilitation Act of 1973, SMHA will make such physical or procedural changes as will reasonably accommodate people with disabilities.

SMHA records with respect to applicants for admission shall indicate for each application the date of receipt, the determination of eligibility or non-eligibility, the preference rating if any, and the date, location, identification, and circumstances of each vacancy offered and whether that vacancy was accepted or rejected.

SMHA will identify and eliminate situations or procedures that create a barrier to equal housing opportunity for all. In accordance with Section 504, and the Fair Housing Amendments Act of 1988, SMHA will make structural modifications to its housing and non-housing facilities (required, 24 CFR §§8.21, 8.23, 8.24, and 8.25) and make reasonable accommodations in its procedures or practices (required, 24 CFR §100.204) to permit people with disabilities to take full advantage of SMHA's programs and services.

- 1) In making existing housing programs (see 24 CFR §8.24) or alterations to existing facilities (see 24 CFR §8.23(b)) to be readily accessible to and usable by individuals with handicaps, SMHA is not required to:
 - (a) Make each of its existing facilities accessible (24 CFR §8.24(a)(1)), or make structural changes when other methods can be demonstrated to achieve the same effect; (24 CFR §8.24 (b))
 - (b) Make building alterations that require the removal or altering of a load-bearing structural member; (24 CFR § 8.32 (c))
 - (c) Provide an elevator in any multifamily housing development solely for the purpose of locating accessible dwelling units ("units") above or below the accessible grade level; or (24 CFR § 8.26)
 - (d) Take any action that results in a fundamental alteration in the nature of the program or results in undue financial and administrative burdens. (24 CFR § 8.24(a)(2))
- 2) When SMHA is making substantial alterations (defined in 24 CFR § 8.23 as alterations to a development that has 15+ units and the cost is 75% or more of the replacement cost of the completed facility) to an existing housing facility, SMHA is not required to:
 - (a) Provide an elevator in any multifamily housing development solely for the purpose of locating accessible units above or below the accessible grade level; (24 CFR §8.26)
 - (b) Make building alterations that require the removal or altering of a load-bearing structural member; or (24 CFR §8.32 (c))
 - (c) Make structural alterations to meet minimum accessibility requirements where it is structurally impracticable. "Structural impracticability" is defined as: Changes having little likelihood of being accomplished without removing or altering a load-bearing structural member and/or incurring an increased cost of 50% or more of the value of the element of the building or facility involved. (24 CFR §8.32(c) and Appendix A to Part 40, Uniform Federal Accessibility Standards (UFAS) 3.5 and 4.1.6(3))

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- 3) Note that the undue burdens test above is not applicable to housing undergoing substantial alteration.

Affirmative Marketing

As conditions may require, SMHA will post notices of housing availability in particular neighborhoods or developments to encourage fuller participation, of those least likely to apply. SMHA may issue public announcements of availability to encourage applications for assistance. Among the marketing efforts SMHA may engage in depending on the situation are the following:

Send informational spots to local media outlets such as radio stations, cable TV, newspapers, or other periodicals for broadcast or publication.

Special outreaches to minorities, persons with disabilities and very low-income families.

Distribute pamphlets and brochures.

Post notices in places of employment, unemployment offices, welfare offices, post offices, grocery stores, churches, community halls, public transportation centers, and with other agency community service providers.

Conduct outreach to organizations that assist people with disabilities, the elderly, students, immigrants, homeless people and victims of domestic violence.

SMHA will monitor the benefits received as a result of the above activities, and will increase or decrease the outreach activities accordingly.

To reach minority groups, it may be necessary to canvas neighborhoods or make mass mailing to areas with heavy concentration of minority citizens. If language is a problem, brochures may be printed in Spanish or other languages as required.

Operations

In order to further the objectives of nondiscrimination, SMHA shall:

Include in the admissions briefings for all SMHA programs a section on compliance with Civil Rights laws. The briefings shall explain to all participants what should be done if they believe they have been discriminated against.

Prominently display Fair Housing posters in every development office owned by SMHA and in SMHA's administrative offices. Such posters shall be posted in such a manner as to be easily readable from a wheelchair.

Use the Equal Housing Opportunity logo and/or statement in all advertising and in all marketing publications of SMHA. SMHA shall be particularly conscious of human models used in its publications so as to avoid signaling any sense of discrimination.

SMHA shall use the local relay service from the local telephone relay service provider:

Ohio Relay Service Dial - (800) 750-0750.

As many publications as feasible shall be printed both in English and in Spanish or any other languages as may be commonly spoken within the jurisdiction. SMHA will try to employ staff with bi-lingual language capabilities in English and Spanish or any other language as may be commonly spoken within the SMHA jurisdiction or maintain a relationship with agencies that can perform the service.

E. SERVICE AND ACCOMMODATIONS POLICY

It is the policy of the SMHA to provide courteous and efficient service to all applicants for housing assistance. In that regard, the SMHA will accommodate persons with disabilities as necessary and/or when reasonable, as well as those persons with language and literacy barriers.

This policy is applicable to all situations described in this Admissions and Continued Occupancy Policy when a family initiates contact with SMHA, when SMHA initiates contact with a family including when a family applies, and when SMHA schedules or reschedules appointments of any kind.

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

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

Violence Against Women Act (VAWA)

Nothing contained herein is to be construed nor will it be interpreted to violate applicable sections of Violence Against Women Act (Public Law 109-162), in agency plans, denial of assistance, termination of tenancy or lease, denial of moves, certifications, confidentiality and notification.

Federal Americans with Disabilities Act of 1990

With respect to an individual, the term "disability," as defined by the 1990 Act means:

A person with a physical or mental impairment that substantially limits one or more of the major life activities of an individual;

Has a record of such impairment; or is regarded as having such impairment. (The disability may not be apparent to others, i.e., heart condition).

Undue Hardship

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

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

The nature and cost of the accommodation needed;

The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation.

The number of persons currently employed at such facility, the number of families likely currently to need such accommodation, the effect on expenses and resources, or the likely impact on the operation of the facility as a result of the accommodation.

If more than one accommodation is equally effective in providing access to the SMHA's programs and services, the SMHA will consult with the resident or applicant to discuss the available options.

Any request for an accommodation that would enable a tenant to materially violate essential lease terms will not be approved, i.e. allowing nonpayment of rent, destruction of property, disturbing the peaceful enjoyment of others, etc.

Verification of a Request for Accommodation

All requests for accommodation or modification of a unit will be verified with a reliable, knowledgeable professional: (A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may also provide verification of a disability).

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability.

(Recertifications are completed by mail in)

Reasonable Accommodation

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to provide some information, but only with the permission of the person with the disability.

All PHA mailings will be made available in an accessible format upon request, as a reasonable accommodation.

Application Process

For purposes of this section, the SMHA will make the following types of accommodations to persons with disabilities to facilitate the application process:

Permitting the submission of applications or certification forms via mail.

Permitting an authorized designee to participate in the application or certification process.

Providing assisted listening devices/ a certified sign language interpreter/ a Braille interpreter to facilitate the application or certification process.

Home Visits

When requested and where the need for reasonable accommodation has been established, the SMHA will conduct home visits to residents to conduct annual and interim recertifications.

Requests for home visit recertifications should be received by the SMHA at least 30 days before the scheduled appointment date in order for the request to be considered.

Interpretation for Visual or Audible Impairments

Documents intended for use by applicants and residents will be made available in formats accessible for those with vision or hearing impairments in compliance with the Fair Housing Act, 24 CFR 8.6, including communication by way of TDD/TTY for those applicants or program participants who are speech or hearing impaired.

Other Accommodations

The SMHA utilizes organizations that provide assistance for hearing- and sight-impaired persons when needed.

Qualified families will be offered an accessible unit, upon request by the family, when an accessible unit is available. Due to the limited number of accessible units, SMHA will offer vacant accessible units with features for person with disabilities as follows:

- First, to a current occupant of another unit of the same development who requires the accessible features of the vacant, accessible unit and is occupying a unit not having the features;

- If there is no current resident in the same development that requires the accessible features of the vacant unit, then it will be offered to a resident with disabilities residing in another development under SMHA's control, who has a disability that requires the special features of the vacant accessible unit;
- If there is no current resident who requires the accessible features of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the available, vacant, accessible unit; .
- If there is not an eligible qualified resident or applicant with disabilities, needing the features of the vacant available unit on the waiting list who wishes to reside in the available accessible unit, then it will be offered to an applicant on the waiting list who does not need the accessible features of the unit. See 24 CFR 8.27. However, the SMHA will require the applicant to execute the SMHA public housing lease that requires to the resident to relocate to a vacant non-accessible unit within thirty (30) days of notice by the SMHA that there is an eligible applicant or existing resident with disabilities who requires the accessible features of the unit.

F. IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

Overview

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the public housing program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published January 22, 2007 in the *Federal Register*.

The SMHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP persons are defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Admissions and Continued Occupancy Policy, LEP persons are public housing applicants and resident families, and parents and family members of applicants and resident families.

In order to determine the level of access needed by LEP persons, the PHA will balance the

following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the public housing program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA.

Oral Interpretation

In a hearing, or situations in which health, safety, or access to important benefits and services are at stake, the PHA will generally offer, or ensure that the family is offered through other sources, competent interpretation services free of charge to the LEP person.

SMHA Policy

The SMHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible, the SMHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHA's, and will standardize documents. Where feasible and possible, the PHA will encourage the use of qualified community volunteers.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The interpreter may be a family member or friend.

Written Translation

Translation is the replacement of a written text from one language into an equivalent written text in another language.

SMHA Policy

In order to comply with written-translation obligations, the SMHA will take the following steps:

The SMHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the SMHA may not translate vital written materials, but will provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

These "safe harbor" provisions apply to the translation of written documents only. They do not affect the requirement to provide meaningful access to LEP persons

through competent oral interpreters where oral language services are needed and reasonable.

SMHA will use the written documents supplied by HUD, whenever possible. All documents will be clearly marked "For Informational Purposes Only". All documents that will be executed for the files and program requirements will be in English.

Implementation Plan

After completing the four-factor analysis and deciding what language assistance services are appropriate, the SMHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If the SMHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the SMHA's public housing program and services.

SMHA Policy

If it is determined the SMHA serves very few LEP persons, and the SMHA has very limited resources, the SMHA will not develop a written LAP, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. If SMHA determines that it serves or is under-serving LEP persons because of language barriers and SMHA has the available resources, the SMHA will develop a LAP. SMHA will use entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants. These entities will be contacted for input into the process.

If the SMHA determines it is appropriate to develop a written LAP, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LAP.

G. LANGUAGE ASSISTANCE

The SMHA will provide readers to assist persons with literacy barriers in completing the application and certification process.

The SMHA will refer persons with literacy barriers to Language Line for assistance with the completion of the application and certification process.

H. PUBLIC HOUSING MANAGEMENT ASSESSMENT SYSTEM (PHAS) OBJECTIVES [24 CFR 901 & 902]

SMHA operates its public housing program with efficiency and can demonstrate to HUD or

independent auditors that SMHA is using its resources in a manner that reflects its commitment to quality and service. SMHA policies and practices are consistent with the new Public Housing Assessment System (PHAS) outlined in the 24 CFR Parts 901 and 902 final published regulations.

SMHA is continuously assessing its program and consistently strives to make improvements. The SMHA acknowledges that its performance ratings are important to sustaining its capacity to maintain flexibility and authority. SMHA intends to diligently manage its current program operations and continuously make efforts to be in full compliance with PHAS. The policies and procedures of this program are established so that the standards set forth by PHAS are demonstrated and can be objectively reviewed by an auditor whose purpose is to evaluate performance.

I. FAMILY OUTREACH

SMHA will publicize and disseminate information to make known the availability of housing units and housing-related services for low-income families on a regular basis.

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

SMHA will accept referrals from local providers for available housing. SMHA will determine housing eligibility factors of the applicants.

J. QUALITY HOUSING AND WORK RESPONSIBILITY ACT (QHWRA)

SMHA shall comply with the Quality Housing and Work Responsibility Act of 1998 (QHWRA). QHWRA amends the Housing Act of 1937 to include the following operational practices of the Public Housing program:

Deregulation and decontrol of public housing agencies, enabling agencies to perform as property and asset managers;

Flexibility in use of Federal assistance to enable the agency to leverage and combine assistance amounts with amounts obtained from other sources;

The facilitation of mixed income communities and the deconcentration of poverty;

An increased accountability to HUD with rewards for effective management of the Public Housing programs; and

Ability to create incentives and economic opportunities for residents of Public Housing to

work, become self-sufficient.

K. FEDERAL PRIVACY ACT

SMHA's practices and procedures are designed to safeguard the privacy of applicants and residents.

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

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

Files will never be left unattended or placed in common areas.

Criminal Background check information will be kept in a separate file with access only by persons authorized by local law enforcement and SMHA. Upon making a determination of eligibility, the criminal background check information will be destroyed, unless prevented by State statutes or other laws that would prevent the SMHA from destroying said document.

Any and all information which would lead one to determine the nature and/or severity of a person's disability will not be placed in applicant or tenant files, but must be returned or destroyed. The personal information will be reviewed by the authorized SMHA representative, review of documents will be noted in the file and the originals will be returned to the applicant/tenant. If there is a need to maintain this information, it must be kept in a separate folder and marked "confidential". All requests for access and granting of accommodations based on this information must be approved by the staff person designated by the Executive Director. The personal information must not be released except on an "as needed" basis in cases where an accommodation is under consideration. .

SMHA staff will not discuss or access family information contained in files unless there is a business reason to do so. Staff will be required to disclose whether s/he has relatives living in Public Housing or assisted housing. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

L. POSTING OF REQUIRED INFORMATION

SMHA will maintain bulletin boards in conspicuous areas of the Administrative Office and the individual site development offices. The bulletin boards will contain:

- Statement of policies and procedures governing Admission and Continued Occupancy Policy (ACOP)
- A notice of where the SMHA 5-year Plan and Annual Plan are available
- Information on application taking
- Directory of SMHA's housing sites including names, address of offices and office hours at each facility
- Income limits for admission
- Current schedule of routine maintenance charges
- A copy of the lease
- SMHA's grievance procedures
- A Fair Housing Poster
- An Equal Opportunity in Employment poster
- Current Resident Notices
- Required public notices
- Security Deposit Charges
- Schedule of Utility Allowances (if applicable)
- Flat Rent Schedule
- Limited English Policy
- Information on Screening and Eviction for Drug Abuse or Other Criminal Activity
- Banned List- if required
- PHAS Scores

M. TERMINOLOGY

The Stark Metropolitan Housing Authority is referred to as "PHA" or "Housing Authority" or "SMHA" throughout this document.

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

"Tenant" is used to refer to participants in terms of their relation as a lessee to the SMHA as the landlord.

"Landlord" refers to the SMHA.

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

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

See Glossary for other terminology.

Stark Metropolitan Housing Authority Effective Communication Policy

Pursuant to 24 CFR 8.6 Stark Metropolitan Housing Authority ("SMHA") will take appropriate steps to ensure effective communication with applicants, beneficiaries, and members of the public. In doing so, SMHA will do the following:

Provide appropriate auxiliary aids where necessary to afford an individual with handicaps an equal opportunity to participate in, and enjoy the benefits of, a program or activity receiving Federal financial assistance.

Determine what auxiliary aids and services are necessary and give primary consideration to the requests of the individual with disabilities.

However, SMHA is not required to provide individually prescribed devices, readers for personal use or study, or other devices of a personal nature.

Upon request, SMHA will communicate with applicants and participants in writing and/or by telephone, telecommunication devices for deaf persons (TDD's) and/or any other equally effective communication system.

SMHA will adopt and implement procedures to ensure that interested persons (including persons with impaired vision or hearing) can obtain information concerning the existence and location of accessible services, activities, and facilities.

However, SMHA will not take any action that will result in a fundamental alteration in the nature of a program or activity or cause undue financial and administrative burdens.

If an action would result in alteration in the nature of a program or activity or in undue financial and administrative burdens, SMHA will take alternative actions that will not result in an alteration in the nature of a program or activity or cause undue financial and administrative burdens.

And, in any event, SMHA will ensure that, to the maximum extent possible, individuals with disabilities receive the benefits and services of the programs and/or activities receiving HUD assistance.

Chapter 2

ELIGIBILITY FOR ADMISSION [24 CFR Part 960, Subpart B]

INTRODUCTION

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

Exemption from Eligibility Requirements for Police Officers and Other Security Personnel

The Authority shall be permitted to admit to Public Housing, police officers and other security personnel who are not otherwise eligible for such housing under any other admission requirements or procedures (i.e. police officers would not be required to be income eligible to qualify for admission to the Public Housing program.) HUD's objective in granting this exemption is to permit long-term residency in public housing developments of police officers and security personnel whose visible presence is expected to serve as a deterrent to criminal activity in and around housing.

Before SMHA would be permitted to house police officers or other security personnel under this provision and as added in the five-year plan, SMHA would submit to HUD the Housing Authority's standards and criteria for approval/waiver of admission criteria in accordance with 24 CFR 960.501.

A. QUALIFICATION FOR ADMISSION

It is SMHA's policy to admit qualified applicants only. An applicant is qualified if he or she meets the following criteria:

Is a family as defined by regulation.

Where at least one member of the household is either a U.S. citizen or is an eligible non-citizen. (24 CFR Part 5, Subpart E).

Has an Annual Income at the time of admission that does not exceed the low-income limits for occupancy established by HUD and posted separately in the SMHA offices.

The Quality Housing and Work Responsibility Act of 1998 authorizes PHAs to admit families whose income does not exceed the low-income limit (80% of median area income) and the SMHA is required to meet the annual 40% targeted income requirement of extremely low-income families (families whose income does not exceed 30% of median

area income). It is the policy of the SMHA to meet the income-targeting requirement.

Provides a Social Security number (SSN) for all family members that have a SSN for anyone declaring eligibility or will provide written certification that they do not have Social Security numbers for anyone that is not declaring eligibility for the program;

Meets or exceeds the standards for the criminal background check;

Meets the criteria that the head of household is of legal age to execute the required contracts;

Meets or exceeds the tenant Selection and Suitability Criteria as set forth in this policy.

Timing for the Verification of Qualifying Factors

The qualifying factors of eligibility will be verified when the family applies and certain items re-verified when the family has been offered housing and is preparing to sign a lease.

B. FAMILY COMPOSITION

Definition of Family

The applicant must qualify as a Family. A family may be a single person or a group of persons. Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law. For occupancy standards purposes, the applicant may claim a spousal relationship. (See Chapter 5, Occupancy Guidelines.) The definition of a family includes members that are Lesbian, Gay, Bisexual, or Transgender (LGBT).

A group of persons is defined by SMHA as two or more persons who intend to share residency, and whose income and resources are available to meet the family's needs, and will live together in SMHA housing.

The term "Family" includes, but is not limited to:

A family with or without children;

An elderly family;

A disabled family;

A displaced family;

The remaining member of a tenant family;

A single person who is not elderly, displaced, or a person with disabilities, or the remaining

member of a tenant family;

Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with a live-in aide is a family;

Two or more near-elderly persons living together, or one or more near-elderly persons living with a live-in aide.

The temporary absence of a child from the home due to placement in foster care shall not be considered in determining the family composition and family size. The child will still be considered a family member if it is anticipated that they will be returned to the home within no more than 12 months.

For the purposes of the definition of a qualified family and admission of a single higher education student, the restrictions on assistance to students enrolled in an institution of higher education do not apply to public housing. (24 CFR 5.612)

Head of Household

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

Emancipated minors who qualify under State law will be recognized as head of household if there is a court order recognizing them as an emancipated minor.

Persons who are married are legally recognized as adults under State law.

A family may designate an elderly or disabled family member as head of household solely to qualify the family as an Elderly Family, provided that the person is at least partially responsible for paying the rent (has income).

Spouse of Head

Spouse means the husband or wife of the head. The spouse is equally responsible for the lease with the Head of Household.

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

Co-head

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

Live-In Aide

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

Is determined by SMHA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,

Is not obligated for the monetary support of the person(s), and

Would not be living in the unit except to provide care for the person(s).

A live-in aide is not considered to be an assisted family member and has no rights or benefits under the program:

Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.

Live-in aides are not subject to Non-Citizen Rule requirements.

Live-in aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

Family members of a live-in aide may also reside in the unit, providing that the presence of the family member(s) does not overcrowd the unit. The family will be eligible to increase the bedroom size by one bedroom to accommodate the live-in aide status.

A Live-in Aide may only reside in the unit with the approval of SMHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (50-61), or disabled.

Before the SMHA approves the addition of a live-in aide on behalf of a resident, the resident must submit a specific live-in aide's name and information for approval by the SMHA within 30 calendar days of the SMHA's notification.

If the 30 calendar days expire, the resident will have to resubmit an application for approval of a live-in aide.

A specific live-in aide may only reside in the unit with the approval of the SMHA. The SMHA shall make the live-in aide subject to the agency's screening criteria.

The SMHA will require the live-in aide to execute a rider agreeing to abide by the terms and conditions of occupancy set forth in the lease agreement. If the live-in aide violates provisions of

the rider, the SMHA may take action against the live-in aide separate from action against the assisted family. The SMHA is not restricted from taking action directly against the family for the actions of the live-in aide. The live-in aide agrees to vacate immediately after the person declaring the need should vacate the unit or become deceased.

If the live-in aide or their family members participate in drug-related or criminal activity, the SMHA will rescind the aide's right to occupy the unit. When the agency takes such action against the live-in aide, the aide must immediately vacate the unit and is not entitled to the grievance hearing process of the agency.

SMHA has the right to disapprove a request for a live-in aide based on the "Other Eligibility Criteria" described in this Chapter.

C. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216]

Families are required to provide verification of Social Security Numbers for all family members that are claiming eligible citizenship status. This requirement also applies to persons joining the family after admission to the program.

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

The SMHA must request the applicant and participant (including each member of the household), who are not exempt under **SSN Disclosure**, to provide documentation of each disclosed SSN. Acceptable evidence of the SSN consists of:

- An original SSA-issued document, which contains the name and SSN of the individual; or
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

The SMHA may allow an applicant family to become a program participant if they are waiting for verification of the SSN for household member(s) under the age of 6. An applicant family that becomes a program participant must verify the SSN for household members under the age of 6 within 90 days of being admitted to the program. An extension of an additional 90-days must be granted if the SMHA determines that, in its discretion, the applicant's failure to comply with verifying the SSN for member(s) under the age of 6 was due to circumstances that could not reasonably been foreseen and were outside of the control of the applicant.

SSN Disclosure

In accordance with 24 CFR 5.216, applicants and participants (including each member of the household) are required to disclose his/her assigned SSN, with the exception of the following individuals:

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- Those individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States). These individuals in most instances would not be eligible for a SSN.
 - A family that consists of a single household member (including a pregnant individual) who does not have eligible immigration status is **not eligible** for housing assistance and cannot be housed.
 - A family that consists of two or more household members **and at least one** household member that has eligible immigration status, is classified as a mixed family, and **is eligible** for prorated assistance in accordance with 24 CFR 5.520. The SMHA may **not** deny assistance to mixed families due to nondisclosure of an SSN by an individual who does not contend to have eligible immigration status.
 - Existing program participants as of January 31, 2010, who have previously disclosed their SSN and HUD has determined the SSN to be valid. The SMHA may confirm HUD's validation of the participant's SSN by viewing the household's *Summary Report* or the *Identity Verification Report* in the EIV system.
 - Existing program participants as of January 31, 2010, who are 62 years of age or older, and had not previously disclosed a valid SSN. This exemption continues even if the individual moves to a new assisted unit.

Disclosure of SSNs is considered information subject to the Federal Privacy Act (5 USC 552a, as amended). In accordance with 24 CFR 5.212, the collection, maintenance, use, and dissemination of SSNs, any information derived from SSNs and income information must be conducted, to the extent applicable, in compliance with that Act and all other provisions of Federal, State, and local law.

There is no provision under HUD regulations which prohibit an individual (head of household with other eligible household members) with ineligible immigration status from executing a lease or other legally binding contract. However, some state laws prohibit an individual with ineligible immigration status from executing a contract (i.e. lease or other legal binding documents). If this is the case in your state, the family must **not** be admitted into the program.

D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS

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

1. A noncitizen who has been lawfully admitted to the U. S. for permanent residence, as defined by Section 101(a)(20) of the Immigration and Nationality Act (INA) as an

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- immigrant, as defined by Section 101(a)(15) of the INA (8 U.S.C. 1101(a)(20) and 2101(a)(15), respectively (immigrants). This category includes a noncitizen who has been admitted under Section 210 or 210A of the INA (8 U.S.C. 1160 or 1161), (special agricultural worker), and who has been granted lawful temporary resident status;
2. A noncitizen who entered the U. S. before January 1, 1972, or such later date as enacted by law, and who has continuously maintained residence in the U. S. since then, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA (8 U.S.C. 1259);
 3. A noncitizen who is lawfully present in the U. S. pursuant to an admission under Section 207 of the INA (8 U.S.C. 1157) (refugee status); pursuant to the granting of asylum (which has not been terminated) under Section 208 of the INA (8 U.S.C. 1158) (asylum status); or as a result of being granted conditional entry under Section 203(a)(7) of the INA (U.S.C. 1153(a)(7) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic national calamity;
 4. A noncitizen who is lawfully present in the U.S. as a result of an exercise of discretion by the Attorney General for emergent reasons or for reasons deemed strictly in the public interest under Section 212(d)(5) of the INA (8 U.S.C. 1182(d)(5)) (parole status);
 5. A noncitizen who is lawfully present in the U. S. as a result of the Attorney Generals' withholding deportation under Section 243(h) of the INA (8 U.S.C. 1253(h)) (threat to life or freedom); or
 6. A noncitizen lawfully admitted for temporary or permanent residence under Section 245A of the INA (8 U.S.C. 1225a) (amnesty granted under INA 245A).

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

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed families". Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination. If such a family chooses flat rent, the flat rent will not be pro-rated if the flat rent is greater than the Public Housing Maximum Rent. If the Public Housing Maximum Rent is greater than the flat rent, and the family chooses flat rent, the flat rent will be pro-rated.

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

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

No individual or family applying for housing assistance may receive such housing assistance prior to the affirmative establishment and verification of eligibility of at least one individual or family member.

E. OTHER ELIGIBILITY CRITERIA

All applicants will be processed in accordance with HUD's regulations (24 CFR Part 960) and sound management practices. Applicants will be required to demonstrate the ability to comply with essential provisions of the lease as summarized below.

All applicants and all household members must demonstrate through an assessment of current and past behavior the ability:

- to pay rent and other charges as required by the lease in a timely manner;
- to care for and avoid damaging the unit and common areas;
- to use facilities, appliances and equipment in a reasonable way;
- to create no health or safety hazards, and to report maintenance needs in a timely manner;
- not to interfere with the rights and peaceful enjoyment of others and to avoid damaging the property of others;
- not to engage in criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents or staff and not to engage in drug-related criminal activity on or off SMHA premises;
- not to have ever been convicted of manufacturing or producing methamphetamine, also known as "speed," on the premises of assisted housing;
- not to be subject to lifetime sex offender registration requirement;
- not owe debts to other subsidized landlords;
- is not on the SMHA banned list;
- not to have committed fraud against any assisted housing program;
- to comply with necessary and reasonable rules and program requirements of HUD and SMHA; and,

- to comply with local health and safety codes.

In the event of the receipt of unfavorable information with respect to an applicant, the SMHA must consider the time, nature and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Chapter 2-G, the SMHA may also need to consider whether the cause of the unfavorable information may be that the applicant is a victim of domestic violence, dating violence, sexual assault or stalking.

Denial of Admission for Previous Debts to This or Any Other PHA

Previous outstanding debts to SMHA or any Public Housing Authority (PHA) resulting from a previous tenancy in the public housing, Section 8, or assisted housing program must be paid in full prior to approval of the housing application. SMHA may consider extreme hardships and allow a Repayment agreement for debt owed and still approve the application (if all other eligibility criteria is met) and be admitted to program.

At the time of initial application, the applicant must pay any previous debt prior to any potential approval of application being granted.

Either spouse and/or co-head is responsible for the entire debt incurred as a previous SMHA tenant. Children of the head or spouse who had incurred a debt to SMHA will not be held responsible for the parent's previous debt. In no case will the debt be forgiven.

Denial of Admission for Previous Debts to Landlords

SMHA reserves the right, in the case of extreme hardship, i.e. homelessness, to allow the applicant to enter into a Payment Agreement for a debt to a previous subsidized landlord. Full documentation of the hardship will be required. In no case will the debt be forgiven.

F. NON-ECONOMIC ELIGIBILITY CRITERIA (Including Criminal/Drug)

Purpose

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of the SMHA to fully endorse and implement a policy that is designed to:

- Help create and maintain a safe and drug-free community;
- Keep our program participants free from threats to their personal and family safety;
- Support parental efforts to instill values of personal responsibility and hard work;
- Help maintain an environment where children can live safely, learn and grow up to be productive citizens; and

Assist families in their vocational/educational goals in the pursuit of self-sufficiency.

As part of eligibility determination, the Authority will screen each applicant household to assess its suitability as renters.

Factors not related to economics to be considered are housekeeping habits, prior history as a tenant, criminal records, and the ability of the applicant to maintain the responsibilities of tenancy including but not limited to damages, threats to landlord(s), having unauthorized occupants or any other relevant tenancy information.

In determining qualifications for tenancy, SMHA shall consider the following items:

Whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety, or welfare of other residents, or the physical, environmental, or financial stability of the development.

SMHA shall rely upon sources of information which may include, but not limited to, SMHA records, the records of other housing authorities, personal interviews with the applicant or tenant, home visits, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians, or the police department. This will be done in order to determine whether the individual attributes, prior conduct, and behavior of a particular applicant or tenant is likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety, or welfare.

In making a decision to deny assistance, the SMHA will consider factors discussed in Chapter 2-G, PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING [Pub.L. 109-162]

An authorized representative of SMHA shall document any pertinent information relative to the following:

Criminal Activity – including the activities further defined herein as of a criminal nature.

Continuous Course of Criminal Activity – including repeated criminal charges over a period of time including the activities further defined herein as of a criminal nature.

Pattern of Violent Behavior – includes evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to neighbors' peaceful enjoyment of their premises. HUD defines violent criminal activity as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity was/is being engaged in by any family member.

Pattern of Drug Use – includes a determination by SMHA that the applicant has exhibited a pattern of illegal use of a controlled substance that might interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Open Warrants - includes a determination by SMHA that the applicant currently has outstanding open warrant(s) for criminal activity or failure to comply with any previous court order. SMHA may give consideration as to the circumstances of the warrant so as to not unreasonably deny admission to otherwise eligible applicants.

Drug Related Criminal Activity – includes a determination by SMHA that the applicant has been involved in the illegal manufacture, sale, distribution, use or possession of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Pattern of Alcohol Abuse – includes a determination by SMHA that the applicant’s pattern of alcohol abuse might interfere with the health, safety or right to peaceful enjoyment of the premises by other residents.

Initiation of Threats – or behaving in a manner indicating intent to assault employees or other residents.

Abandonment of a Public Housing Unit or Other Assisted Housing Unit (“skipped”) – any abandonment of a unit assisted by HUD without advising the administering housing authority’s personnel of intent to vacate so that the unit may be properly secured and protected from any vandalism.

Non-payment of Rightful Obligations – including rent and/or utilities and other charges owed to SMHA or another housing authority.

Intentionally Falsifying an Application for Leasing – including providing false information about family income and family composition, using an alias on the application for housing, or making any other material false statement or omission intended to mislead.

Record of Serious Disturbances of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior – consists of patterns of behavior which endanger the life, safety, or welfare of other persons by physical violence, gross negligence or irresponsibility, which damage the equipment or premises in which the applicant resides, or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicant’s inability to adapt to living in a multi-family setting. Includes judicial termination of tenancy in previous housing on grounds of nuisance or objectionable conduct, or frequent loud parties, which have resulted in serious disturbances of neighbors.

Grossly Unsanitary Housekeeping – includes the creation of a fire hazard through acts such as hoarding rags, papers, or other materials; severe damages to premises and equipment caused by the family or persons under control of the family; seriously affecting neighbors by causing infestations, foul odors, depositing garbage outside of normal trash receptacles, or serious neglect of the premises. This category does not include families whose housekeeping is found to be superficially unclean or due to lack of orderliness, where such conditions do not create a problem for neighbors or a threat to health and safety.

Destruction of Property – damage to any previous rentals or property that the family has resided in.

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct, and to factors that might indicate a reasonable probability of favorable future conduct.

The SMHA shall not admit persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug related criminal activity within the past three (3) years preceding date of interview. (See also Item 6 below re methamphetamine.)

The SMHA may waive this requirement if the person demonstrates that he/she:

Has successfully completed a supervised drug or alcohol rehabilitation program approved by SMHA;

Has otherwise been rehabilitated successfully;

Is participating in a supervised drug or alcohol rehabilitation program; or,

The circumstances leading to the eviction no longer exists (i.e. the individual involved in drugs is no longer in the household because the person is incarcerated).

In no event shall a person convicted of manufacturing or producing methamphetamine (also called "speed") be determined eligible for public housing. Such individuals are permanently denied admission to all federally assisted housing programs.

If the person is convicted for murder, rape, sexual assault, incest, statutory sexual seduction, open and gross lewdness, child abuse, kidnapping, arson, any other sex-related crimes requiring registration as a sex offender, production or manufacturing of methamphetamine, or life-time sex offender, the person will be permanently denied admission.

The SMHA shall not admit persons whose pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents within the past three (3) years preceding the

date of interview.

The SMHA shall not admit persons who have engaged in violent criminal activity within the three (3) years preceding the date of interview.

The SMHA shall not admit persons that have been engaged in the serious illegal drug activity within the three (3) years preceding the date of interview.

Persons previously incarcerated must demonstrate behavior that is acceptable outside of the incarcerated environment for three (3) years. Consideration will be given to whether the person was incarcerated at a local county jail or state penitentiary and the amount of time the individual was incarcerated so as to not unreasonably deny admission to otherwise eligible applicants.

The SMHA shall not admit any person classified as a “habitual criminal” or any person subject to a sex offender registration requirement under a State sex offender registration program.

The SMHA shall not admit persons whose conduct in present or prior housing has been such that admission to the program would adversely affect the health, safety, or welfare of other residents, or the physical environment, or the financial stability of the development.

The SMHA shall not admit persons who have been released from prison for drug related, violent or serious criminal activity within 3 years prior to the date of application.

If in the past the SMHA initiated a lease termination, which may or may not have resulted in eviction for any reason cited under the One Strike Notice (PIH 96-27) or amended changes, for a family, as a prior resident of public housing, the family shall be ineligible for admission to Public Housing for a three (3) year period beginning on the date of such eviction. The SMHA may not waive this requirement, even in the event of rehabilitation efforts on part of the family or family member.

In determining the criminal background for admission, the SMHA will not deny the family if the member is a “victim” of domestic violence as stated and protected under the Violence Against Women Act.

Administration

All screening procedures shall be administered fairly and in such a way as not to discriminate on the basis of race, color, nationality, religion, sex, familial status, sexual orientation, disability or against other legally protected groups, and not to violate right to privacy.

To the maximum extent possible, the SMHA will involve other community and governmental entities in the promotion and enforcement of this policy.

In evaluating evidence of negative past behavior, the SMHA will give fair consideration to the

seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

In order to obtain access to the records the SMHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903]. The SMHA will perform criminal background checks through law enforcement agencies for all adult household members.

The SMHA is required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 960.204(a)(4)].

The SMHA may not pass along to the applicant the costs of a criminal records check [24 CFR 960.204(d)].

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the SMHA may request the applicant to be fingerprinted and will request the information from the National Crime Information center (NCIC).

If the SMHA proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the SMHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission [24 CFR 5.903(f) and 5.905(d)].

The SMHA will ensure that any criminal record received is maintained confidentially, not misused, or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

Screening for Drug Abuse and Other Criminal Activity

In an effort to prevent drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or the right to peaceful enjoyment of the premises by other residents, the SMHA will endeavor to screen applicants as thoroughly and fairly as possible.

If in the past the SMHA initiated a lease termination, which may or may not have resulted in eviction for any reason cited under the Screening and Eviction for Drug Abuse and Other Criminal Activity Notice, for a family, as a prior resident of public housing, the SMHA shall have the discretion to consider all circumstances of the case regarding the extent of participation by non-involved family members.

Initial screening will be limited to routine inquiries of the family and any other information

provided to the SMHA regarding this matter. The inquiries will be standardized and directed to all applicants by inclusion in the application form.

If as a result of the standardized inquiry, or the receipt of a verifiable referral, there is indication that the family or any family member is engaged in drug-related criminal or violent criminal activity, the SMHA will conduct closer inquiry to determine whether the family should be denied admission.

If the screening indicates that any family member has been arrested or convicted within the prior 3 years for serious drug-related or violent criminal activity, the SMHA shall obtain verification through police/court records.

Use of Law Enforcement Records

The SMHA will check criminal history for all **applicants who are 18 years of age or older** to determine whether any member of the family has engaged in violent or serious drug-related criminal activity.

The SMHA will check criminal history for all **applicants who are 18 years of age or older** to determine whether any member of the family is subject to a lifetime sex offender registration requirement.

Verification of any past activity will be done at application and if needed re-verified for additional charges within 60 days prior to lease signing and will include a check of conviction records.

Standard for Violation

Persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for admission to Public Housing for a **three-year** period beginning on the date of such eviction.

The SMHA will admit the household if the SMHA determines:

The person demonstrates successful completion of a rehabilitation program approved by the SMHA, or

The circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person has died or is imprisoned.

No member of the applicant's family may have engaged in serious drug related or violent criminal activity within the past **3 years**.

The SMHA will deny participation in the program to applicants where the SMHA determines there is reasonable cause to believe that the person is illegally using a controlled substance or

engages in serious drug-related or other criminal activity. The same will apply if it is determined that the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents. This includes cases where the SMHA determines that there is a pattern of illegal use of controlled substances or a pattern of alcohol abuse.

"Engaged in or engaging in or recent history of" drug-related criminal activity means any act within the past 3 years by applicants or participants, household members, or guests which involved drug-related criminal activity including, without limitation, serious drug-related criminal activity, serious possession and/or use of narcotic paraphernalia, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

"Engaged in or engaging in or recent history of" criminal activity means any act within the past 3 years by applicants or participants, household members, or guests which involved criminal activity that would threaten the health, safety or right to peaceful enjoyment of the public housing premises by other residents or employees of the SMHA, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, or guests.

In evaluating evidence of negative past behavior, the SMHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

The SMHA will not waive this policy.

The SMHA may waive the requirement regarding drug-related criminal activity if:

The person demonstrates successful completion of a credible rehabilitation program approved by the SMHA; or

The person demonstrates consistent participation in professional rehabilitation for two of the past three years; or

The individual involved in drug-related criminal activity is no longer in the household because the person is incarcerated.

The SMHA may permit eligibility for occupancy and impose conditions that the involved family member(s) does not reside in the unit. The SMHA will consider evidence that the person is no longer in the household such as; divorce decree/incarceration/death/copy of a new lease with the owner's telephone number and address/or other substantiating evidence.

Permanent Denial of Admission

The SMHA will permanently deny admission to public housing persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which

the dwelling unit is located, including common areas and grounds. The SMHA will not waive this requirement.

Prohibition on Persons Subject to Lifetime Sex Offender Registration Requirement

The SMHA will permanently deny admission to public housing to any family in which a family member is subject to a lifetime sex offender registration requirement. This provision will not be waived. The SMHA shall perform necessary criminal history background checks in the State where the housing is located and in any other States where household members are known to have resided.

Other criminal activity

"Other criminal activity" means a history of criminal activity involving crimes of actual or threatened violence to persons or property, or a history of other criminal acts, conduct or behavior which would adversely affect the health, safety, or welfare of other residents.

For the purposes of this policy, this is construed to mean that a member of the current family has been arrested or convicted of any criminal or serious drug-related criminal activity within the past 3 years.

HUD defines violent criminal activity as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity is being engaged in by any family member.

Applicants and/or their household members who have been convicted of criminal sexual conduct, including but not limited to sexual assault, incest, statutory sexual seduction, open and gross lewdness, or child abuse, and are required by law to register as a sex offender will be prohibited from participation in the public housing program.

No family member may have engaged in or threatened abusive or violent behavior toward SMHA personnel at any time.

No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program in the last 3 years.

Evidence

The SMHA must have evidence of the violation.

"Preponderance of evidence" is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a

whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

Preponderance of evidence is not to be determined by the number of witnesses, but by the greater weight of all evidence.

"Credible evidence" may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants, evidence gathered by SMHA inspectors and/or investigators, and evidence gathered from the SMHA Hotline.

The SMHA may pursue fact-finding efforts as needed to obtain credible evidence.

Confidentiality of Criminal Records

The SMHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

Misuse of the above information by any employee will be grounds for termination of employment.

Disclosure of Criminal Records to Family

Before the SMHA takes any adverse action based on a criminal conviction record, the applicant and subject of record will be provided with a copy of the criminal record and an opportunity to dispute the record. Applicants will be provided an opportunity to dispute the record at an informal hearing. Tenants may contest such records at the grievance hearing or court hearing in the case of evictions.

Hearings

If information is revealed that would cause the SMHA to deny admission to the household and the person disputes the information, he/she shall be given an opportunity for an informal hearing according to SMHA's hearing procedures outlined in the Chapter on Complaints, Grievances and Appeals.

G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING [Pub.L. 109-162]

The Violence against Women Reauthorization Act of 2013 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a

victim of domestic violence, dating violence, sexual assault or stalking. Specifically, Section 607(2) of VAWA adds the following provision to Section 6 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the public housing program:

Every contract for contributions shall provide that . . . the public housing agency shall not deny admission to the project to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking if the applicant otherwise qualifies for assistance or admission, and that nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, sexual assault or stalking.

Definitions

As used in VAWA:

- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term *stalking* means:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.
- The term *affiliated individual* means, with respect to a person –
 - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
 - Any individual, tenant, or lawful occupant living in the household of that person.

Notification and Victim Documentation

SMHA Policy

The SMHA acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history that would warrant denial under the SMHA's policies. Therefore, if the SMHA makes a determination to deny admission to an applicant family on the basis of an unfavorable history, the SMHA will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault or stalking.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking

One of the following:

- A police or court record documenting the actual or threatened abuse
- A record of an Administrative Agency
- Documentation from a Mental Health professional
- A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The applicant must submit the required documentation within 14 days of being requested by the Authority. If the applicant so requests, the SMHA may grant an extension of 10 business days, and will postpone scheduling the applicant's informal hearing until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the SMHA determines the family is eligible for assistance, no informal hearing will be scheduled and the SMHA will proceed with admission of the applicant family.

Perpetrator Removal or Documentation of Rehabilitation

SMHA Policy

In cases where an applicant family includes the perpetrator as well as the victim of domestic violence, dating violence, sexual assault or stalking, the SMHA will proceed as above but will require, in addition, either (a) that the perpetrator be removed from the applicant household and not reside in the public housing unit or (b) that the family provide documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment.

If the family elects the second option, the documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

This additional documentation must be submitted within the same time frame as the documentation required above from the victim.

SMHA Confidentiality Requirements

All information provided to the SMHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

H. SCREENING FOR SUITABILITY [24 CFR 960.204, 960.205]

In developing its admission policies, the aim of the SMHA is to attain a tenant body composed of families with a broad range of incomes and to avoid concentrations of the most economically deprived families and families with serious social problems. It is the policy of SMHA to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the development neighborhood or on the quality of life for its residents.

SMHA will conduct a detailed interview of all applicants. The interview form will contain questions designed to evaluate the qualifications of applicants to meet the essential requirements of tenancy. All information will be subject to third party verification.

An applicant's intentional misrepresentation of any information related to eligibility, award of preference for admission, housing history, allowances, family composition or rent will result in

denial of admission.

Applicants must be able to demonstrate the ability and willingness to comply with the terms of the lease, either all or with assistance which they can demonstrate that they have or will have at the time of admission. (24 CFR 8.2 Definition: Qualified Individual with Handicaps) The availability of assistance is subject to verification by SMHA.

The SMHA's minimum age for admission as head of household is 18. This requirement is to avoid entering into leases that would not be valid or enforceable under applicable law. Exception to the age requirement may be granted to those with emancipation status as granted by a court of law.

SMHA will not allow under any circumstances a parent or legal guardian to co-sign a lease on behalf of an applicant in order to bypass the age requirement.

As a part of the final eligibility determination, SMHA will screen each applicant household to assess their suitability as renters.

The SMHA will complete a rental history check with subsidized landlords on all applicants.

SMHA may complete a credit check of each applicant so as to determine past rental history, including any possibility of bad debts to any federally assisted housing programs.

SMHA shall rely upon sources of information which may include, but not be limited to, SMHA records, personal interviews with the applicant or tenant, interviews with previous landlords, employers, family social workers, parole officers, criminal and court records, clinics, physicians or the police department.

SMHA's examination of relevant information pertaining to past and current habits or practices will include, but is not limited to, an assessment of:

- The applicant's past performance in meeting financial obligations, especially rent.
- Eviction or a record of disturbance of neighbors sufficient to warrant a police call, destruction of property, or living or housekeeping habits at present or prior residences which may adversely affect the health, safety, or welfare of other tenants or neighbors.
- Any history of criminal activity on the part of any applicant family member involving criminal acts, including serious drug-related criminal activity.
- Any history or evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy by neighbors.

- Any history of initiating threats or behaving in a manner indicating intent to assault employees or other tenants.
- Any history of alcohol or substance abuse that would threaten the health, welfare, or right to peaceful enjoyment of the premises by other residents.
- The ability and willingness of an applicant to comply with the essential lease requirements will be verified and documented by SMHA. The information to be considered in the screening process shall be reasonably related to assessing the conduct of the applicant and other family members listed on the application in present and prior housing.

The history of applicant conduct and behavior must demonstrate that the applicant family can reasonably be expected not to:

- Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting their health, safety, or welfare. [24CFR 960.205(b)]
- Adversely affect the physical environment or financial stability of the project. [24CFR 960.205(b)]
- Violate the terms and conditions of the lease. [24CFR 8.3].
- Require services from SMHA staff that would alter the fundamental nature of the SMHA's program. [24 CFR 8.3]

Rent Paying Habits

SMHA will examine any Housing Authority records from a prior tenancy, and will request written references from any previous subsidized landlord the applicant has had.

Based upon these verifications, SMHA will determine if the applicant was chronically late with rent payments, was evicted at any time (during the past 3 years) for any reason including non-payment of rent and/or other charges, or had other legal action initiated against him/her. Any of these circumstances could be grounds for an ineligibility determination, depending on the amount of control the applicant had over the situation.

Applicants will not be considered to have a poor credit history if they were late paying rent because they were withholding rent due to substandard housing conditions in a manner consistent with a local ordinance; or had a poor rent paying history clearly related to an excessive rent relative to their income (using 50% of their gross income as a guide,) and responsible efforts were made by the family to resolve the nonpayment problem.

The SMHA will undertake a balancing test that will consider: (1) amount of former rent; (2) loss of employment; (3) death or divorce from primary support; (4) illness or other circumstances beyond applicant's control. Any of these circumstances could be grounds for an ineligibility determination, depending on the amount of control the applicant had over the situation.

Screening Applicants Who Claim Mitigating Circumstances

Mitigating circumstances are facts relating to the applicant's record of unsuitable rental history or behavior, which, when verified would indicate both: (1) the reason for the unsuitable rental history and/or behavior; and (2) that the reason for the unsuitable rental history and behavior is no longer in effect or is under control, and the applicant's prospect for lease compliance is an acceptable one, justifying admission.

If unfavorable information is received about an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct. In order to be factored into the SMHA's screening assessment of the applicant, mitigating circumstances must be verifiable.

If the mitigating circumstances claimed by the applicant relate to a change in disability, medical condition or course of treatment, SMHA shall have the right to refer such information to persons who are qualified and knowledgeable to evaluate the evidence and to verify the mitigating circumstance. SMHA shall also have the right to request further information reasonably needed to verify the mitigating circumstance, even if such information is of a medically confidential nature. Such inquiries will be limited to the information necessary to verify the mitigating circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

Examples of Mitigating Circumstances

Examples of mitigating circumstances include:

- Evidence of successful rehabilitation;
- Evidence of the applicant family's participation in and completion of social service or other appropriate counseling service approved by SMHA; and/or
- Evidence of the applicant family's successful and sustained modifications of previous disqualifying behavior.

Consideration of mitigating circumstances does not guarantee that the applicant will qualify for admission. SMHA will consider such circumstances in light of:

- The applicant's ability to substantiate through verification the claim of mitigating circumstances and his/her prospects for improved future behavior; and
- The applicant's overall performance with respect to all the screening

requirements.

Qualified and Unqualified Applicants

Information that has been verified by SMHA will be analyzed and a determination will be made with respect to:

- The eligibility of the applicant as a family;
- The eligibility of the applicant with respect to income limits for admission;
- The eligibility of the applicant with respect to citizenship or eligible immigration status;
- The eligibility of the family for suitability, non-criminal requirements, etc.;
- Preference category to which the family is entitled.

Assistance to a family may not be delayed, denied or terminated on the basis of the family's ineligible immigration status unless and until the family completes all the verification and appeals processes to which they are entitled under both INS and SMHA procedures, except for a pending SMHA hearing.

Applicants who are determined to be unqualified for admission will be promptly notified with a Notice of Denial of Admission stating the reason for the denial. In the case of criminal status denial for admissions, the PHA will provide the opportunity to review the documents prior to the denial. SMHA shall provide applicants with an opportunity for an informal hearing (see Chapter titled "Complaints, Grievances, and Appeals.")

Applicants who have requested a reasonable accommodation as a person with a disability and who have been determined eligible, but fail to meet the Applicant Selection Criteria, will be offered an opportunity for a second meeting to have their cases examined to determine whether mitigating circumstances or reasonable accommodations will make it possible for them to be housed in accordance with the screening procedures.

SMHA will make every effort to accurately estimate an approximate date of occupancy. However, the date given by SMHA does not mean that applicants should expect to be housed by that date. The availability of a suitable unit to offer a family is contingent upon factors not directly controlled by SMHA, such as turnover rates, and market demands as they affect bedroom sizes and project location.

Documenting Findings

An authorized representative of the SMHA shall document any pertinent information received relative to the following:

Criminal Activity - includes the activities listed in the definition of criminal activity in this Chapter.

Pattern of Violent Behavior - includes evidence of repeated acts of violence on the part of an individual, or a pattern of conduct constituting a danger to peaceful occupancy of neighbors.

Pattern of Drug Use - includes a determination by the SMHA that the applicant has exhibited a pattern of illegal use of a controlled substance which might interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Drug-Related Criminal Activity - includes a determination by the SMHA that the applicant has been involved in the illegal manufacture, sale, distribution, use or possession of a controlled substance.

Pattern of Alcohol Abuse - includes a determination by the SMHA that the applicant's pattern of alcohol abuse might interfere with the health, safety or right to peaceful enjoyment of the premises by other residents.

Initiating Threats - or behaving in a manner indicating an intent to assault employees or other tenants.

Abandonment of a Public Housing Unit - without advising SMHA officials so that staff may secure the unit and protect its property from vandalism.

Non-Payment of Rightful Obligations - including rent and/or utilities and other charges owed to the SMHA, any other PHA, or other subsidized housing.

Intentionally Falsifying an Application for Leasing - including uttering or otherwise providing false information about family income and size, using an alias on the application for housing, or making any other material false statement or omission intended to mislead.

Record of Serious Disturbances of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior - consists of patterns of behavior which endanger the life, safety, or welfare of other persons by physical violence, gross negligence or irresponsibility; which damage the equipment or premises in which the applicant resides, or which are seriously disturbing to neighbors or disrupt sound family and community life, indicating the applicant's inability to adapt to living in a multi-family setting. Includes judicial termination of tenancy in previous housing on the grounds of nuisance or objectionable conduct, or frequent loud parties, which have resulted in serious disturbances of neighbors.

Grossly Unsanitary or Hazardous Housekeeping - includes the creation of a fire hazard through acts such as hoarding rags, papers, or other materials; severe damages to premises and equipment, if it is established that the family is responsible for the

condition; seriously affecting neighbors by causing infestation, foul odors, depositing garbage in halls; or serious neglect of the premises. This category does not include families whose housekeeping is found to be superficially unclean or due to lack of orderliness, where such conditions do not create a problem for neighbors.

Destruction of Property from previous rentals.

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

Prohibited Criteria for Denial of Admission

Applicants will NOT be rejected because they:

- Have no income;
- Are not employed;
- Do not participate in a job-training program;
- Will not apply for various welfare or benefit programs;
- Have children;
- Have children born out of wedlock;
- Are on welfare;
- Are eligible students.

I. HEARINGS

If information is revealed that would cause SMHA to deny admission to the household and the person disputes the information, s/he shall be given an opportunity for an informal hearing according to SMHA's hearing procedures outlined in Chapter 13, Complaints, Grievances and Appeals.

J. CRITERIA FOR DECIDING TO DENY ASSISTANCE or TERMINATION

SMHA Policy

The SMHA will use the concept of the preponderance of the evidence as the standard for making all admission and termination decisions.

Preponderance of the evidence is defined as the greater weight of the evidence; that is, evidence that you believe because it outweighs or overbalances in your mind the evidence opposed to it. A preponderance means evidence that is more probable, more persuasive, or of greater probative value. It is the quality of the evidence that must be weighed. Quality may, or may not, be identical with quantity (the greater number of witnesses).

Consider all evidence. In determining whether an issue has been proved by a preponderance of the evidence, you should consider all of the evidence, regardless of who produced it.

Equally balanced. If the weight of the evidence is equally balanced, or if you are unable to determine which side of an issue has the preponderance, the party who has the burden of proof has not established such issue by a preponderance of the evidence.

K. ONE STRIKE AND YOUR OUT POLICY

A. Purpose

It is the policy of the SMHA that all residents shall enjoy decent, safe, and sanitary living conditions.

B. Authority

Drug-related criminal activity, other criminal activity, and alcohol abuse in public housing and assisted housing communities increases resident fear and decrease unit marketability. Therefore, the Housing Authority will not tolerate such behavior from its applicants or residents. **UNLESS OTHERWISE PROVIDED BY LAW, PROOF OF VIOLATION SHALL NOT REQUIRE CRIMINAL CONVICTION, BUT SHALL BE BY PREPONDERANCE OF EVIDENCE.**

C. Definitions

Drug related criminal activity is defined as the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance.

D. Procedures for Applicants

1. The Housing Authority shall screen out and deny admission to any applicant whereby either the applicant or authorized occupants proposed by applicants:
 - a. Has a recent history of criminal activity involving crimes to persons and/or

-
- other criminal acts that affect the health, safety, or right to peaceful enjoyment of the premises by other residents;
- b. Was evicted from assisted housing within three years of the date of application because of drug-related criminal activity. This requirement may be waived if:
 - i. The person demonstrates successful completion of a rehabilitation program approved by the Housing Authority; or
 - ii. The circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated;
 - c. The Housing Authority has determined the applicant to be illegally using a controlled substance; the Housing Authority has determined the applicant to be abusing alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents;
 - d. The Housing Authority has determined that there is a reasonable cause to believe the applicant's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.
2. The Housing Authority may waive policies prohibiting admission in these circumstances if, the applicant demonstrates to the Housing Authority's satisfaction that the applicant is no longer engaging in illegal use of a controlled substance or abuse of alcohol, and;
 - a. The applicant has successfully completed a supervised drug or alcohol rehabilitation program; or,
 - b. The applicant has otherwise been rehabilitated successfully.

E. Procedures for Residents

1. The Housing Authority shall terminate the tenancy/rental assistance of any resident who:
 - a. The Housing Authority has determined is illegally using a controlled substance;
 - b. The Housing Authority has determined that the resident's abuse of alcohol interferes with the health safety or right to peaceful enjoyment of the premises by other residents; or,
 - c. The Housing Authority has determined to be engaging in serious drug-related criminal activity, either on or off the premises; or,
 - d. Engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

F. Procedures for Housing Authority

1. The Housing Authority shall track crime-related problems at its developments and report any incidents to the local police authorities in order to improve law enforcement and crime prevention.
2. The Housing Authority will forward any resident complaints received concerning crime-related problems to the local police authorities.
3. The Housing Authority will review police reports and newspaper articles concerning crime-related problems with its residents, and bring such problems to

the attention of local police authorities.

The Housing Authority shall document its progress toward meeting its goals under the implementation plan for any drug prevention or crime reduction program funded by the Department of Housing and Urban Development and being administered by the Housing Authority

Chapter 3

APPLYING FOR ADMISSION

INTRODUCTION

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

A. HOW TO APPLY

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

Families who wish to apply for any of SMHA's programs must complete a pre-application online at SMHA's website when waiting list(s) are open. SMHA will take all necessary steps available to assist with ensuring all interested persons are able to have a pre-application submitted.

Pre-applications will be made available in an accessible format upon request from a person with a disability. Persons with disabilities that prohibit them from being able to submit a pre-application via SMHA's website may call the SMHA to make other arrangements to complete their pre-application.

A computer for public use to submit an electronic pre-application will be available in the lobby of the central Administrative Office and other designated locations.

SMHA Policy

Depending upon the length of time that applicants may need to wait to be housed, the PHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and the amount of rent the family will pay.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the PHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

The application process will involve two phases.

1. The first is the pre-application. To the greatest extent possible, pre-applications will be submitted electronically via the SMHA website. The pre-application will be date and time stamped and placed on the waiting list in an unprocessed status until such time a review of the pre-application can be completed.
2. The second phase is the final determination of eligibility. This takes place when SMHA is preparing to lease the applicant family. SMHA will ensure current verifications of income, criminal background reports and preferences claimed before leasing a family from the waiting list.

B. APPLICATION PROCEDURES

SMHA will utilize an electronic pre-application for the initial application.

Spanish translation of the pre-application will be made available for individuals needing a Spanish interpretation of the document.

At a minimum, the pre-application will contain questions designed to obtain the following information:

- Name of head of household and social security number
- Number of family members broken down by adults/minors and male/female (this will only be used to estimate bedroom size needed)
- Mailing address and phone number(s)
- Total combined annual income of all household members
- Preference(s) being claimed by the family

Duplicate applications, including applications from a segment of an applicant household, will not be accepted.

Whether in pre-application or application status, all applicants are required to inform SMHA of changes in family composition, income, and address. This must be done electronically via SMHA's website within 10 days of the change. Corrections, updates, or changes will be submitted electronically by the applicant.

Applicants are also required to respond to requests from SMHA to update information or to indicate their continued interest in assistance. Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list.

A review of all pre-applications will be completed to determine initial eligibility for placement on the waiting list. Applicants meeting the initial eligibility requirements will be placed on the waiting list. Final eligibility for the Public Housing Program will be determined after a family has been pulled from the waiting list, prior to leasing to the family.

C. COMPLETION OF APPLICATION

All preferences claimed at the point of completing the pre-application, or anytime thereafter while the family is on the waiting list, will be verified according to the following:

Upon receipt of the full application once the family is selected from the waiting list.

If a preference cannot be verified, said applicant will be returned to their proper place on the waiting list and preference removed.

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

Once pulled from the waiting list applicants are required to:

Complete a full Application Form. A full application form is not considered complete until all release forms have been signed, declaration of citizenship status forms have been completed and required household information has been provided.

Sign Release of Information Forms including authorization form for criminal background checks of all adult household members, and consent for verification of Immigration status.

Furnish complete and accurate information as requested. The applicant will sign and certify that all information is complete and accurate.

PLACEMENT ON THE WAITING LIST

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

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

Ineligible for Placement on the Waiting List

PHA Policy

If the PHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of receiving a completed pre-application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).

Eligible for Placement on the Waiting List

PHA Policy

The PHA will send written notification of the preliminary eligibility determination within 10 business days of receiving a completed pre-application. If applicable, the notice will also indicate the waiting list preference(s) for which the family appears to qualify.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. A final determination of eligibility and qualification for preferences will be made when the family is selected from the waiting list.

Timeliness of Verifications

All information will be re-verified if necessary prior to final determination of eligibility to ensure that current and accurate data is being used in calculating rents and eligibility.

Certification by the appropriate staff member will be made when verification of all necessary items for each application is completed.

Verifications for the public housing program must be dated within 60 days from the date of the interview and not exceed 120 days in age, prior to admission to the unit. The family will be questioned prior to admission in regard to any change in status. If changes are reported, they will be verified to determine their effect on eligibility, preference rating (if any), rent, and unit size required.

The applicant file shall contain documentation of all verifications.

Systems of Verification

Upfront Income Verification (UIV): The verification of income at admission or before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals. HUD's **Enterprise Income Verification System (EIV)** is considered to be this method.

To assure that the data upon which determinations of eligibility, preference status (if any), rent to be paid, and size of dwelling unit required are based on full, true, and complete information to the best of staff's ability, the data on each applicant shall be verified and consist of the following types and systems of verification:

SMHA will consult the EIV system on all applicants. The EIV will be used to determine if the applicant is in the HUD system, determine if they are being assisted by other programs in the HUD data-base, and determine if they were previously being assisted by another PHA.

SMHA shall use the streamlined verification system allowed by HUD whenever possible. Thus simplifying the income verification process.

In the case of an applicant whose information most likely will not be available through the EIV System, the applicant will report their income sources and provide acceptable current documents when completing the full application.

At the time of unit offer and final eligibility determination, current 3rd party verification as defined by HUD must be obtained to calculate anticipated annual income.

Bank statements are not permitted to be used as verification of Social Security or SSI benefits.

The SMHA will not delay the final eligibility determination of an application beyond 10 working days if they have submitted a 3rd party verification request and a third party information provider does not provide the verification in a timely manner.

For applicants, verifications used to determine adjusted income may not be more than **60 days** old at the time of the original lease. For residents, they are valid for **120 days** from date of receipt. All tenant supplied documents supplied should be dated within the last 60 days of the interview or reexamination. Pay stubs should be current and consecutive.

After admission, an EIV Income Report must be run for all households to confirm income within 120 days of admission date.

Criminal History Reports will be useable as a valid verification for no longer than 120 calendar days. If the criminal history report is older than 120 days at the time of lease-up, the property manager must do a local online records search to ensure no further charges against the applicant have been made since their initial preliminary approval and document that they have done this. Local online records can be checked at www.starkcjis.org.

E. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, SMHA will make an initial determination of eligibility and place approved applicants on the waiting list in active applicant status. This decision is based upon information provided by the family, the initial verifications completed by SMHA, and the tenant suitability determination (see Chapter on Eligibility for Admission).

Because HUD can make changes in rules or regulations and family circumstances may have changed during the ~~review~~ pre-application process that affect an applicant's eligibility, it is necessary to make final eligibility determination.

The household is not actually eligible for a unit offer until a final eligibility determination has been made, even though they may have been listed on the waiting list.

Any time after initial eligibility determination, applicants must report changes in family status, including income, family composition, and address, via SMHA's website within 10 days of the change. Persons with disabilities that prohibit them from being able to submit a pre-application via SMHA's website may still submit changes in writing. If the family did not report the change within the required time frame and receives an offer of housing based on inaccurate information, the family may be determined ineligible and offered an opportunity for informal hearing."

Chapter 4

TENANT SELECTION AND ASSIGNMENT PLAN (Includes Preferences and Managing the Waiting List)

[24 CFR 960.203, 960.204, 960.205, 960.206]

INTRODUCTION

It is SMHA's policy that each applicant shall be assigned an appropriate place on a semi-jurisdiction-wide Waiting List unless the applicant has applied for a development subject to a Site-based Waiting List. Applicants will be listed in sequence based upon size and type of unit required, Preference(s), date and time the application is received. In filing actual or expected vacancies, SMHA will offer the dwelling unit to an applicant in the appropriate sequence, with the goal of filling units timely, and accomplishing deconcentration of poverty and income-mixing objectives. SMHA will offer the unit in the proper applicant sequence until it is accepted. This chapter describes SMHA's policies with regard to the number of unit offers that will be made to applicants selected from the Waiting List.

SMHA's Objectives

SMHA policies will be followed consistently and will affirmatively further HUD's fair housing goals.

It is SMHA's objective to ensure that families are placed in the proper order on the waiting list so that the offer of a unit is not delayed to any family unnecessarily or made to any family prematurely. This chapter explains the policies for the management of the waiting list.

When appropriate units are available, families will be selected from the waiting list in their preference-determined and date and time sequence.

By maintaining an accurate waiting list, SMHA will be able to perform the activities that ensure that an adequate pool of qualified applicants will be available to fill unit vacancies in a timely manner. Based on the SMHA's turnover and the availability of appropriate sized units, groups of families will be selected from the waiting list to form a final eligibility "pool." Selection from the pool will be based on completion of updated verifications.

Site-Based Waiting Lists (Not Applicable)

Per the Quality Housing and Work Responsibility Act of 1998, SMHA is now allowed to implement site-based waiting lists upon approval of the Annual Plan or upon HUD's approval to the SMHA's request before the submission of the Annual Plan. **SMHA currently does not use site-based waiting lists.**

Semi-Jurisdictional Wide Waiting Lists

SMHA will utilize a semi-jurisdictional wide waiting list to better manage vacancy rates throughout the Housing Authority. SMHA will employ seven (7) waiting lists broken down by location throughout the SMHA jurisdiction. The jurisdictional waiting lists will be as follows:

Alliance Area: SMHA properties included in this wait list are Hart Apartments, Pike Ave. Homes, Mahoning Ave. Homes, Garfield Ave. Homes, and scattered sites

Massillon Area: SMHA properties included in this waiting list are Willow Homes, Witmer Arms, Franklin Homes, Lincoln Apartments, Underhill Gardens, Ledgewood Blvd Apartments and scattered sites

SW Canton Area: SMHA properties included in this waiting list are Linwood Acres, McKinley Park Apartments and scattered sites.

NW Canton Area: SMHA properties included in this waiting list are Neal Court Apartments, Cherrie Turner Towers, Kimberle Gardens, Plaza Terrace Apartments

SE Canton Area: SMHA properties included in this waiting list are Jackson Sherrick Apartments, Sunset Gardens

NE Canton Area: SMHA properties included in this waiting list are Ellisdale Homes, Roselane Apartments, Leshdale Homes, Girard Gardens, Mahoning Manor

Outlying Areas: Properties in this waiting list are outside of Canton, Massillon and Alliance proper. Areas included in this waiting list are Waynesburg, Canal Fulton, Louisville, Navarre, North Canton, and Hartville. Properties in this waiting list are Constitution Hall, Shortridge Village, Reynolds Manor, Indian Run Manor and Louisville

When completing the SMHA pre-application, applicants will have the opportunity to select any, or all, of the waiting lists that they prefer. Any applicant who does not select a preferred waiting list at the time of application will automatically be added to all of the SMHA waiting lists.

A. MANAGEMENT OF THE WAITING LIST

SMHA will administer its waiting list as required by 24 CFR Part 5, Subparts E and F, Part 945 and 960.201 through 960.215. The waiting list will be maintained in accordance with the following guidelines:

- The application will be a permanent part of the file.
- Applications equal in preference will be maintained by date and time sequence.
- All applicants must meet applicable income and other eligibility requirements as established by HUD and SMHA.
- All applicants in the pool (eligible and verified families) will be maintained in order of preference and in order of date and time of application receipt.

Opening and Closing the Waiting Lists

SMHA, at its discretion, may restrict pre-application intake, suspend pre-application intake, and close waiting lists in whole or in part.

The decision to close the waiting list will be based on the number of applicants available for a particular size and type of unit, and the ability of SMHA to house an applicant in an appropriate unit within a reasonable period of time.

When SMHA opens the waiting list, SMHA will advertise through public notice in the following newspapers, minority publications and media entities. Location(s), and program(s) for which pre-applications are being accepted will be advertised in the local paper of record, "minority" newspapers, and other media, but not limited to:

- Canton Repository

Other publications in the area that can be utilized are:

Local Television Channels:

- Massillon Local Program Station
- Canton Local Program Station
- Local Radio Stations:
 - 1480 & 94.1 WHBC; 93.1 WZAK; 97.5 WONE; 98.1 WKDD

To reach persons with disabilities, SMHA will provide notice to local organizations representing the interests and needs of the disabled. Local organizations serving the disabled population include, but are not limited to, the following:

- Local disability organizations
- Tri-County Independent Living

The notice at a minimum will contain:

- The dates, times, and the locations where families may apply.
- Any system of site-based waiting list offered by SMHA- if applicable.
- The programs for which pre-applications will be taken.
- A brief description of the program.
- Limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the SMHA address and telephone number, how to submit a pre-application, and information on eligibility requirements.

Upon request from a person with a disability, additional time, not to exceed 30 days, will be given as an accommodation for submission of a pre-application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit a pre-application in cases when a social service organization provides inaccurate or untimely information about the closing date.

When Pre-Application Taking is Suspended

The SMHA may suspend the acceptance of pre-applications if there are enough applicants currently on the waiting list to fill anticipated openings for the next 24 months.

The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

During the period when the waiting list is closed, SMHA will not maintain a list of individuals who wish to be notified when the waiting list is open.

Suspension of pre-application taking is announced in the same way as opening the waiting list.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover over the next twenty four (24) months. SMHA will give at least thirty (30) days' notice prior to opening or closing the list. SMHA will add the new applicants to the list by:

Unit size, local preferences, and date and time of application receipt.

SMHA may update the waiting list at least annually by removing the names of those families who are no longer interested, no longer qualify for housing, or cannot be reached by mail. At the time of submission of a pre-application, SMHA will advise families of their responsibility and requirement to notify SMHA when their mailing address changes.

Reopening the List

If the waiting list is closed and SMHA decides to open the waiting list, SMHA will publicly announce the opening. Any reopening of the list is done in accordance with the HUD requirements.

Limits on Who May Apply

When the waiting list is open,

Any family asking to be placed on the waiting list for Public Housing rental assistance will be given the opportunity to complete a pre-application.

If there are sufficient applications from elderly, disabled, and near-elderly, pre-applications may not be accepted from other singles.

When the pre-application is received by SMHA:

It establishes the family's date and time of application for placement order on the waiting list. .

Multiple Families in Same Household

When families apply that consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit. No family, or part of a family, will be permitted to be on two applications at the same time.

B. SITE BASED WAITING LISTS (Not Applicable)

Per the Quality Housing and Work Responsibility Act of 1998, SMHA is now allowed to implement site-based waiting lists upon approval of the Annual Plan or upon HUD's approval to the SMHA's request before the submission of the Annual Plan.

SMHA does not have site-based waiting lists.

SMHA does not offer a system of site-based waiting lists.

C. WAITING LIST PREFERENCES

A preference does not guarantee admission to the program. Preferences are used to establish the order of placement on the Waiting List. Every applicant must meet the SMHA's Selection Criteria as defined in this policy. The Waiting List will depict families with preference ahead of other families without preference, regardless of date and time of application.

The SMHA's preference system will work in combination with requirements to match the characteristics for the family to the type of unit available, including units with targeted populations, and further deconcentration of poverty in public housing. When such matching is required or permitted by current law, the SMHA will give preference to qualified families.

Families who reach the top of the waiting list will be contacted by the SMHA to re-verify their preference and other factors for final eligibility so a unit may be offered.

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

If the preference verification indicates that an applicant does not qualify for the preference, the

applicant will be returned to the waiting list and ranked without the Local Preference and given an opportunity for an informal review.

Local Preferences

Local preferences will be used to select among applicants on the waiting list. Public hearing/public notice with opportunity for public comment will be held before the SMHA adopts any local preference.

The hearing will be publicized using the same guidelines as those for opening and closing the waiting list.

The notice will be distributed following the same guidelines as those used for opening or closing the waiting list.

The SMHA uses the following Local Preferences:

Date and time of receipt of a completed application.

Veteran preference: Veterans or surviving spouses of veterans. (2 Points)

Elderly Family: Family in which the head, spouse or only member is 62 years of age or older. (2 Points)

Disabled family: Family in which the head, spouse or only member is disabled. (2 Points)

Homeless: (5 points)

Individuals and families who lack a fixed, regular, and adequate nighttime residence, meaning:

- a. *An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; or*
- b. *An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or*
- c. *An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.*

Applicants qualifying for this preference must have a valid Certified Homeless Certificate which must be verified through the Stark County Homeless Hotline.

Victims of Domestic Violence: Any individual or family who is fleeing, or is attempting

to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence and has no other residence and lacks resources or support networks, e.g. family, friends, and faith-based or other social networks, to obtain other permanent housing. Applicants qualifying for this preference must have a valid Homeless Certificate which must be verified through the Stark County Homeless Hotline.
(3 points)

Broad Range of Income/Deconcentration of Poverty

SMHA's preference system will work in combination with requirements to match the characteristics of the family to the type/size of unit available. Except those applicant households requiring units with accessibility features for person(s) with disabilities (see Chapter 1, E, Other Accommodations), applicants on the Waiting List that are selected will also be monitored in such a manner that ensures SMHA is meeting the deconcentration of public housing units and income targeting requirements mandated by HUD.

SMHA shall assure a mixed range of incomes and deconcentration of its public housing units by selecting from the List of qualified applicants, households whose incomes would promote deconcentration of poverty. As such, SMHA shall select from the List of qualified applicants, those applicants whose income reflect a Broad Range of Income as defined by SMHA's most current Broad Range of Income/Rent Range policy promoting deconcentration and income targeting requirements.

SMHA shall admit to public housing in each fiscal year, at least forty percent (40%) of households whose income does not exceed 30% of the area median income, except as may be documented through "fungibility credits" (further defined in the Quality Housing and Work Responsibilities Act of 1998), which permits SMHA to lower the number of households admitted at the 30% threshold by the lowest of one of the following amounts:

If admissions to SMHA's HCV Program during the fiscal year exceeds the 75% minimum income targeting requirement for the HCV Program, SMHA's public housing program may reduce the minimum targeting requirement for the Public Housing program. The fiscal year credit shall not exceed:

Ten percent of the public housing waiting list admissions during the SMHA's fiscal year;

Ten percent of the waiting list admissions to the SMHA's tenant-based assistance program during the fiscal year;

The number of qualifying low income families who, during the fiscal year, commence occupancy of SMHA's units that (a) are located in housing developments located in census

tracts having a poverty rate of 30% or more, and (b) are made available for occupancy, and actually occupied in that year, by very low income families.

This fungibility provision discretion is also reflected in SMHA's Administrative Plan for the Section 8 Voucher Program.

Fungibility shall only be utilized if SMHA anticipates a shortfall of its 40% goal for new admissions to public housing.

Gross annual income is used for income limits at admission, income targeting, and for income-mixing purposes.

Skipping a family on the Waiting List specifically to reach another family with a lower or higher income is not to be considered an adverse action to the family. Such skipping will be uniformly applied until the target threshold is met and in order to comply with SMHA's Broad Range of Income Policy.

Admission policies related to the deconcentration efforts do not impose specific quotas since Broad Range of Income imposes specific quotas aimed at maintaining a mix of incomes within each development in order to achieve budgetary viability.

Singles Preference and Designated Senior Units

The Singles Preference is no longer mandated by statute, and therefore SMHA will no longer utilize this preference.

SMHA has the following properties that have been designated elderly only properties:

- None

Other Preferences

The SMHA no longer utilizes any other preferences, either former federally mandated or local optional preferences, besides those previously listed in this chapter and identified in Section C. Local Preferences.

D. ORDER OF SELECTION FOR GENERAL OCCUPANCY (FAMILY DEVELOPMENTS)

The SMHA has established the following local admissions preferences for general occupancy (family) developments:

The SMHA has established the following system to apply local preferences and applicants will be selected in the following order:

1. Total of all local preference points
2. Date and time of pre-application

E. VERIFICATION OF PREFERENCE QUALIFICATION

When the family is selected from the waiting list for the final determination of eligibility, the preference will be verified by SMHA.

The SMHA will re-verify a preference claim, if the SMHA feels the family's circumstances have changed, at any time up until final determination of eligibility to receive an offer of housing.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list and ranked without the Local Preference.

Change in Circumstances

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify the SMHA via website when their circumstances change. Persons with disabilities that prohibit them from being able to submit a pre-application via SMHA's website may still submit changes in writing. When an applicant claims an additional preference, s/he will be placed on the waiting list in the proper order of their newly-claimed preference."

F. DENIAL OF PREFERENCE

If SMHA denies a preference, SMHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. The applicant will have ten (10) working days to request the meeting in writing. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the Waiting List without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If an applicant falsifies documents or makes false statements in order to qualify for a preference, they will be denied housing and taken off of the Waiting List with notification to the family.

G. INCOME TARGETING

SMHA will monitor its admissions to ensure that at least 40 percent of families admitted to public housing in each fiscal year shall have incomes that do not exceed 30% of area median income of SMHA's jurisdiction.

Hereafter families whose incomes do not exceed 30% of area median income will be referred to as "extremely low income families."

SMHA shall have the discretion, at least annually, to exercise the "fungibility" provision of the QHWRA by admitting less than 40 percent of "extremely low income families" to public housing in a fiscal year, to the extent that SMHA has provided more than 75 percent of newly available vouchers to "extremely low income families." This fungibility provision discretion by SMHA is also reflected in SMHA's Administrative Plan.

If admissions to SMHA's HCV Program during the fiscal year exceeds the 75% minimum income targeting requirement for the HCV Program, SMHA's public housing program may reduce the minimum targeting requirement for this program. The fiscal year credit shall not exceed:

Ten percent of the public housing waiting list admissions during the SMHA's fiscal year;

Ten percent of the waiting list admissions to the SMHA's tenant-based assistance program during the fiscal year;

The number of qualifying low income families who, during the fiscal year, commence occupancy of SMHA's units that (a) are located in housing developments located in census tracts having a poverty rate of 30% or more, and (b) are made available for occupancy, and actually occupied in that year, by very low income families.

The Fungibility Floor: Regardless of the above amounts, in a fiscal year, at least 30% of SMHA's admissions to public housing will be to extremely low-income families. The fungibility floor is the number of units that cause SMHA's overall requirement for housing extremely low-income families to drop to 30% of its newly available units.

Fungibility shall only be utilized if SMHA is anticipated to fall short of its 40% goal for new admissions to public housing.

Very Low-Income Family Admissions

As long as SMHA has met the 40% targeted income requirement for new admissions of extremely low-income families, SMHA will fill the remainder of its new admission units with families whose incomes do not exceed 80% of the HUD approved area median income.

H. MIXED POPULATION UNITS

A mixed population development is a public housing development, or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character). In accordance with local preferences, elderly families whose head spouse or sole member is at least 62 years of age, and disabled families whose head, co-head or spouse or sole member is a person with disabilities, will receive equal preference to such units.

No limit will be established on the number of elderly or disabled families that may occupy a mixed population property. *SMHA does not maintain any mixed population units.*

I. GENERAL OCCUPANCY UNITS

General occupancy units are designed to house all populations of eligible families. In accordance with SMHA's occupancy standards, eligible families not needing units designed with special

features or units designed for special populations will be admitted to SMHA's general occupancy units.

All families with children, elderly families and disabled families, will have an admission preference over "Other Singles."

J. DECONCENTRATION OF POVERTY AND INCOME-MIXING

SMHA's admission policy is designed to provide for deconcentration of poverty and income-mixing.

Gross annual income is used for income limits at admission, income targeting, and for income-mixing purposes.

Skipping of a family on the waiting list specifically to reach another family with a lower or higher income is not to be considered an adverse action to the family. Such skipping will be uniformly applied until the target threshold is met and in order to comply with SMHA's Broad Range of Income policy.

Deconcentration and Income-Mixing Goals

SMHA's deconcentration and income-mixing goal, in conjunction with the requirement to target at least 40 percent of new admissions to public housing in each fiscal year to "extremely low-income families", will be to admit higher income families to lower income developments, and lower income families to higher income developments.

Project Designation Methodology

SMHA will determine and compare tenant incomes at all general occupancy developments. Skipping of families for deconcentration purposes will be applied uniformly to all families.

K. PROMOTION OF INTEGRATION

Beyond the basic requirement of nondiscrimination, SMHA shall affirmatively further fair housing to reduce racial and national origin concentrations. SMHA shall not require any specific income or racial quotas for any development or developments.

SMHA shall not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations.

L. OFFER OF PLACEMENT ON THE SECTION 8 WAITING LIST

SMHA does not maintain a merged Waiting List for the public housing and Section 8 program. Per 24 CFR 982.205, if the Section 8 Waiting List is open when the applicant is placed on the

public housing list, SMHA will offer to place the family on both Lists. If the public housing Waiting List is open at the time an applicant applies for Section 8, SMHA will offer to place the family on the public housing Waiting List so long as units of appropriate size are managed by SMHA.

All programs owned, operated, managed by SMHA maintain separate Waiting Lists.

M. PURGING AND REMOVAL FROM WAITING LIST

The waiting list may be purged at least once a year by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

If an applicant fails to respond to the request for confirmation of continued interest within 14 calendar days, s/he will be withdrawn from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be withdrawn without further notice and the envelope and letter will be maintained in the file.

If an applicant is withdrawn from the waiting list for failure to respond, they will not be entitled to reinstatement unless a person with a disability requests a reasonable accommodation for being unable to reply with the prescribed period and verification of such is received by SMHA.

Purge mailing requests will be made available in accessible format upon the request of a person with a disability. An extension to reply to the purge notification will be considered as an accommodation if requested by a person with a disability.

Applicants are notified at the time of submission of their pre-application and at the application briefing for completion of their full application, that they are responsible for notifying the SMHA immediately, if they have a change of address.

N. OFFER OF ACCESSIBLE UNITS
(See Accessible units in Chapter 1 on Fair Housing)

The SMHA will make modifications to the unit in keeping with the Section 504 Transition Plan as the need arises and until the agency determines that an adequate number of units have been rehabilitated in numbers sufficient to evidence compliance with the Plan.

See “Leasing” Chapter

O. PLAN FOR UNIT OFFERS

The SMHA plan for selection of applicants and assignment of dwelling units to assure equal opportunity and non-discrimination on grounds of race, color, sex, religion, or national origin is:

The first qualified applicant in sequence on their selected waiting list(s) will be given one offer of a unit of the appropriate size. Because applicants have selected to be placed a the semi-jurisdictional waiting list most appropriate for their needs, refusal of the unit offered will result in the applicant being removed from the Public Housing waiting list.

Once a qualified applicant has risen, in sequence, to the top of their selected waiting list(s) and given one offer of housing and has refused to accept the offer of a lease; the first offer will be the final offer and their application will be withdrawn from the waiting list(s). (see “Good Cause” refusal under Section P of page 4-18.)

If at anytime more than one unit of the appropriate type and size is vacant, the first unit to be offered to the first qualified applicant will be the first unit that is ready for occupancy.

The SMHA will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.

P. CHANGES PRIOR TO UNIT OFFER

Changes that occur during the period between initial eligibility determination and an offer of a suitable unit that may affect the family’s eligibility, unit size the family qualifies for according to the occupancy standard or Total Tenant Payment **must be re-verified prior to making the offer**. This is part of the final eligibility process that must occur prior to offering the applicant a housing unit. The family will be notified in writing if their eligibility or level of benefits has changed and they will be offered an informal review when applicable (See Chapter on Complaints, Grievances, and Appeals)

Q. APPLICANT STATUS AFTER FINAL UNIT OFFER

When an applicant refuses to execute a lease for their final unit offer SMHA will:

Remove the applicant from the waiting list. The applicant may not have a new pre-application processed for them for at least 6 (six) months after the date of their last refusal.

Families may reject units for “good cause”. “Good Cause” reasons include, proximity to work, school and child care; or health related issues.

R. TIME-LIMIT FOR ACCEPTANCE OF UNIT

Applicants must accept a unit offer within 5 calendar days of the date the offer is made. Offers made over the telephone will be confirmed by letter. If unable to contact an applicant by telephone, the SMHA will send a **letter**. Failure to accept an offer within 5 calendar days will result in no further offers and the application being withdrawn from the waiting list.

Multiple offer letters may be sent for an available unit. The first applicant to accept the unit and have the proper security deposit and first months' rent will be housed.

Applicants With a Change in Family Size or Status

Changes in family composition, status, or income that have been reported in a timely manner by the applicant (within 10 working days) at any time between submission of the pre-application up until the final eligibility determination must be processed prior to issuing a unit offer. SMHA shall not lease a unit to a family whose occupancy will overcrowd or underutilize the unit.

Exceptions to this policy for over-housing may be made in order to meet occupancy goals when there are insufficient applicants on the waiting list to otherwise fill vacant units.

As long as the applicant family has reported changes in a timely manner prior to being offered a unit, the family will be returned the appropriate place on the waiting list according to the date and time of their application and being selected for a unit offer and sent to a management site will not count as one of their two offers. If a family waits to report a change until after they have received an offer of housing, and the change affects their eligibility for the unit offered, the offer will still count as one of their two due to their failure to report the change.

S. REFUSAL OF OFFER

If an applicant has indicated they have special housing needs in order to accommodate an individual's disability(ies) on their full application but is still offered a unit that is inappropriate for the applicant's disabilities, the family will retain their position on the waiting list and the offer will not count.

If a family does not request or indicate that they have special housing needs in order to accommodate an individual's disability(ies) and waits to report this until after they have received an offer of housing, the offer of housing will still count as their unit offer due to their failure to notify SMHA of their need prior to receiving an offer of housing. If the family did not report the change within the required time frame and receives an offer of housing based on inaccurate information, the family may be determined ineligible and offered an opportunity for an informal hearing.

If the unit offered is refused for other reasons, SMHA will follow the applicable policy as listed in the "Plan for Unit Offers" section and the "Applicant Status After Final Offer" section.

Chapter 5

OCCUPANCY GUIDELINES

INTRODUCTION

The Occupancy Guidelines are established by SMHA to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from excessive wear and tear or underutilization. This Chapter explains the Occupancy Guidelines used to determine minimum and maximum unit sizes for various sized families when they are selected from the waiting list, or when a family's size changes, or when a family requests an exception to the occupancy guidelines.

A. DETERMINING UNIT SIZE

SMHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom. SMHA's Occupancy Guideline standards for determining unit size shall be applied in a manner consistent with Fair Housing guidelines.

For occupancy standards, an adult is a person 18 years or older, or an emancipated minor.

All guidelines in this section relate to the number of bedrooms in the unit. Dwelling units will be assigned using the following guidelines:

Generally SMHA will assign one bedroom to two people within the following guidelines:

Adults of different generations (15–20 years), persons of the opposite sex (other than spouses), and unrelated adults will not be required to share a bedroom.

Separate bedrooms should be allocated for persons of the opposite sex (other than adults who have a spousal relationship).

Foster children will be included in determining unit size only if they will be in the unit for more than 3 months.

Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family. Over-crowding will not be allowed for accommodation.

A family will be given the option to include and consider in determining unit size, a family member who will be absent most of the time; such as a member who is away in the military or an adult child away at school but who may come home for breaks. A family will not be given this option for a member that is incarcerated. If a family decides to include a member

that is away most of the time, the Head of Household will be responsible for obtaining the member's signature on all paperwork that is required for annual recertification or at any other time requested by the Housing Authority.

Single person families shall be allocated zero/one bedroom.

The living room will not be used as a bedroom except at the determination of the family and so long as it does not constitute an overcrowded unit or for purposes of reasonable accommodation.

GUIDELINES FOR DETERMINING BEDROOM SIZE

Bedroom(s) Size	Persons in Household: (Minimum #)	Persons in Household: (Maximum #)
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	6	10
6 Bedrooms	8	12

B. EXCEPTIONS TO OCCUPANCY STANDARDS

SMHA will grant exceptions from the guidelines in cases where it is the family's request or the SMHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances, and there is a vacant unit available. If an applicant requests to be listed on a smaller or larger bedroom size waiting list, the following guidelines will apply:

The SMHA may offer a family a unit that is larger than required by the SMHA's occupancy standards, if the waiting list is short of families or does not have any families on the waiting list(s) large enough to fill the vacancy.

The family may request to be placed on a larger bedroom size waiting list than indicated by the SMHA's occupancy guidelines. The request must explain the need or justification for a larger bedroom size, and must be verified by SMHA before the family is placed on the larger bedroom size list. SMHA will consider these requests:

Person with Disability

The SMHA will grant an exception upon request as a reasonable accommodation for persons with disabilities if the need is appropriately verified and meets requirements in the "Service and Accommodations Policy" section of Chapter 1.

Other Circumstances

Circumstances may dictate a larger size than the occupancy standards permit when:

- Persons cannot share a bedroom because of a need for medical equipment due to its size and/or function. Requests for a larger bedroom due to medical equipment must be verified by a medical professional.

Requests based on health related reasons must be verified by a medical professional. At least on an annual basis, SMHA will verify that the space is being used for the intended purpose and the live-in aide remains qualified to perform the function.

The SMHA may offer a family a unit that is larger than required by the SMHA's occupancy standards, if there is no waiting list for families large enough to fill the vacancy, or the SMHA determines that the common area for the project is insufficient for accommodating any additional large families.

In all cases, where the family requests an exception to the general occupancy standards, the SMHA will evaluate the relationship and ages of all family members and the overall size of the unit.

Other Circumstances

The SMHA may not assign a larger bedroom size due to additions of family members other than by live-in aide, birth, adoption, marriage, or court-awarded custody.

All individuals occupying the unit and members of the family residing in the unit must be approved by the SMHA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the SMHA within **ten (10) working** days.

To avoid vacancies, the SMHA may provide a family with a larger unit than the occupancy standards permit. The family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is a suitable smaller unit available. This requirement is a provision of the lease.

Live-in Aides

One reason SMHA allows an additional bedroom is related to live-in aides. Although a health care provider must document the need for a live-in aide (which would result in the issuance of an additional bedroom size), the live-in aide must be identified by the family and approved by the SMHA first.

The definition of a live-in aide is recorded in HUD policy which states that a live-in aide is a person who resides with one or more elderly persons, near-elderly persons or persons with disabilities and who is: (1) determined to be essential to the care and well-being of the persons; (2) is not obligated for the support of the persons; and (3) would not be living in the unit except to provide the necessary supportive services. It should be noted that the definition applies to a specific person. In accordance with this definition, a live-in aide is not a member of the assisted family and is not entitled to the unit as the remaining member of the tenant family.

The SMHA must approve the person identified as the live-in aide. The SMHA will disapprove such a person if s/he has: (1) committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; (2) committed drug-related criminal activity or violent criminal activity; or (3) currently owes rent or other amounts to the SMHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act. Additionally, the SMHA must establish standards to determine the number of bedrooms needed for families of different sizes and compositions. Consequently, PHAs may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the SMHA's standards for an unidentified live-in aide.

Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. Therefore, an additional bedroom should not be approved for a live-in aide under these circumstances.

Other Reasonable Accommodation Issues. A family may always request a reasonable accommodation to permit program participation by individuals with disabilities. A family's composition or circumstances may warrant the provision of an additional bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit. The SMHA must consider requests for an exception to the established subsidy standards on a case-by-case basis and provide an exception, where necessary, as a reasonable accommodation. The SMHA shall document the justification for all granted exceptions.

Medical Equipment. Although SMHA may approve an additional bedroom for medical equipment if the need is documented by a health care provider, the actual equipment in the extra bedroom should be verified by the SMHA during the annual inspection of the unit. If the extra bedroom is not being used for the intended purpose, the SMHA must reduce the bedroom standard. However, the SMHA may take further action, if it believes any lease or family obligations were violated.

C. INCENTIVES TO ATTRACT HIGHER INCOME FAMILIES TO LOWER INCOME DEVELOPMENTS

See Chapter on Tenant Selection and Assignment.

D. ACCESSIBLE UNITS

The PHA has units designed for persons with mobility, sight and hearing impairments. These units were designed and constructed specifically to meet the needs of persons requiring the use of wheelchairs and persons requiring other modifications.

Preference for occupancy of these units will be given to families with disabled family members who require the modifications or facilities provided in the units.

Accessible units will be offered and accepted by non-mobility impaired applicants only with the understanding that such applicants must accept a transfer to a non-accessible unit at a later date if a person with a mobility impairment requiring the unit applies for housing and is determined eligible.

Chapter 6

DETERMINATION OF TOTAL TENANT PAYMENT [24 CFR 5.609, 5.611, 5.613, 5.615, Subpart E and F; 24 CFR 960, Subpart C]

INTRODUCTION

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

This Chapter defines the allowable deductions from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subpart F and further instructions set forth in HUD Notices, Memoranda and Addenda. However, the Quality Housing and Work Responsibility Act now gives SMHA broader flexibility. SMHA's policies in this Chapter address those areas that allow the SMHA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. MINIMUM RENT

The minimum rent for SMHA is \$50. The minimum rent refers to a minimum total tenant payment and not a minimum tenant rent.

The Total Tenant Payment is the greater of:

30% of the adjusted monthly income

10% of the monthly income

The Minimum rent as established by SMHA

The Total Tenant Payment does not include other charges.

SMHA recognizes that in some instances even the minimum rent may create a financial hardship for families. SMHA will review all relevant circumstances brought to the SMHA's attention regarding financial hardship as it applies to minimum rent. The following section states the SMHA's procedures and policies in regard to minimum rent financial hardship as set forth by the QHWR. If the SMHA establishes a minimum rent greater than zero, the SMHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship

exemption. If the SMHA determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.

SMHA Procedures for Notification to Families of Hardship Exceptions

SMHA will notify all participant families subject to a minimum rent of their right to request a minimum rent hardship exception under the law.

SMHA notification will advise the family that hardship exception determinations are subject to SMHA grievance procedures.

SMHA will review all tenant requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent exception are required to be in writing.

Requests for minimum rent exception must state the family circumstances that qualify the family for an exception.

Exceptions to Minimum Rent

SMHA will immediately suspend the minimum rent to all families who request it.

The Minimum Rent will be suspended until SMHA determines whether the hardship is:

Covered by statute

Temporary or long term

If SMHA determines that the minimum rent is not covered by statute, SMHA will impose a minimum rent including payment for minimum rent from the time of suspension.

SMHA will use its standard verification procedures to verify circumstances that have resulted in financial hardship, such as loss of employment, death in the family, etc.

HUD Criteria for Hardship Exception

In order for a family to qualify for a hardship exception the family's circumstances must fall into one of the following criteria:

The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance;

The family would be evicted as a result of the imposition of the minimum rent requirement;

The income of the family has decreased because of changed circumstances, including:

- Loss of employment or decreased hours
- Death in the family
- Other circumstances as determined by SMHA or HUD
 - \$115/month Disability Assistance from Job & Family Services is household's only income

SMHA Policy:

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

For a family to qualify under the eviction provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities. The family must have received an eviction notice.

In order to qualify under the death has occurred in the family provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the SMHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The SMHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

SMHA Policy

The SMHA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

The SMHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a hardship exemption.

When the minimum rent is suspended, the TTP reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption	
Assume the SMHA has established a minimum rent of \$35.	
TTP – No Hardship	TTP – With Hardship
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$35 Minimum rent	\$35 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

SMHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family’s ability to pay the minimum rent.

The SMHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the SMHA determines there is no financial hardship, the SMHA will reinstate the minimum rent and require the family to repay the amounts suspended.

For procedures pertaining to grievance hearing requests based upon the SMHA’s denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

SMHA Policy

The SMHA will require the family to repay the suspended amount within 30-90 calendar days of the SMHA’s notice that a hardship exemption has not been granted depending upon how long the minimum rent was suspended.

Temporary Hardship

If the SMHA determines that a qualifying financial hardship is temporary, the SMHA must reinstate the minimum rent from the beginning of the first of the month following the date of the family’s request for a hardship exemption.

The family must resume payment of the minimum rent and must repay the SMHA the amounts suspended. HUD requires the SMHA to offer a reasonable repayment agreement, on terms and

conditions established by the SMHA. The SMHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

For procedures pertaining to grievance hearing requests based upon the SMHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

SMHA Policy

The SMHA will enter into a repayment agreement in accordance with the SMHA's repayment agreement policy (see Chapter 16).

Long-Term Hardship

If the SMHA determines that the financial hardship is long-term, the SMHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

SMHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

Repayment Agreements for Temporary Hardship

SMHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period.

If the family owes SMHA money for rent arrears incurred during the minimum rent period, SMHA will calculate the total amount owed and divide it by 3 to arrive at a reasonable payment increment that will be added to the family's regular monthly rent payment. The family will be required to pay the increased amount until the arrears are paid in full.

Minimum rent arrears that are less than \$50 will be required to be paid in full the first month following the end of the minimum rent period.

If the family goes into default on the repayment agreement for back rent incurred during a minimum rent period, SMHA will reevaluate the family's ability to pay the increased rent amount and:

Determine whether the family has the means to meet the obligation and, if so determined, initiate eviction proceedings for nonpayment of rent; or

Determine that the repayment agreement is a financial hardship to the family and if so, restructure the existing repayment agreement.

SMHA's policies regarding repayment agreements are further discussed in the chapter entitled "Family Debts to the SMHA."

B. INCOME AND ALLOWANCES

Income: Includes all monetary and non-monetary income or benefit amounts that are received on behalf of the family. For purposes of calculating the Total Tenant Payment, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income that is not specifically excluded in the regulations is counted.

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

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

Adjusted Income is defined as the Annual Income minus any HUD allowable expenses and deductions.

HUD has six allowable deductions from Annual Income:

1. \$480 for each dependent;
2. \$400 for any elderly family or disabled family;
3. For any family that is a disabled family, or has a member (other than the head or spouse) who is a person with a disability; a disability assistance expenses for unreimbursed amounts paid for attendant care, or auxiliary apparatus expenses for family members with disabilities, including the disabled member, where such expenses are necessary to permit an adult family member to be employed. The allowable expenses must be in excess of 3% of annual income. This allowance may not exceed the employment income received by the family members that is freed to go to work, who is at least 18 years of age.
4. For any elderly or disabled family:
 - That has no disability assistance expenses; an allowance for any unreimbursed out of pocket medical expenses the family pays that is in excess of the amount by which the medical expenses exceed 3% of annual income;
 - That has disability expenses greater than or equal to 3% of annual income; an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for unreimbursed out of pocket medical expenses that equal the family's medical expenses;
 - That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that are equal to the total of these expenses less 3% of annual income.
5. Childcare expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age (12 years & under) during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare for furthering education or seeking employment. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income. (24 CFR 5.603(d)).
6. The SMHA does provide for optional deductions or allowances in the public housing program. The SMHA understands that in providing for the additional

optional deduction that this will adjust the operating subsidy formula amount by the amount of the reduction in rent due to the additional deduction.

Anticipating Expenses

SMHA Policy

Generally, the SMHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), the SMHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the SMHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The SMHA may require the family to provide documentation of payments made in the preceding year.

Dependent Deduction

A deduction of \$480 is taken for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

Elderly and Disabled Family Deduction

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

Medical Expense Deduction [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

SMHA Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
<p>Services of medical professionals</p> <p>Surgery and medical procedures that are necessary, legal, non-cosmetic</p> <p>Services of medical facilities</p> <p>Hospitalization, long-term care, and in-home nursing services</p> <p>Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</p> <p>Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)</p>	<p>Substance abuse treatment programs</p> <p>Psychiatric treatment</p> <p>Ambulance services and some costs of transportation related to medical expenses</p> <p>The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)</p> <p>Cost and continuing care of necessary service animals</p> <p>Medical insurance premiums or the cost of a health maintenance organization (HMO)</p>
<p>Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.</p>	

Families That Qualify for Both Medical and Disability Assistance Expenses

SMHA Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the SMHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

Disability Assistance Expense Deduction [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

SMHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the SMHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the SMHA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members’ incomes [PH Occ GB, p. 124].

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *PH Occupancy Guidebook* as follows: “Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member with a disability, or service animals” [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30].

HUD advises SMHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

SMHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

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

SMHA Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the SMHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability expenses may be deducted for payments to a member of a tenant family or live-in aide [23 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the tenant family may be deducted if they are reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

SMHA Policy

The SMHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the SMHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the SMHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance Expenses

SMHA Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the SMHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

Child Care Expense Deduction

HUD defines *child care expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of *Child* for This Deduction

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in a tenant family's household [VG, p. 26].

SMHA Policy

For the purposes of child care expenses, the SMHA defines *child* to include any foster children under the age of 13 living in a tenant family's household [HCV GB, p. 5-29].

Qualifying for the Child Care Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

SMHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family

eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, the SMHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

SMHA Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the SMHA.

Furthering Education

SMHA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed

SMHA Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family

member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

The SMHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

SMHA Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the SMHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the tenant family. The SMHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

SMHA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the SMHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

SMHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the SMHA will use the schedule of child care costs from the local welfare agency. Families may present, and the SMHA will consider, justification for costs that exceed typical costs in the area.

Permissive Deductions [24 CFR 5.611(b)(1)]

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the SMHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.

SMHA Policy

SMHA will exclude 50% of verified Child Support payments made by a member of the household from income calculations, whose entire income is otherwise included in the total household income.

Household Composition and Income

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or co-head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.

Full-time students 18 years of age or older (not head, spouse, or co-head)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.
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Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Absent Full-Time Students

SMHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the SMHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Court-Ordered Absences

SMHA Policy

If a member of the family is subject to a court order that restricts the member from the home, the SMHA will determine whether the person will be considered temporarily or permanently absent. If the court order specifies a permanent restriction or if the court restriction exceeds 180 days, the person will no longer be considered a family member. If the individual intends to return to the unit at the end of the restriction, the individual is subject to the eligibility and screening requirements discussed in the chapter on eligibility.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

SMHA Policy

If a child has been placed in foster care, the SMHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member for up to 12 months after being removed from the home.

Absences Due to Incarceration

SMHA Policy

If a family member is expected to be incarcerated for more than 180 consecutive days, the person will not be considered a family member. If the individual intends to return to the unit following incarceration, the individual is subject to the eligibility and screening requirements discussed in the chapter on eligibility.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted .

SMHA Policy

The SMHA will request verification from a responsible medical professional to determine whether the confinement is temporary or permanent and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent and their income will still be included in the rent calculation. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or co-head qualifies as an elderly person or a person with disabilities.

Joint Custody of Children

SMHA Policy

In the case of joint custody, only one family may claim a child as a dependent. When two assisted families could conceivably claim the child, the two families must resolve the issue and declare which household will receive the dependent deduction. If the two households are unable to resolve the issue, the SMHA will make the determination on the basis of such factors as who is designated as the residential or custodial parent, which parent's address is used for school purposes and how much time the child spends in each household.

Caretakers for a Child

SMHA Policy

If neither a parent nor a designated guardian remains in a household receiving assistance, the SMHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that

would confirm that the caretaker's role is temporary. In such cases the SMHA will extend the caretaker's status as an eligible visitor.

- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household.
- (4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

In all situations, the SMHA must approve any caretaker that is to remain in the unit on a permanent basis according to the established eligibility and screening criteria.

Anticipating Annual Income

The SMHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

The SMHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the SMHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The SMHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

SMHA Policy

When the SMHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the SMHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Anytime current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the SMHA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If the SMHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$6/hour will begin to receive \$6.25/hour in the eighth week after the effective date of the

reexamination. In such a case the SMHA would calculate annual income as follows:
($\$6/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}$) + ($\$6.25 \times 40 \text{ hours} \times 45 \text{ weeks}$).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the SMHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the SMHA's policy on reexaminations does not require interim reexaminations for other types of changes.

Types of Earned Income Included in Annual Income

Wages and Related Compensation. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

SMHA Policy

For persons who regularly receive bonuses or commissions, the SMHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the SMHA will use the prior year amounts. In either case the family may provide, and the SMHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the SMHA will count only the amount estimated by the employer.

Some Types of Military Pay. All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]. Sporadic income is income that is not received on a regular basis and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed. Such income is not counted.

Children's Earnings. Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students. Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide. Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs. Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Resident Service Stipend. Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the SMHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the SMHA’s governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

SMHA Policy

The SMHA currently provides a \$30 per month stipend deducted from the resident’s rent for the to residents at our low-rise and high-rise buildings that have been designated “key holder” for their building. This amount is subject to change via the Key Holder Policy.

State and Local Employment Training Programs. Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

SMHA Policy

The SMHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The SMHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

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

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

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

SMHA Policy

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

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

Earned Income Disallowance. The earned income disallowance is discussed below.

C. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS

The annual income for qualified families may not be increased as a result of increases in earned income of a family member beginning on the date on which the increase in earned income begins and continuing for an initial 12 calendar month period. For calculation purposes, the disallowance shall begin the first of the month after the employment begins. After the initial 12 calendar months expires, the following 12 calendar month period will include a phase-in of half the allowable earned income exclusion from annual income.

A family qualified for the earned income exclusion is a family that is receiving assistance under the public housing program; and

- Whose annual income increases as a result of employment of an adult family member and who was previously unemployed for one or more years prior to employment;

- Whose annual income increases as a result of increased earnings and who earned less than 10 hours @ minimum wage x 50 weeks during the previous 12 months?
- Whose annual income increases as a result of increased earnings by an adult family member during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of an adult family member during or within six months after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least \$500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

The HUD definition of "previously unemployed" includes a person who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality if it is higher than the federal minimum wage.

The HUD definition of economic self-sufficiency program is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member during participation in an economic self-sufficiency or job training program and may include increases that occur after participation provided the training provides assistance, placement, training or mentoring after the training that leads to employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member. The incremental increase in income is calculated by comparing the amount of the family member's income before the beginning of qualifying employment (baseline) to the amount of such income after the employment.

Initial Twelve-Month Exclusion

During the initial 12-calendar month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the SMHA will exclude from annual income 100% of any incremental increase in income of the family member as a result of employment over the prior income of that family member (baseline).

Second Twelve-Month Exclusion and Phase-in

During the second 12-calendar month period after the expiration of the initial 12-calendar month period referred to above, the SMHA must exclude from annual income 50% of any incremental increase in income of the family member as a result of employment over the prior income of that family member (baseline) before the beginning of such employment.

Maximum Two Year Disallowance

The earned income disallowance is limited to a 24-calendar month period for each family member during their entire lifetime; regardless of whether they go to a different federally subsidized housing provider. For each family member, the disallowance only applies for a maximum of the initial 12 calendar months period of full exclusion of incremental increase, and a maximum of 12 calendar months period of phase-in exclusion during the -24 calendar month period starting from the date of the initial exclusion. There is a lifetime limit of 24 months once the initial time period begins, even if the family member does not use their whole 12 month full and/or 12 month phase-in exclusion period.

If the initial period of increased income does not last for 12 consecutive months, the 100% disallowance period will expire even if the family member's income has not been excluded for each of the 12 months. The second 12 calendar months phase in period will immediately follow the initial 12 calendar months. Increase in earned income that starts and stops during the 24 calendar month total exclusion period, will be excluded at the rate in effect when the increased income resumes (the initial 12-month full exclusion and the second 12-month phase-in exclusion).

No earned income disallowance will be applied after the 24 calendar-month period following the initial date the exclusion was applied.

Applicability to Child Care Expense Deductions

The amount deducted for childcare necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for childcare deduction in the case of the deduction that is allowed due to employment.

Applicability to Disability Expense Deductions

The amount deducted for disability expense deduction that is necessary to permit employment shall not exceed the amount of employment income that is included in Annual Income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income disallowance will be used in determining the cap for the disability expense deduction.

Applicability to Families that Receive both Child Care Expense and Disability Deductions

The amount deducted for both childcare and disability expense deductions necessary to permit employment shall not exceed the amount of employment income that is included in Annual Income. Therefore, for families entitled to the earned income disallowance, the amounts of the earned income that is included in the Annual Income after the application of the earned income

disallowance will be used in determining the cap for childcare deduction and disability expenses combined in the case of the deduction that is allowed due to employment.

Tracking the Earned Income Exclusion

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

*Such documentation will include:

- Date the increase in earned income was reported by the family
- Name of the family member whose earned income increased
- Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income
- Amount of the increase in earned income (amount to be excluded)
- Date the increase in income is first excluded from annual income
-
- Date the 12-month phase-in period began
-
- Ending date of the maximum 24 calendar-month (two year) disallowance period (24 months from the date of the initial earned income disallowance)

The SMHA will maintain a tracking system to ensure correct application of the earned income disallowance.

It is a SMHA policy decision to conduct an interim reexamination for income increases for the purpose of calculating the earned income disallowance during the initial, phase in and expiration periods.

Inapplicability to Admission

The earned income disallowance is only applied to determine the Annual Income of families who are participants in the public housing program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

D. INDIVIDUAL SAVINGS ACCOUNTS

SMHA chooses not to establish a system of individual savings accounts for families who qualify for the disallowance of earned income.

E. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as

deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

Business Expenses

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

SMHA Policy

To determine business expenses that may be deducted from gross income, the SMHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

Business Expansion

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

SMHA Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

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

SMHA Policy

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

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require the SMHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

SMHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of \$2,000 to help a business get started, the SMHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

SMHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

F. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Overview

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

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

General Policies

Income from Assets

The SMHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the SMHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the SMHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the

property is currently vacant, the SMHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

SMHA Policy

Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the SMHA to show why the asset income determination does not represent the family's anticipated asset income.

Valuing Assets

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

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash. Examples of acceptable costs include penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH, p. 121].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3)]

When net family assets are \$5,000 or less, the SMHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the SMHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the SMHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market

value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”

SMHA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the SMHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the SMHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the SMHA will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the SMHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The SMHA may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

SMHA Policy

The SMHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$5,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

SMHA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

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

Family Declaration

SMHA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The SMHA may verify the value of the assets disposed of if other information available to the SMHA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

SMHA Policy

In determining the value of a checking account, the SMHA will use the current monthly balance.

In determining the value of a savings account, the SMHA will use the current balance.

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

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

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

SMHA Policy

In determining the market value of an investment account, the SMHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the SMHA will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121].

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

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

SMHA Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the SMHA

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

Trusts

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)].

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the SMHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

SMHA Policy

In determining the value of personal property held as an investment, the SMHA will use the family's estimate of the value. However, the SMHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

SMHA Policy

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

G. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].

Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

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

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security, VA or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)].

SMHA Policy

When a delayed-start payment is received and reported during the period in which the SMHA is processing an annual reexamination, the SMHA will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the SMHA.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

Periodic Payments Excluded from Annual Income

Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]

SMHA Policy

The SMHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]

Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]

Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]

Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].

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

Lump sums received as a result of delays in processing Social Security, VA and SSI payments HUD FAQ and [24 CFR 5.609(b)(4)].

H. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)].

I. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) or Ohio Works First (OWF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

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

Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the SMHA must include in annual income “imputed” welfare income. The SMHA must request that the welfare agency inform the SMHA when the benefits of a public housing resident are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

J. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

Alimony and Child Support

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

SMHA Policy

The SMHA will count court-awarded amounts for alimony and child support unless the SMHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

The SMHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

SMHA Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the SMHA. For contributions that may vary from month to month (e.g., utility payments), the SMHA will include an average amount based upon past history.

K. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

Reimbursement of medical expenses [24 CFR 5.609(c)(4)]

The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)]

Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]

Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]

Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]

Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]

Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]

Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]

Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
- (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)
- (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu)
- (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)

- (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- (p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)
- (r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (t) Earned income disallowances
- (u) Medicare incentive reimbursements
- (v) Tax rebates from the IRS under the Economic Stimulus Act of 2008 (PIH2008-23)
- (w) Kinship Guardian Assistance Payments and similar guardian care payments (PIH 2008-30)
- (x) Temporary employment by the U.S. Census Bureau (PIH 2008-26)

L. TRAINING PROGRAMS FUNDED BY HUD

All training income from a HUD sponsored or HUD funded training program, whether incremental or not, is excluded from the resident's Annual Income while the resident is in training. Income from a Resident Services training program, which is funded by HUD, is excluded.

Upon employment with SMHA, the full amount of employment income received by the person is counted, but subject to the earned income disallowance provisions.

M. AVERAGING INCOME

When Annual Income cannot be anticipated for a full twelve months, SMHA will:

Annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime that the employer cannot anticipate for the next twelve months, then the SMHA will anticipate the income will include the bonuses and overtime received the previous year.

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

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

N. MINIMUM INCOME

There is no minimum income requirement. Families who report zero income or extremely low income will have the income be re-verified through EIV every 90 days for income changes and are further required to complete a written no/low income certification every 180 days and undergo an interim recertification every 180 days. If any increases in income are indicated in any of the above information or other verification at any time, then the family will be reviewed for an interim and the rent will be adjusted accordingly.

Families that report zero or extremely low income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

SMHA may request additional credit checks for all adult members of families that report zero or extremely low income.

Where credit reports show credit accounts open and payments current, SMHA will take action to investigate the possibility of unreported or underreported income, fraud or program abuse.

O. INCOME OF PERSON PERMANENTLY/TEMPORARILY CONFINED TO NURSING HOME

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, SMHA will calculate the Total Tenant Payment by:

Excluding the income of the person permanently confined to the nursing home and not giving the family deductions for medical expenses of the confined family member.

If the family member is temporarily confined in a hospital or nursing home, SMHA will calculate the TTP by:

Including the income of the person temporarily confined to the nursing home and giving the family the medical deductions allowable on behalf of the person in the nursing home, if they are an elderly or disabled family..

P. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609(a)(7)]

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

Any contribution or gift received every two months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than \$100 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter on "Verification Procedures," for further definition.)

If the family's expenses exceed their known income, SMHA will make inquiry of the family about regular contributions and gifts.

Q. ALIMONY AND CHILD SUPPORT [24 CFR 5.609(a)(7)]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, SMHA will use the amount that is determined to be received by the family*.

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

SMHA receives verification from the agency responsible for enforcement or collection.

The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

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

*SMHA will use the following guidelines for calculating amounts when less than award amount:

- If the amounts received are consistent within the past 3-6 months, then the amounts will be used to calculate the next 12 months (ie: started 3 months ago at \$250 per month equals \$250 times 12 months).
- If the amounts are sporadic during the past 12 months, then the total amount received during the past 12 months will be used.
- If the amount(s) received have completely stopped, the family must furnish the information outlined above along with a statement that the support is not being received and that they understand they must report the change if it starts again.

R. LUMP-SUM RECEIPTS [24 CFR 5.609(b)(5), (c)]

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income, but may be included in assets, if the amount has been invested in an allowable asset.

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

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

SMHA uses a calculation method that calculates retroactively or prospectively depending on the circumstances.

SMHA will calculate prospectively if the family reported the payment within 10 days and retroactively to date of receipt if the receipt was not reported within that time frame.

Prospective Calculation Methodology

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

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

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

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

The lump sum will be added in the same way for any interims that occur prior to the next annual recertification.

Retroactive Calculation Methodology

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

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

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

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

Attorney Fees

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

S. CONTRIBUTIONS TO RETIREMENT FUNDS – ASSETS

Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum less the amount the employee contributed to the retirement.

T. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

SMHA must count assets disposed of for less than fair market value during the two years preceding the date of divestiture. SMHA will count the difference between the market value and the actual payment received for less than market value in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy is not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

SMHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$5,000. If the total value of assets disposed of within the two-year period is less than \$5,000 , they will not be considered an asset.

U. CHECKING AND SAVINGS ACCOUNTS

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

- In determining the value of a checking account, the SMHA will use the current balance.
- In determining the value of a savings account, the SMHA will use the current

balance.

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

In lieu of the calculation described above, the SMHA can use the actual received over the last calendar year in determining the anticipated amount of interest if it is anticipated that the average balance will remain constant (similar to the balance for the last twelve months).

V. CHILD CARE EXPENSES

Child-care expenses for children under 13 may be deducted from annual income, to determine adjusted income, if they enable an adult to work or attend school, or to actively seek employment.

In the case of a child attending private school, only after-hours care can be counted as child-care expenses.

Child care expenses must be reasonable. Reasonable is determined by what the average child care rates that have been determined by the TANF Agency in the SMHA's jurisdiction.

Allowance of deductions for child-care expenses is based on the following guidelines:

Child-care to work: The maximum child-care expense allowed cannot exceed the amount of earned income by the person enabled to work which is included in the family's annual income. **The "person enabled to work" will be the adult member of the household that is now released to perform work.**

Child-care for school: The number of hours claimed for child-care may not exceed the number of hours the family member is attending school and study time, including reasonable travel time to and from school.

For determining reasonable child-care expenses for education, training or seeking employment: The SMHA will determine reasonable limits to be the amount determined by the state welfare agency. If the rate per child verified by the family exceeds the guideline, the SMHA may use the state welfare agency's determination for the area to be the cap in order to calculate the allowance. Family's seeking employment must provide additional documentation (verification) of where the family member has sought employment.

Child Care Expense Verification Information/Form

The form to be completed by the child care provider that will be used to verify child care expense will include:

- The name of the care provider;
- The address of the care provider;
- The telephone number of the care provider;
- The Social Security number of the care provider;
- The names and ages of the children for whom care is being provided;
- The hours of care provided for each child for each day of the week;
- The amount actually paid by the family;
- The amount reimbursed from other sources for the child care expenses

W. MEDICAL EXPENSES [24 CFR 5.603]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, or the amount that will be allowed, the current IRS Publication 502 will be used as a guide.

Nonprescription medicines must be doctor-ordered in order to be considered a medical expense.

Nonprescription medicines may be counted toward medical expenses for families who qualify if the family furnishes legible receipts with identification of the type of purchase.

Chiropractic services are included under IRS Publication 502 and will be considered allowable medical expenses.

X. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.520]

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

Applicant mixed families are entitled to prorated assistance. Tenant families that become mixed families by the addition of an ineligible member are entitled to prorated assistance.

Prorated Assistance Calculation

Prorated assistance will be calculated by subtracting the Total Tenant Payment from the applicable Maximum Rent for the unit the family occupies to determine the Family Maximum Subsidy. The specific method of prorating assistance for Public Housing covered programs is as follows:

1. Step 1. Determine total tenant payment in accordance with applicable public housing

- regulations, 24 CFR 960. (Annual Income includes income of all family members, including any family member who has not established eligible immigration status).
2. Step 2. Family maximum rent is equal to the applicable flat rent for the unit size to be occupied by the family.
 3. Subtract the total tenant payment from the family maximum rent. The result is the maximum subsidy for which the family could qualify if all members were eligible ("family maximum subsidy").
 4. Step 3. Divide the family's maximum subsidy by the number of persons in the family, (all persons), to determine the maximum subsidy per each family member who has citizenship or eligible immigration status ("eligible family member"). The subsidy, per eligible family member, is the "member maximum subsidy".
 5. Step 4. Multiply the "member maximum subsidy" by the number of family members who have citizenship or eligible immigration status ("eligible family members"). The product of this calculation is the "eligible subsidy".
 6. Step 5. The mixed family TTP is the maximum rent minus the amount of eligible subsidy.
 7. Subtract any applicable utility allowance from the mixed family TTP. The result of this calculation is the mixed family tenant rent.

When the mixed family's TTP is greater than the maximum rent, SMHA must use the TTP as the mixed family's TTP.

Mixed families paying the flat rent shall receive a prorated rent calculation as defined by the HUD 50058. An adult member that is ineligible for assistance in a mixed family is also ineligible for an earned income disallowance.

Y. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

QHWRA revised the situations in which a SMHA is required to reduce rent for special cases. In order to comply with the requirement, SMHA will make income revisions for changes resulting from Welfare program requirements as follows:

The SMHA will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- fraud by a family member in connection with the welfare program; or
- failure to participate in an economic self-sufficiency program; or

- noncompliance with a work activities requirement

However, the SMHA will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where a family member has not complied with a general welfare agency requirements that is not related to an economic self-sufficiency program; or
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits; or
- A situation of an inadvertent overpayment.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution. Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income (new income) a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

Verification Before Denying a Request to Reduce Rent

SMHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

Cooperation Agreements

SMHA has an unwritten cooperation agreement in place with the local welfare agency that assists the SMHA in obtaining the necessary information regarding welfare sanctions.

Z. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

If the cost of utilities (excluding cable and telephone) is not included in the Tenant Rent, a utility allowance will be deducted from the total tenant payment. The Utility allowance is intended to help defray the cost of utilities not included in the rent. The allowances are based on the monthly cost of reasonable consumption utilities in an energy conservative household, not on a family's actual consumption.

When the Utility Allowance exceeds the family's Total Tenant Payment, SMHA will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant.

Resident-Paid Utilities

The following requirements apply to residents living in developments with resident-paid utilities or applicants being admitted to such developments:

If a resident or applicant is unable to get utilities connected because of a previous balance owed to the utility company, the resident/applicant will not be permitted to move into a unit with resident paid utilities. This may mean that a current resident cannot transfer to a scattered site or that an applicant cannot be admitted to a unit with resident-paid utilities.

Paying the utility bill is the resident's obligation under the lease. Failure to pay utilities is grounds for eviction.

Utility Allowance Revisions

The SMHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more from the rate on which the allowance was based.

Upon revision, the SMHA must readjust the resident payment retroactive to the first day of the month following the month in which the last rate change taken into account became effective [PH Occ GB, p. 171].

AA. EXCESS UTILITY PAYMENTS

Residents in units where SMHA pays the utilities will be charged for excess utilities if additional appliances or equipment are used in the unit. When there is a checkmeter, if the tenant uses in excess of the consumption allowance, the tenant shall pay the excess. This charge shall be applied as specified in the lease. [24CFR 966.4(b)(2)] Residents that are paying flat rent and in units that are individually metered will be charged for the excess utilities used above the allowable level.

BB. FAMILY CHOICE IN RENTS

Authority for Family to Select

SMHA shall provide for each family residing in a public housing unit to elect annually whether the rent paid by such family shall be 1) determined based on family income or 2) the flat rent. SMHA may not at any time fail to provide both such rent options for any public housing unit owned, assisted or operated by SMHA.

Annual choice: SMHA shall provide for families residing in public housing units to elect annually whether to pay income-based or flat rent at the time of the annual recertification.

Allowable Rent Structures

Flat Rents

SMHA has established, for each dwelling unit in public housing, a flat rental amount for the dwelling unit, which:

Is based on 80% of the Fair Market Rent as published by HUD on an annual basis. ; and

Is designed so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

SMHA shall review the income of families paying flat rent not less than once every three years.

Income-Based Rents

The monthly Total Tenant Payment amount for a family shall be an amount, as verified by the SMHA, that does not exceed the greatest of the following amounts:

30 percent of the family's monthly adjusted income;

10 percent of the family's monthly income; or

SMHA's Minimum TTP of \$50

Switching Rent Determination Methods Because of Hardship Circumstances

In the case of a family that has elected to pay SMHA's flat rent, SMHA shall immediately provide for the family to pay rent in the amount determined under income-based rent, during the period for which such choice was made, upon a determination that the family is unable to the flat rent because of financial hardship, including:

- Situations in which the income of the family has decreased because of changed circumstances, loss of or reduction of employment, death in the family, and reduction in or loss of income or other assistance; or
- An increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; or
- Such other situations as may be determined by SMHA.

All hardship situations will be verified.

Annual Reexamination

120 days in advance of annual reexamination, the family will be notified of their annual reexamination. During this reexamination period, the family will be given the option to choose flat rent or income-based rent. SMHA will provide a form that states what the flat rent would be and what the family's income-based rent would be. The family will be required to make a choice

and sign the form prior to the effective date of their reexamination. The form will be retained in the tenant's file. (See Chapter 11 for further details).

Whether the family indicates they choose income-based or a flat rent, a reexamination appointment will be scheduled according to SMHA policy. The family during the reexamination will be provided information on the anticipated rent and may choose to pay flat rent prior to the new rent going into effect.

CC. SMHA'S FLAT RENT METHODOLOGY

SMHA has set a flat rent for each public housing unit, based on unit size and 80% of the Fair Market Rent as published by HUD on an annual basis. The SMHA shall review the flat rent schedule annually and make any adjustments to the schedule in the future.

Setting Flat Rents Properly (24 CFR 960.253(b))

To calculate a flat rent, SMHA is required to take into consideration the following for each property:

- Location (this will include the value and quality of neighboring housing);
- Quality (need for rehabilitation);
- Unit size (both number of bedrooms and square footage);
- Unit type (Generally single-family units are valued the highest, with semi-detached and town-home next, then walk-up or garden-type apartments. Elevator buildings are usually considered the least popular for family housing, although that is not necessarily the case in mixed population housing.);
- Age of property;
- Amenities at the property and in immediate neighborhood (e.g. laundry facilities, child care, recreation room, play areas, open space, parking, public transportation, schools, shopping, etc.);
- Housing services provided;
- Maintenance provided by the SMHA; and
- Utilities provided by the SMHA.

In determining Flat Rent, SMHA will use the following methods:

-
- Documentation on the method used to determine flat rents will be retained by the SMHA
- There is no utility allowance or reimbursement with flat rents. Instead, the SMHA takes the utility payment into consideration in setting the flat rents. In two otherwise identical properties, the flat rent would be higher for the property with SMHA supplied utilities and lower for the property with tenant-paid utilities.

- SMHA will comply with the following HUD requirements when establishing the applicable flat rents for public housing units. The following formula establishes a **minimum rate** for which the flat rents must be set.
- SMHA will determine 80 percent of the current Fair Market Rent (FMR) for each bedroom-size, then reduce that amount by the applicable utility allowance in place for that unit. This is the minimum amount at which the flat rent can be set for each public housing unit.
- Limitation on yearly increase in the flat rent. When determining a new flat rent through the annual review process and utilizing the HUD formula (80% of FMR minus UA), SMHA may not increase the flat rent by more than 35% of what it is presently. If an additional increase in the flat rent would be needed to reach the HUD mandated minimum amount (80% of FMR minus UA) the needed increase would be phased in yearly as to not increase the flat rent by more than 35% per year.
- If the FMR falls from the previous year amount at HUD annual review, SMHA may, but is not required to lower the flat rent amount to 80% of the new FMR minus the applicable utility allowance.
- Upon issuance of the new FMR's by HUD, SMHA will: 1) Determine if the current flat rent is at least 80% of the new FMR; 2) Update the flat rent amounts if necessary to meet the 80% requirement within a reasonable time but no later than 90 days of HUD publishing new FMR's; 3) Apply the new flat rents to all new admissions and to existing families at the next annual recertification.

Annual Review of Flat Rents (24 CFR 960.253)

At least once each year the SMHA is required to review flat rent levels and make adjustments as needed to ensure that flat rents continue to meet the minimum threshold of 80% of the FMR

Residents paying flat rents would not have their flat rents adjusted (up or down) until their annual reexamination, even if the re-determination of the flat rent amount is completed mid-year.

The Schedule of Flat Rents is posted at the public housing developments and designated posting areas within the SMHA.

DD. SMHA'S CEILING RENT

The ceiling rent will mirror the flat rent (of exactly the same amount as the flat rent plus the utility allowance).

Ceiling rents, which capped income-based rents are optional rents that SMHA may adopt and maintain. The institution of flat rents, under QHWRA, has changed the future function and usefulness of ceiling rents. Some general principles concerning ceiling rents include:

- SMHA had ceiling rents in effect on October 1, 1999 and has the optioned to continue these rents. SMHA is required to adjust these ceiling rents to the level of flat rents.
- With ceiling rents, utility allowances are retained in the calculation;
- Ceiling rents fostered upward mobility and income-mixing;
- Once the SMHA has established flat rents, ceiling rents are set at the same level (which will require the addition of the utility allowance to the flat rent for properties with tenant-

paid utilities).

At this point, the function of the ceiling rent is to assist flat rent families whose incomes are reduced, causing the families to be placed on income-based rents. SMHA has not maintained ceiling rents above or beyond our flat rents.

EE. CALCULATING RENT

Overview

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the SMHA.

SMHA Policy

SMHA pays the utility reimbursement payments directly to the tenants.

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income
- 10 percent of the family's monthly gross income (annual income divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the SMHA

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

Welfare Rent [24 CFR 5.628]

SMHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

SMHA Policy

The minimum rent for this locality is \$50.

Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH, pp. 131-134]

SMHA has been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the SMHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The SMHA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to SMHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

SMHA Policy

The SMHA has chosen to adopt a permissible deduction to designed income-based rents.

Ceiling Rents [24 CFR 960.253(d)]

SMHA Policy

The SMHA chooses not to use ceiling rents.

Utility Reimbursement [24 CFR 960.253(c)(3)]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the SMHA to pay the reimbursement to the family or directly to the utility provider.

SMHA Policy

The SMHA will make utility reimbursements to the family.

Chapter 7

VERIFICATION

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

INTRODUCTION

The SMHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The SMHA must not pass on the cost of verification to the family.

The SMHA will follow the verification guidance provided by HUD in PIH Notice 2004-01, PIH 2010-19 Verification Guidance and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary SMHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the SMHA.

PART I. GENERAL VERIFICATION REQUIREMENTS

A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that the SMHA or HUD determines is necessary to the administration of the program and must consent to SMHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the SMHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). All adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the SMHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with SMHA procedures.

B. OVERVIEW OF VERIFICATION REQUIREMENTS

Overview

On December 29, 2009, HUD issued the final rule entitled *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification (EIV) System-Amendments*, which requires PHAs to use the EIV system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income; and reduce administrative and subsidy payment errors in accordance with 24 CFR §5.236 and administrative guidance issued by HUD.

Using EIV as an upfront income verification (UIV) technique is valuable in validating tenant-reported income during interim and annual reexaminations of family income; as well as streamlining the income verification process. This will result in less administrative burden in complying with third party verification requirements. Additionally, EIV will help to identify and cure inaccuracies in housing subsidy determinations, which will benefit PHAs, tenants, and taxpayers by ensuring that the level of benefits provided on behalf of families is proper and will prevent fraud and abuse within Public and Indian Housing (PIH) rental assistance programs.

SMHA Policy

The SMHA is required to use the EIV system in its entirety. This means the SMHA must use all features of the EIV system to:

- Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
- Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

C. THE EIV SYSTEM

The EIV System is a web-based application, which provides SMHA with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of

Public and Indian Housing (PIH). This system is available to SMHA. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058.

SMHA is required to review the EIV Income Report of each family before or during mandatory annual and interim reexaminations of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments. EIV is classified as an UIV technique (or automated written third party verification), which helps to identify income sources and/or amounts that the tenant may not have disclosed. This UIV technique in many instances will reduce the need to mail or fax third party verification request forms to an income source. EIV also provides various reports to assist SMHA with the following:

- Identifying tenants whose reported personal identifiers do not match the SSA database;
- Identifying tenants who need to disclose a SSN;
- Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN;
- Identifying tenants who may not have reported complete and accurate income information;
- Identifying tenants who have started a new job;
- Identifying tenants who may be receiving duplicate rental assistance;
- Identifying tenants who are deceased and possibly continuing to receive rental assistance;
- Identifying former tenants of PIH rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a PHA or Section 8 landlord.

SMHA Policy

All SMHA staff (including SMHA-hired management agents), who have a need to access the EIV system, is required to complete and submit the EIV Access Authorization Form & Rules of Behavior and User Agreement to their designated EIV Coordinator in the local HUD office. The form is available online at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>.

The user's access must be approved by the SMHA Executive Director or designee in order for the local HUD office to process all EIV access requests. Individuals who will not directly access the EIV system, but will have access to the EIV data in printed or electronic form is also required to complete the EIV Access Authorization Form & Rules of Behavior and User Agreement and maintain on file (do not submit the form to the local HUD office).

Requirements for Acceptable Documents

PHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to the PHA. The documents must not be damaged, altered or in any way illegible.

The PHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the PHA and must be signed in the presence of a PHA representative or PHA notary public.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

The Verification Hierarchy

SMHA Policy

The SMHA will begin with the highest level of verification techniques. The SMHA is required to access the EIV system and obtain an Income Report for each household. The SMHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the SMHA will attempt the next lower level verification technique, as noted in the below chart.

Level Verification Technique Ranking

Level	Verification Technique	Ranking
6	Upfront Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system (not available for income verifications of applicants)	Highest (Mandatory)
5	Upfront Income Verification (UIV) using non-HUD system	Highest (Optional)
4	Written third Party Verification	High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV- reported employment and income information and is unable to provide acceptable documentation to support dispute)
3	Written Third Party Verification Form	Medium-Low (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation) Low (Mandatory if written third party verification is not available)
2	Oral Third Party Verification	Low (Mandatory if written third party verification is not available)
1	Tenant Declaration	Low (Use as a last resort when unable to obtain any type of third party verification)

This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not always available for verifying income of applicants. The SMHA is still required to use EIV for applicants to determine other factors as relates to eligibility and maintain a copy of the record in the file.

Verification Technique Definitions Third Party Verification Techniques

Upfront Income Verification (UIV) (Level 6/5)

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

The EIV system is available to the SMHA as a UIV technique. The SMHA is encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income when available.

Written Third Party Verification (Level 4)

An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or the SMHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents.

These tenant-provided documents are considered written third party verification since they originated from a third party source. The SMHA may, at its discretion reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to:

- Pay stubs,
- Payroll summary report,
- Employer notice/letter of hire/termination,
- SSA benefit verification letter,
- Bank statements,
- Child support payment stubs,
- Welfare benefit letters and/or printouts, and;
- Unemployment monetary benefit notices.
- Current acceptable tenant-provided documents must be used for income and rent determinations.

The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the PHA should project income based on the information from a traditional written third party verification form or the best available information.

Documents older than 60 days (from the PHA interview/determination or request date) is acceptable for confirming effective dates of income.

Written Third Party Verification Form (Level 3)

Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). The SMHA sends the form directly to the third party source by mail, fax, or email.

SMHA Policy

It is the SMHA's position that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by the SMHA relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The SMHA recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information.

Documents must originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

Oral Third Party Verification (Level 2)

Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

SMHA Policy

This verification will be used in the event that the independent source does not respond to the SMHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

Non-Third Party Verification Technique Tenant Declaration (Level 1)

The tenant submits an affidavit or notarized statement of reported income and/or expenses to the PHA. This verification method should be used as a last resort when the SMHA has not been successful in obtaining information via all other verification techniques. When the SMHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

Exceptions to Third Party Verification Requirements 24 CFR §960.259(c)(1) and §982.516(a)(2)

The exception to third party verification is, “The PHA must obtain and document in the family file third party verification of the following factors, **or must document in the file why third party verification was not available.**”

Third party verification may not be available for a variety of reasons. These reasons include:

- The SMHA may have made numerous attempts to obtain the required verifications with no success, or
- It may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal.

In these cases, the SMHA is **required to document in the family file the reason(s) why third party verification was not available.**

The exception to third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2).

Third party verification requirements 24 CFR §960.259(c)(1) and 24 CFR §982.516(a)(2)

In accordance with requirements for the Public Housing and the HCV programs, respectively, the SMHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:

- Reported family annual income
- The value of assets
- Expenses related to deductions from annual income
- Other factors that affect the determination of adjusted income.

Compliance and reduction of the administrative burden of third party verification requirements of family annual income

SMHA can comply with and reduce administrative burden of third party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by all of the following:

- Reviewing the EIV Income Report to confirm/validate tenant-reported income

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- Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations) in the tenant file
 - Obtaining current acceptable tenant-provided documentation to supplement EIV information
 - Using current tenant-provided documentation and/or third party verification to calculate annual income.

Note: Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, SMHA does not need to obtain or request a benefit verification letter from the tenant. See PIH Notice 2010-03 for guidance on verifying Social Security benefit income through the EIV system.

The SMHA may also reduce the administrative burden of obtaining third party verification by relying on acceptable documents that are generated by a third party, but provided by the tenant. Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The SMHA must request written third party verification under the following circumstances:

- When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b))
- When the SMHA requires additional information that is not available in EIV and /or the tenant is unable to provide the SMHA with current acceptable tenant-provided documentation.

Examples of additional information, includes but is not limited to:

- Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
- For new employment: pay rate, number of hours worked per week, pay frequency, etc.
- Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

Note: 24 CFR §5.236(a), prohibits SMHA from taking adverse action based solely on EIV information.

Types of file documentation required to demonstrate SMHA compliance with mandated use of EIV as a third party source to verify tenant employment and income information (24 CFR §5.233(a)(2)(i)).

1. For each new admission (form HUD-50058 action type 1), the SMHA is required to do the following:
 - Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - Print and maintain a copy of the EIV Income Report in the tenant file; and
 - Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
2. For each historical adjustment (form HUD-50058 action type 14), the SMHA is required to do the following:
 - Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
 - Print and maintain a copy of the EIV Income Report in the tenant file;
 - Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
3. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
 - **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. The SMHA has the discretion to print the EIV Income report, however, only the ICN page is required.

EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.

For each annual reexamination of family income and composition, the SMHA is required to have

the following documentation in the tenant file:

- **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the SMHA), traditional third party verification form(s).
- **Disputed EIV Information:** EIV Income report, current acceptable tenant- provided documentation, and/or traditional third party verification form(s) for disputed information.
- **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the SMHA), traditional third party verification form(s).

Tenants That Do Not Provide the SMHA with Requested Information

If the tenant does not provide the requested information, the SMHA may mail or fax a third party verification request form to the third party source. The SMHA is *required* to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the SMHA shall remind the tenant that s/he is required to supply any information requested by the SMHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The SMHA may determine that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner,

Using the EIV to Reduce Administrative and Subsidy Payment Errors.

EIV has the ability to identify other potential issues, which may impact a family's level of assistance. EIV contains stand-alone reports, which the SMHA may generate at any time i.e.;

- Deceased Tenants Report,
- New Hires Report,
- Multiple Subsidy Report,
- Identity Verification Report,
- Income Discrepancy Report,
- Debts Owed to PHAs & Termination Report
- Immigration Report

However, it should be noted that the information from these stand-alone reports are contained in the Income Report for each household. The SMHA is **required** to address any and all potential issues at the time of the annual or interim re-exam, as conveyed in the Income Report.

The SMHA may use the stand-alone reports to monitor staff's progress in reducing the following administrative and subsidy payment errors by using the listed reports:

- Incorrect/invalid SSNs/name/date of birth – Identity Verification Report
- Follow- up with families who need to disclose a SSN – Immigration Report
- Duplicate rental assistance – Multiple Subsidy Report
- Unreported increase in income – Income discrepancy Report
- Improper payments on behalf of deceased tenants – Deceased Tenants Report
- Unreported new employment (PHAs with interim increase policy) – New Hires Report
- Adverse Termination/Outstanding Debt to PHA – Debts Owed to PHAs & Termination Search

In order to ensure the SMHA is aware of potential subsidy payment errors, the SMHA is **required** to monitor the following EIV reports on a **monthly** basis:

- Deceased Tenants Report
- Identity Verification Report
- Immigration Report

In order to ensure the SMHA is aware of potential subsidy payment errors, the SMHA is **required** to monitor the following EIV reports on a quarterly basis:

- Income Discrepancy Report
- Multiple Subsidy Report
- New Hires Report (if SMHA has an interim increase policy)

Using the EIV Income Report as a third party source to verify tenant employment and income information

The EIV Income Report provides a variety of information about each household member of the family. The report contains the following information for each household member:

- Personal identifiers: name, date of birth, and SSN
- Identity verification status (pending, verified, deceased, or failed)
- Employment information
 - New Hire Information (W-4)
 - Date hired
 - Employer name
 - Employer name, address and employer identification number of current and past employers
 - Quarterly earnings
- Quarterly unemployment compensation
- Social Security benefit information
 - Social Security (SS) benefits
 - Social Security (SS)
 - Payment status code
 - Date of current entitlement
 - Current net monthly benefit amount (if payable)
 - Gross monthly benefit history
 - Lump sum payment amount and date
 - Payee name and Address
 - Dual Entitlement (benefits (Social Security benefits under another person's SSN)
 - Claim Number (the other person's SSN)
 - Payment status code
 - Date of current entitlement
 - Current net monthly benefit amount (if payable)
 - Gross monthly benefit history (last 8 changes in benefit amount)
 - Payee name and address
 - Supplemental Security Income (SSI)
 - Payment status code
 - Alien indicator

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- Current net monthly benefit amount
 - Current monthly state supplement benefit amount (if available)
 - Gross monthly benefit history (last 8 changes in benefit amount)
 - Payee name and address
 - Medicare data
 - Payee name and address
 - Monthly hospital insurance premium amount, buy- in status, and buy- in start and end dates
 - Monthly supplemental medical insurance premium amount, buy-in status, and buy-in start and end dates
 - Disability status and onset date
 - Identity verification status
 - Indicator of debt and/or termination information from another PHA (effective September 2010)

All EIV Income Reports contain the date the report was generated and by whom; and the date EIV received each type of information.

EIV Requirements for Recertification

To minimize tenant underreporting of income, the SMHA is required to obtain an EIV Income Report for each family any time the PHA conducts an annual or interim reexamination of family income and composition.

In accordance with 24 CFR §5.236(b)(2)(3), SMHA is required to compare the information on the EIV report with the family-reported information. If the EIV report reveals an income source that was not reported by the tenant or a substantial difference in the reported income information, the SMHA is required to take the following actions:

- Discuss the income discrepancy with the tenant
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/ or income sources;
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the SMHA is required to request from the third party source, any information necessary to resolve the income discrepancy
- If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively*

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- Take any other appropriate action as directed by HUD or the SMHA's administrative policies.

* The SMHA is required to determine the retroactive rent as far back as the existence of complete file documentation (form HUD-50058 and supporting documentation) to support such retroactive rent determinations.

Note: A substantial difference is defined as an amount equal to or greater than \$2,400, annually.

When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the SMHA is required to obtain from the tenant, any necessary documentation to complete the income determination process. As noted previously, the SMHA may reject any tenant-provided documentation, if the SMHA deems the documentation unacceptable. The SMHA may reject documentation provided by the tenant for only the following HUD-approved reasons:

- The document is not an original; or
- The original document has been altered, mutilated, or is not legible; or
- The document appears to be a forged document (i.e. does not appear to be authentic).

The SMHA will explain to the tenant, the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the SMHA deems necessary to complete the income determination process, the SMHA is required to submit a traditional third party verification form to the third party source for completion and submission to the SMHA.

If the third party source does not respond to the SMHA's request for information, the SMHA is required to document the tenant file of its attempt to obtain third party verification and that no response to the third party verification request was received.

The SMHA should then pursue lower level verifications in accordance with the verification hierarchy.

Tenant Actions for SMHA Underpayments of Rent

SMHA Policy

The tenant must be provided an opportunity to contest the SMHA's determination of tenant

rent underpayment. HUD regulations require the SMHA to promptly notify tenants in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The tenant may contest the findings in accordance with the SMHA's established grievance procedures, as required by HUD. The SMHA may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period.

Tenant Repayment Agreement and Failure to Report Income

Tenants are required to reimburse the SMHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the SMHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent.

If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the SMHA **must** terminate the family's tenancy or assistance, or both. HUD does **not** authorize any SMHA-sponsored amnesty or debt forgiveness programs, therefore, no amnesty or debt forgiveness program will be provided.

All repayment agreements must be in writing, dated, signed by both the tenant and the SMHA, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- Reference to the paragraphs in the Public Housing lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the SMHA.
- The terms of the agreement that may be renegotiated if there is a decrease or increase in the family's income.
- Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.
- The SMHA is required to determine retroactive rent amount as far back as the PHA has documentation of family reported income. For example, if the SMHA determines that the family has not reported income for a period of five years and only has documentation for the last three years, the SMHA is only able to determine retroactive rent for the three years for which documentation is available.

Repayments shall be in accordance with SMHA's repayment policies and agreement.

EIV Record Retention

SMHA Policy

The SMHA's record retention policy will determine the length of time the PHA should maintain EIV printouts in a tenant file. PHAs are authorized to maintain the EIV Income Report in the tenant file for the duration of tenancy and no longer than three years from the end of participation (EOP) date. In accordance with revised regulation, 24 CFR §908.101, the SMHA is required to maintain at a minimum, the last three years of the form HUD-50058, and supporting documentation for all annual and interim reexaminations of family income. All records are to be maintained for a period of at least three years from the effective date of the action.

Disclosure of an Individual's EIV Information

The Federal Privacy Act (5USC§552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual. As such, the EIV data of an adult household member may not be shared (or a copy provided or displayed) with another adult household member, unless the individual has provided written consent to disclose such information.

However, the SMHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified.

SMHA Policy

EIV information and any other information obtained by the SMHA for the purpose of determining eligibility and level of assistance for a PIH rental assistance program may not be disclosed to third parties for any reason (even for similar verifications under other programs, such as eligibility for low income housing tax credit units, other federal or state assistance programs), unless the tenant has authorized such disclosure in writing.

Incorrect EIV Information

Sometimes the source or originator of EIV information may make an error when submitting or reporting information about tenants. HUD cannot correct data in the EIV system. Only the originator of the data can correct the information. When the originator corrects the data, HUD will obtain the updated information with its next computer matching process. Below are the procedures tenants and the SMHA will follow regarding incorrect EIV information.

Employment and wage information reported in EIV originates from the employer. The

employer reports this information to the local State Workforce Agency (SWA), who in turn, reports the information to HHS' (Health and Human Services) National Directory of New Hires (NDNH) database.

If the tenant disputes this information, s/he should contact the employer directly, in writing to dispute the employment and/or wage information, and request that the employer correct erroneous information.

The tenant should provide the SMHA with this written correspondence so that it may be maintained in the tenant file. If employer resolution is not possible, the tenant should contact the local SWA for assistance.

Unemployment benefit information reported in EIV originates from the local SWA. If the tenant disputes this information, s/he should contact the SWA directly, in writing to dispute the unemployment benefit information, and request that the SWA correct erroneous information. The tenant should provide the SMHA with this written correspondence so that it may be maintained in the tenant file.

SS and SSI benefit information reported in EIV originates from the SSA. If the tenant disputes this information, s/he should contact the SSA at (800) 772-1213, or visit the local SSA office. SSA office information is available in the government pages of the local telephone directory or online at <http://www.socialsecurity.gov>.

Note: The tenant may also provide the SMHA with third party documents which are in the tenant's possession to support their dispute of EIV information. The SMHA, with the tenant's consent, is required to submit a third party verification form to third party sources for completion and submission to the SMHA, when the tenant disputes EIV information and is unable to provide documentation to validate the disputed information. **The tenant's failure to sign the consent form is grounds for termination of tenancy and/or assistance in accordance with 24 CFR §5.232.**

Debts owed to PHAs and termination information reported in EIV originates from the PHA. If a current or former tenant disputes this information, s/he should contact the PHA (who reported the information) directly in writing to dispute this information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will up date or delete the record from EIV.

Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the PIH program.

Identity Theft

Seemingly incorrect information in EIV may be a sign of identity theft. Sometimes someone else

may use an individual's SSN, either on purpose or by accident. SSA does not require an individual to report a lost or stolen SSN card, and reporting a lost or stolen SSN card to SSA will not prevent the misuse of an individual's SSN.

However, a person using an individual's SSN can get other personal information about that individual and apply for credit in that individual's name. So, if the tenant suspects someone is using his/her SSN, s/he should check their Social Security records to ensure their records are correct (call SSA at (800) 772-1213); file an identity theft complaint with the local police department and/or Federal Trade Commission (call FTC at (877) 438-4338, or visit their website at: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>); and s/he should also monitor their credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian). The tenant should provide the SMHA written documentation of filed identity theft complaint. (Refer back to paragraph on Employment and wage information regarding disputed EIV information related to identity theft).

Tenants may request their credit report and place a fraud alert on their credit report with the three national credit reporting agencies at: www.annualcreditreport.com or by contacting the credit reporting agency directly. Each agency's contact information is listed below.

National Credit Reporting Agencies Contact Information

Equifax Credit Information Services, Inc.

P.O. Box 740241 Atlanta, GA 30374

Website: www.equifax.com

Telephone: (800) 685-1111

Experian

P.O. Box 2104 Allen, TX 75013

Website: www.experian.com

Telephone (888) 397-3742

TransUnion

P.O. Box 6790 Fullerton, CA 92834

Website: www.transunion.com

Telephone: (800) 680-7289 or (800) 888-4213

Security of EIV Data

The data in EIV contains personal information on individual tenants which is protected under the

Federal Privacy Act. The information in EIV may only be used for limited official purposes, as noted below

Official Purposes Include:

- The SMHA, in connection with the administration of PIH programs, for verifying the employment and income at the time of interim and annual reexaminations.
- HUD staff for monitoring and oversight of SMHA compliance with HUD program requirements.
- Independent Auditors hired by the SMHA or HUD to perform a financial audit for use in determining the SMHA's compliance with HUD program requirements, including verifying income and determining the accuracy of the rent and subsidy calculations.

Restrictions on disclosure requirements for Independent Auditors

Independent Auditors:

- May only access EIV income information within family files and only within the offices of the SMHA or SMHA- hired management agent;
- May not transmit or transport EIV income information in any form;
- May not enter EIV income information on any portable media;
- Must sign non-disclosure oaths that the EIV income information will be used only for the purpose of the audit; and
- May not duplicate EIV income information or re-disclose EIV income information to any user not authorized by Section 435(j)(7) of the Social Security Act to have access to the EIV income data.

Official Purposes for Disclosure of EIV Do NOT Include:

Sharing the information with governmental or private entities not involved in the reexamination process specifically used for PIH rental assistance programs.

Disclosing the EIV information to other private or public entities for purposes other than determining eligibility and level of assistance for PIH rental assistance programs is prohibited since these entities are not a party to the computer matching agreements with the HHS and SSA.

The fact that these entities may find the EIV beneficial for similar eligibility and determination purposes for other low- income housing programs or public benefits, does not permit these entities to use or view information in the EIV system that is covered by the computer matching agreements.

The computer matching agreements are governed by the Privacy Act and the Social Security Act. Specifically, sections 453(j)(7)(E)(ii) and (iv) of the Social Security Act (42 USC §653j) limit disclosure of the data matched between HUD and HHS' National Directory of New Hires (NDNH) database to PHAs, Independent Auditors, the Inspector General (IG) and Attorney

General, private owners, management agents, and contract administrators of Multifamily Housing programs.

Penalties for Willful Disclosure or Inspection of EIV Data

- **Unauthorized Disclosure** – felony conviction and fine up to \$5,000 or imprisonment up to five (5) years, as well as civil damages.
- **Unauthorized Inspection** – misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.

Penalties for Noncompliance with Mandated EIV System Use

The SMHA may be subject to sanctions and/or the assessment of disallowed costs associated with any resulting incorrect subsidy or tenant rent calculation or both. HUD may impose a sanction on:

- The SMHA if it does not have access to the EIV system or;
- The SMHA has access to the system, however, has not used the system within the last six months.

To avoid sanctions or disallowed costs, the SMHA will follow all formal and informal guidance provided to PHAs via webcast trainings, PIH Rental Housing Integrity Improvement Project (RHIIP) periodic electronic mailings, and any other HUD Headquarters'-generated guidance.

Updating of PHA Policies and Procedures

SMHA Policy

The SMHA is required to implement all new and modified regulatory requirements of the *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*.

Notice to Applicants and Tenants

HUD PIH 2010-19 is providing PHAs with the attached EIV system information guide that the SMHA may provide to applicants and tenants of PIH rental assistance programs. The SMHA is **not** required to distribute this document. However, the SMHA will provide applicants and tenants with the ***What You Should Know About EIV Guide*** to educate families about EIV and inform them of how it affects their family.

There are two versions of the document: 1) with a signature block; and 2) without a signature block. It is not required for applicants or tenants to acknowledge receipt of the document;

however, the SMHA may, at their discretion, require the family to acknowledge receipt of the guide. SMHA requires families to acknowledge receipt of the guide, provide the family with a copy of the guide to take with them, and maintain a signed copy in the family file folder.

D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the SMHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

SMHA Policy

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

The SMHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The SMHA will send a written request for verification to each required source within 5 business days of securing a family's authorization for the release of the information and give the source 10 business days to respond in writing. If a response has not been received by the 11th business day, the SMHA will request third-party oral verification.

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

When any source responds verbally to the initial written request for verification the SMHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

If a third party agrees to confirm in writing the information provided orally, the SMHA will wait no more than 5 business days for the information to be provided. If the information is not provided by the 6th business day, the SMHA will use any information provided orally in combination with reviewing family-provided documents.

When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, the SMHA will use the information from documents on a provisional basis. If the

SMHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the SMHA will conduct an interim reexamination to adjust the figures used for the reexamination.

When Third-Party Verification is Not Required

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Certain Assets and Expenses

The SMHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

The SMHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification.

SMHA Policy

The SMHA will use review of documents in lieu of requesting third-party verification when the total market value of a household's asset(s) or total household expense(s) is less than \$2000 annually *and* the family has original documents that support the declared amount.

Certain Income, Asset and Expense Sources

The SMHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification. For example, the SMHA will rely upon review of documents when the SMHA determines that a third party's privacy rules prohibit the source from disclosing information.

SMHA Policy

The SMHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the SMHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost.

E. REVIEW OF DOCUMENTS

Using Review of Documents as Verification

SMHA Policy

If the SMHA has determined that third-party verification is not available or not required, the SMHA will use documents provided by the family as verification.

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

F. SELF-CERTIFICATION

SMHA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the SMHA.

The SMHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the SMHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a SMHA representative or SMHA notary public.

PART II. VERIFYING FAMILY INFORMATION

G. VERIFICATION OF LEGAL IDENTITY

SMHA Policy

The SMHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicles identification card	Custody agreement
U.S. military discharge (DD 214)	
U.S. passport	

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

If none of these documents can be provided and at the SMHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the SMHA and be signed in the presence of a SMHA representative or SMHA notary public.

H. SOCIAL SECURITY NUMBERS [24 CFR 5.216]

For every eligible family member, the family must provide documentation of a valid social security number (SSN). A self-certification stating that no SSN has been issued for a person that is not declaring eligibility of that member is acceptable only for those members of a mixed-family that do not declare eligibility. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

SMHA Policy

The SMHA requires review of the original; however, SMHA will also accept the following documents as evidence if the SSN is provided on the document:

Other identification letter issued by a federal, state, or local agency that includes the SSN.

If the participant family reports an SSN but cannot provide acceptable documentation of the number, the SMHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The SMHA will require documentation of the SSN within 90 calendar days from the date of the family member's self-certification mentioned above.

If the family is an applicant family, SMHA may allow the family to become a program participant if they are waiting for verification of the SSN for household member(s) under the age of 6. An applicant family that becomes a program participant must verify the SSN for household members under the age of 6 within 90 days of being admitted to the program. An extension of an additional 90-days must be granted if the SMHA determines that, in its discretion, the applicant's failure to comply with verifying the SSN for member(s) under the age of 6 was due to circumstances that could not reasonably be foreseen and were outside of the control of the applicant

SMHA Policy

The SMHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For existing program participants who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 90-day period, the SMHA will grant an additional 90 calendar days to provide documentation.

Social Security Numbers must be verified only once during continuously-assisted occupancy.

. If required by the law enforcement entity for the purpose of conducting criminal background verification, the social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

I. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

SMHA Policy

If an official record of birth cannot be provided or evidence of social security retirement benefits cannot be provided, the SMHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

J. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility Chapter.

SMHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

SMHA Policy

Certification by the head of household is normally sufficient verification. If the SMHA has reasonable doubts about a marital relationship, the SMHA will require the family to document the marriage, except as provided by Fair Housing .

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

SMHA Policy

Certification by the head of household is normally sufficient verification. If the SMHA has reasonable doubts about a separation or divorce, the SMHA will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Custody of Non-Biological Dependents

SMHA Policy

In the event a household contains a dependent that is not the biological child of any current household members, verification must be provided to document the custody or guardianship of the dependent.

Court ordered custody or guardianship documents is required .

If no court document has been filed, notarized statements from the biological parent(s) of the child may be used in conjunction with school records, documentation from other governmental agencies or other documents as approved by SMHA

Absence of Adult Member

SMHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

Foster Children and Foster Adults

SMHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

K. VERIFICATION OF STUDENT STATUS

SMHA Policy

The SMHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or co-head, or

The family claims a child care deduction to enable a family member to further his or her education.

The family claims an income exclusion because the student is receiving earned income and only the first \$480 is included as income.

L. DOCUMENTATION OF DISABILITY

The SMHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The SMHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The SMHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the SMHA receives a verification document that provides such information, the SMHA will not place this information in the tenant file. Under no circumstances will the SMHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

SMHA Policy

For family members claiming disability who receive disability benefits from the SSA, the SMHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system, when it is available. If documentation from HUD's EIV System is not available, the SMHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the SMHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to the SMHA.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603.

SMHA Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

M. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and SMHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. Verification of non-citizens having temporary status will need to be re-verified prior to the expiration date. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The SMHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

SMHA Policy

Family members who claim U.S. citizenship or national status will be required to provide additional documentation such as a birth certificate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible non-citizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

For family members age 62 or older who claim to be eligible immigrants, proof of age is required.

For family members under the age of 62 who claim to be eligible immigrants, the SMHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The SMHA will follow all USCIS protocols for verification of eligible immigration status.

N. VERIFICATION OF PREFERENCE STATUS

Any preferences must be properly verified.

- Substandard Housing: Written verification from a local code enforcement office and/or Health Department.
- Homeless Families: Written statement from an agency recognized as one whose established mission is to assist homeless persons, such as the Salvation Army or a homeless shelter.
- Veterans and Service: Discharge papers or a written statement from the Veteran's Administration. Current income verification may be used to evidence service status. Veteran Administration issued ID card may be used to evidence service status.
- Residency: Documents indicating applicant is currently living, going to school and/or working in Stark County.

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- Income from Employment: Completed verification from employer including date of hire.
 - Participation in Training/Education Program: Written statement from agency, institution, etc. sponsoring or providing training.
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PART III. VERIFYING INCOME AND ASSETS

Chapter 6, Part I and II of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides SMHA policies that supplement the general verification procedures specified in Part I of this chapter.

O. EARNED INCOME

SMHA Policy

When paystubs or employer print-outs are used to verify earnings, two (2) consecutive, current paystubs will be required to calculate annual income from earnings. This method will be used regardless of frequency (i.e. weekly, bi-weekly, semi-monthly, monthly). Income will be annualized using these paystubs or employer records. Exceptions to this method will be documented in the tenant file.

Interruption of employment due to temporary leave of absence (i.e. maternity leave, short-term disability): upon verification that earnings have stopped, an interim will be conducted to remove the income. The family may be required to complete a Zero Income Questionnaire/Certification. The family is required to report any other income received in lieu of earnings. The family will be required to report when the income starts again. At that time an interim will be conducted to add the income back into the family budget.

Tips

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

P. BUSINESS AND SELF-EMPLOYMENT INCOME

SMHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The SMHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

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

If a family member has been self-employed less than three (3) months, the SMHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the SMHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

Q. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

SMHA Policy

To verify the SS/SSI benefits of applicants, the SMHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the SMHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to the SMHA.

To verify the SS/SSI benefits of participants, the SMHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems, the SMHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the SMHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the participant has received the benefit verification letter they will be required to provide it to the SMHA.

R. ALIMONY OR CHILD SUPPORT

SMHA Policy

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

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

If payments are made through a state or local entity, the SMHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments

Third-party verification from the person paying the support

Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules

Copy of the latest check and/or payment stubs

Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

S. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The SMHA needs to verify only those certifications that warrant documentation.

SMHA Policy

The SMHA will verify the value of assets disposed of only if:

The SMHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the SMHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The SMHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the SMHA will verify the value of this asset.

T. NET INCOME FROM RENTAL PROPERTY

SMHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the SMHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

U. RETIREMENT ACCOUNTS

SMHA Policy

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the SMHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the SMHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the SMHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

V. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The SMHA must obtain verification for income exclusions only if, without verification, the SMHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the SMHA will confirm that SMHA records verify the child's age but will not send a verification request to the restaurant. However, if an adult family member claims the earned income disallowance for a source of income, both the source and the income must be verified.

SMHA Policy

The SMHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, the SMHA will report the amount to be excluded as indicated on documents provided by the family.

W. ZERO/EXTREMELY LOW ANNUAL INCOME STATUS

Families claiming to have no or extremely low annual income will be required to execute verification forms and SMHA executes an EIV search to determine that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

PART IV. VERIFYING MANDATORY DEDUCTIONS

X. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the SMHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 for a full discussion of this deduction. The SMHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or co-head of the family and is not a foster child

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- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 for a discussion of the deduction. The SMHA will verify that the head, spouse, or co-head is 62 years of age or older or a person with disabilities.

Y. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

SMHA Policy

The SMHA will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

EIV

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case the SMHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The SMHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the SMHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least 62, or a person with disabilities. The SMHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 for the SMHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

SMHA Policy

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

Expenses Incurred in Past Years

SMHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the SMHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

Z. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in Chapter 6. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

SMHA Policy

The SMHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

SMHA Policy

Expenses for auxiliary apparatus will be verified through:

Third-party verification of anticipated purchase costs of auxiliary apparatus

If third-party is not possible; billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the SMHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described above).
- The expense permits a family member, or members, to work.
- The expense is not reimbursed from another source.
- The expense does not exceed the amount of the earned income of the individual freed for work.

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The SMHA will verify that the expense is incurred for a person with disabilities.

Family Member(s) Permitted to Work

The SMHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

SMHA Policy

The SMHA will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).

If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

SMHA Policy

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

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

AA. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the SMHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable if seeking employment or furthering education.

Eligible Child

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

Unreimbursed Expense

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

SMHA Policy

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

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

Pursuing an Eligible Activity

The SMHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

SMHA Policy

Information to be Gathered

The SMHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the SMHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the SMHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the SMHA any reports provided to the other agency.

In the event third-party verification is not available, the SMHA will provide the family with a form on which the family member must record job search efforts. The SMHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The SMHA will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

Gainful Employment

The SMHA will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

SMHA Policy

The SMHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6.

The SMHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The SMHA will verify the child care provider is not a family member residing in the household. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted for seeking employment or furthering education.

SMHA Policy

The actual costs the family incurs will be compared with the SMHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable. SMHA will use local welfare agency guidelines.

If the family presents a justification for costs that exceed typical costs in the area, the SMHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

The SMHA shall use the local HHS determinations as the limit on what is reasonable for the area.

RESOLUTION #3484

WHEREAS, The Stark Metropolitan Housing Authority, finds it necessary to update its Admissions and Continued Occupancy Policy (ACOP);

WHEREAS, The proposed ACOP addition was available for public review as required for a 30-day comment period at the Central Office and on the agency's website;

WHEREAS, SMHA proposes the following updates to the ACOP chapters listed below:

- Chapter 8: Transfer Policy
- Chapter 11: Reexaminations


AND WHEREAS, The Executive Director and Director of Asset Management are requesting the Board's approval of the above listed updates to the ACOP;

THEREFORE BE IT RESOLVED THAT: the Board of Commissioners of the Stark Metropolitan Housing Authority approve the revised Admissions and Continued Occupancy Policy and be adopted as the policy to be used for all applicants and residents of the public housing program to be made effective September 1, 2019.

DATE ADOPTED: August 29, 2019



SECRETARY.



CHAIRMAN.

Chapter 8

TRANSFER POLICY

INTRODUCTION

The transferring of families is a very costly procedure, both to the SMHA and to the families. However, it is the policy of the SMHA to permit a resident to transfer within or between housing developments when it is necessary to comply with occupancy standards or when it will help accomplish the Affirmative Housing goals of the SMHA or further its mission. The transfer policy will be carried out in a manner that does not violate fair housing.

For purposes of this transfer policy the "losing development" refers to the unit from which the family is moving from and the "gaining development" refers to the unit to which the family is transferring to.

GENERAL TRANSFER POLICY

It is the policy of the SMHA to require or permit resident transfers within and/or between SMHA public housing developments for the following reasons:

- To abate dangerous and/or substandard living conditions;
- To accommodate verified physical conditions caused by long-term illness and/or disability; and
- To accommodate resident families that are determined to be over- or under-housed by virtue of their family size.
- To utilize UFAS accessible units for families needing such features.
- To establish tenancy in SMHA single-family / scattered site units.

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

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.

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.

It is the policy of SMHA to permit a resident to transfer under certain conditions and to fulfill operational or regulatory requirements.

SMHA will always consider a request to transfer as a reasonable accommodation for a person with a disability. The sole consideration in approving or denying a reasonable accommodation request is whether or not there is a disability related need for the accommodation, and that the request is reasonable

For transfer requests that are **not** related to a reasonable accommodation request and are **not** a response to an emergency situations, transfers may be denied when the family is not in good standing with SMHA due to serious or repeated lease violations. This may include but is not limited to non-payment or not being current on rent or other charges, housekeeping, history of disturbances, not current or fulfilling community service requirements, or destruction of property.

It is the policy of the SMHA not to grant a unit transfer simply to accommodate neighbors who “cannot get along.” Activities of the neighbors that impede the rights of others to the peaceful enjoyment of their unit will be treated as a lease violation and cause for termination of tenancy.

Security Deposits

1. Families transferring to another development must have paid the security deposit in full at the “losing development.”
2. SMHA will charge the families for any damages to the previous unit.
3. In so far as possible, SMHA will determine any move out charges prior to completing the unit transfer. When feasible, any outstanding charges from the old unit will be billed to the tenant prior to transferring them to the new unit. . In so far as it is possible, all tenant charges must be paid to the “losing development” prior to leasing up at the “gaining development.”
4. Any remaining charges or security deposit balance, will be transferred to the ‘gaining development’. Tenant’s will immediately be billed for outstanding charges. Tenants that fail to pay for outstanding charges will be issued an eviction notice for non-payment of rent and/or other charges.

Eligibility for Transfer

In order to be determined eligible to receive a transfer, residents must submit the requisite documentation to the SMHA to substantiate their request, and must be in good standing with the SMHA (ex: have no lease violations at time of transfer application).

SMHA Policy

Except in emergency situations, transfers will be avoided when the family is:

Delinquent in its rent;

In the process of reexamination to determine rent and eligibility; or

About to be asked to move for reasons other than non-payment of rent; or

Not in good standing with the SMHA due to rental history or a history of disturbances.

After approval of transfer, or no later than immediately prior to actual transfer, an inspection will be conducted by site manager, maintenance and lessee. If estimated damages and repairs exceed \$50.00 the transfer approval will be rescinded and be denied.

After approval of the transfer, or no later than immediately prior to actual transfer, SMHA will re-evaluate whether the tenant is still in good standing with rent payments, lease compliance, not having any damage charges, etc. If the tenant is found to no longer be in good standing the transfer approval will be rescinded and be denied.

A. TYPES OF TRANSFERS

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

Category 1: Emergency Transfers

Emergency Transfers are **mandatory** when SMHA 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;
- to accommodate a request made under the VAWA of 2013.
- 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;

The PHA will seek input from local law enforcement regarding all requests for transfers due to criminal activity, being victims of crimes or harassment or threat of violence. Police reports and documentation from law enforcement agencies will be considered as input from local law enforcement.

SMHA will authorize an emergency transfer for a participant family when the resident's unit has been damaged by fire, flood, or other cause to such degree that the unit is not habitable, provided that the damage was not the result of an intentional, careless, or negligent act on part of the resident, resident's family, or guests of the resident. If after the transfer occurs SMHA discovers the damage was caused by the resident, resident's

family or guests, an eviction action may be initiated against the resident.

Residents provided with a category 1 emergency transfer will not be eligible to return to their former unit should the conditions warranting a transfer be remedied.

Emergency Transfers will be conducted according to the following:

Executed within 7 days of documentation, verification and approval

Transfer will be within the housing development unless emergency transfer cannot be accomplished in this manner.

Ratio of transfers to waiting list applicants is not applicable

Emergency transfers are initiated by the SMHA and/or written family request.

These transfers shall take priority over new admissions.

Category 2 Reasonable Accommodation Transfers

Reasonable Accommodation Transfers include **mandatory** transfers to accommodate a transfer or unit modification request for a disabled resident.

Reasonable Accommodation transfers may be made:

- when necessary to afford a disabled person equal opportunity to use and enjoy a dwelling unit;
- to permit a family that requires a unit with **accessible** features to occupy such a unit.

Reasonable Accommodation Transfers will be conducted according to the following:

Executed ASAP with documentation, verification and approval.

Transfer will be within the same housing development unless appropriate unit is not available to meet the family's needs within the development or is not readily available.

Ratio of transfers to waiting list applicants is not applicable.

Medical hardship and accessibility transfers are initiated by the SMHA, once a reasonable accommodation request has been approved.

These transfers shall take priority over new admissions.

Requests for these transfers will be made to the SMHA with necessary documentation to substantiate the need for such transfers.

Category 3a Severely Under-Housed transfers

Severely Under-Housed transfers include **mandatory transfers** to correct **serious** occupancy standards problems when a family is under-housed.

Category 3a transfers will only be made if the family size is so large that the household members would equal more than two persons per bedroom.

If a family's size is between the smallest and largest size permissible for the unit, the family may request a transfer, but it shall be considered a Category 5 voluntary transfer.

Category 3a or 3b transfers to correct occupancy standards may be recommended at time of annual re-examination or an interim redetermination.

Category 3a Severely Under-Housed Transfers will be conducted according to the following:

Under-housed (Overcrowded)

Executed when family's name reaches the top of transfer list and authorized unit is available

Transfer will be within the same housing development unless size and type of unit required does not exist within that development's inventory or is not readily available.

Transfers are initiated by the SMHA and/or written family request.

Live-in aid

To meet occupancy standards after the approval for the additional live-in aide to the household.

These transfers *may* take priority over new admissions unless overall agency occupancy will be adversely affected. If overall agency occupancy drops below 97% for three consecutive months or more, these transfers will be conducted utilizing the ratio of one transfer for every 8 move-ins from the public housing waiting lists.

Category 3b Severely Over-Housed transfers

Severely Over-Housed transfers include **mandatory transfers** to correct **serious** occupancy standards problems when a family is over-housed.

Category **3b** transfers will only be made if the family size is so small that it includes fewer persons than the number of bedrooms.

If a family's size is between the smallest and largest size permissible for the unit, the family may request a transfer, but it shall be considered a Category 5 voluntary transfer.

Category 3a or 3b transfers to correct occupancy standards may be recommended at time

of annual re-examination or an interim redetermination.

Category 3b Severly Over-Housed Transfers will be conducted according to the following:

Over-housed

Executed when family's name reaches top of transfer list and authorized unit is available.

Transfer will be within the housing development unless the size and type of unit required does not exist within that development's inventory or is not readily available.

Transfers are initiated by the SMHA and/or written family request.

These transfers *may* take priority over new admissions. These transfers may be placed on hold if SMHA determines moving families out of a unit that is too large will create an occupancy problem for the larger sized unit due to lack of applicants for larger units.

Category 4 Scattered Site Incentive Transfer Program:

Scattered Sites Incentive Transfers will be offered to residents without regard to their race, color, religion, sex, disability, national origin, or familial status. Families will be selected from the transfer wait list in order of date and time of approval for the Incentive Transfer program.

SCATTERED SITE HOUSING TRANSFER

This is an incentive transfer, discretionary program for residents who demonstrate positive tenancy behaviors.

Residents may request transfers to single-family housing units or other apartment units within the Scattered Site housing. The SMHA may also recommend a resident for these units to accomplish various program requirements, in order to alleviate over- and under-housed situations and/or to accomplish other administrative and program objectives of the SMHA.

The requirements that will be considered when evaluating Scattered Site transfers are as follows:

1. A SMHA resident & has lived in current unit for at least one year
2. A record of prompt rent payments for the past year
3. Limited tenant caused damages and prompt payment of damage charges for the past year

4. Housekeeping inspection for past year must be satisfactory
5. Positive relations with neighbors for the past year
6. Part or full-time employment (employment includes income from Retirement and Disability payments) for at least one year.
7. Participation in community activities, employment, education and training to assist in economic self-sufficiency. (Unless otherwise exempt from this requirement)
8. Income changes must have been reported within 10 (ten) days of change. If tenant becomes unemployed, they must make an effort to participate in programs identified in number seven above.

At the discretion of the Executive Director, families on the wait list may be considered for this program.

Category 5 Voluntary transfers may be made to:

- voluntary transfers based on occupancy standards when the family does not meet the criterion for a Category 3a or 3b transfer; or
- avoid concentration of the most economically and socially deprived families;

In the case of transfers to meet the deconcentration requirements and families are asked to move based on the Established Income Range, the following will apply:

These transfers will take place when the first family on the transfer list above the EIR is needed to move into a development below the EIR, or vice versa.

The SMHA does not offer incentives for families above the EIR to move into a development below the EIR, or vice versa.

The SMHA will not take any adverse action against any transfer family above the EIR declining an offer by the SMHA to move into a development below the EIR, and vice versa, except that the SMHA has the right to uniformly limit the number of transfer offers.

Voluntary Transfers will be conducted according to the following:

Executed when family's name reaches the top of transfer list and authorized unit is available

Transfer will be within the same housing development unless size and type of unit required does not exist within that development's inventory or is not readily available

Ratio shall be one transfer for every 15 move-ins from the public housing waiting list except in the case of meeting deconcentration requirements.

Transfers are initiated by the SMHA and/or written family request.

These transfers will not take priority over new admissions. Voluntary transfers may be put

on hold if SMHA determines the need to do so in order to reach occupancy goals. If overall agency occupancy drops below 97% for three consecutive months or more, these transfers will be placed on hold until such time as the occupancy rate stabilizes at 97% or higher.

B. TRANSFER WAITLIST MANAGEMENT

The Asset Management Executive office will act as the Transfer List Coordinator. This office will be responsible for making decisions on transfer requests and communicating decisions to the property staff and Intake Department. The Intake Department will be responsible for maintaining the centralized Transfer Wait List, communicating with Property Management when transfers will be taking place and assuring all of the necessary documentation is completed.

1. In certain circumstances, transfers will be considered first before referrals for the waiting list. However, due consideration shall be given to the number of vacant units prior to any transfer.
2. If for any reason the number of vacancies is significant to the extent that the transfers would place the Authority in a position of operational instability, additional restrictions to the eight to one (8:1) ratio of new move-ins from the waiting list for severely under-housed and fifteen to one (15:1) ratio of new move-ins from the waiting list for voluntary transfers to transfer from within the agency will be imposed to maintain financial stability of the program and operations (less than 97% lease-up/occupancy rate for three consecutive months or more is to be used as a guideline). Restrictions may include putting all transfers on hold other than those required by law (Reasonable Accommodations and Emergencies).
3. The nature of the transfer will also be considered even under these restrictions, as it is recognized that certain life endangering conditions, as may be cause for transfer cannot be restricted by operational objectives.
4. Property Managers are responsible for submitting transfer requests including necessary documentation, to the Asset Management Executive office.
 - Transfers will be sorted into their appropriate categories by SMHA. Transfers will be made in the following order:
 - **Category 1**-Emergency Transfers (*immediate threat to resident life, health or safety or VAWA*), then
 - **Category 2**- Reasonable Accommodation Transfers, (*ie: medical, reasonable accommodations*), then
 - **Category 3a** - – Seriously Under-housed Transfers, (*ie:serious occupancy std. problems of family being under-housed*), then
 - **Category 3b** – Seriously Over-housed Transfers, (*ie:serious occupancy std. problems of family being under-housed*), then

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- Category 4 - Scattered Sites Incentive Based Transfer Program
 - **Category 5** – Voluntary Transfers (ie: *deconcentration, voluntary transfers based on occupancy standards*), then
5. Within each category, transfer applications will be sorted by the date the completed file (including any verification needed) is received by SMHA.

C. TRANSFER REQUEST AND APPROVAL PROCEDURE

1. Residents applying for a transfer will submit a **Transfer Request Form** to their Property Manager stating the reason a transfer is being requested. Forms are not to be submitted for possible future events such as birth of a child or that the resident may get a live-in aide. The Transfer Request Form will also be used to document requests initiated by the SMHA (ie: to correct occupancy standard problem at re-exams/interims).
2. The property manager will evaluate the request and obtain the proper verification to determine if a transfer is justified. The property manager will also verify all of the criteria under the “good record requirement”.

If the interview/verification process reveals that there is a problem at the family's present site, the manager will address the problem and once solved to the manager's satisfaction, the request for transfer may be forwarded to the Asset Management Executive office.

3. All preliminary transfer requests must be forwarded to the Asset Management Executive office on a timely basis with the appropriate documentation attached. This will assure timely review and proper placement on the transfer list by the Transfer List Coordinator.
4. If the request is approved, the Transfer List Coordinator will send the family a Transfer List Notification stating that their name has been placed on the transfer list for the reason and/or bedroom size needed.
5. If the request is denied, the Transfer List Coordinator will send the family a Transfer List Notification stating the reason for denial, and offer the family an opportunity for an informal conference if they disagree with the decision.
6. The respective Property Manager will receive copies of all transfer correspondence sent to the family.
7. The approved transfer request form/file will be kept in a file arranged by bedroom

size, category, and date the file/verifications were completed.

D. GOOD RECORD REQUIREMENT FOR TRANSFERS

1. In general, and in all cases of all **resident-requested transfers**, (except requests to transfer pursuant to an approved reasonable accommodation request) residents will be considered for transfers only if the head of household and any other family members for the past one year;
 - 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;
 - no delinquent repayment agreement or delinquent charges;
 - has fulfilled and is currently meet the community service requirements;
 - meet reasonable housekeeping standards and have no housekeeping lease violations; and
 - can get utilities turned on in the name of the head of household (applicable only to those select properties with tenant-paid utilities).
2. Due to a possible long time period between the date of the transfer request and actual unit offer, the good record requirement will be reviewed at both the date of the transfer request and again at the time of the unit offer.
3. Exceptions to the good record requirements may be made for emergency transfers or when it is to SMHA's advantage to make the transfer. The exception to the good record requirement will be made by the Asset Management Executive office taking into account the recommendation of the Manager. Absent a determination of exception, the following policy also applies to transfers:
 - If back rent is owed, the resident will not be transferred until the 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. WAITLIST MAINTENANCE AND OFFER PROCESS

Prior to an offer being made, an inspection of the tenant's current unit will be conducted to assure no lease violations exist, especially damage to the unit or poor housekeeping. The transfer may be denied based upon this inspection if serious violations exists, except in the cases of an emergency transfer, the need for a reasonable accommodation or SMHA mandated. Exceptions must be approved by the Executive Director.

ACCESSIBLE UNIT OFFERS

When a property manager has a unit that is either all on one floor, has at least one bedroom and

bath on the first floor, has any accessibility features or is 504 handicap accessible and it is going to be vacant, they will record this information on the Routing Sheet that is on the shared drive and which the Intake Department utilizes to fill vacancies.

- A. When the Intake Department sees a unit that will meet the needs of a Reasonable Accommodation request, they will consult the Reasonable Accommodation Waiting list to determine the next tenant who is eligible for a Category 2 Reasonable Accommodation transfer.
- B. The Intake Department will contact the resident to make the offer of the accessible unit and to schedule an appointment for showing the unit. **The appointment should be scheduled within two (2) working days unless the resident requests an extension on this time.** The unit must be shown and accepted within 5 working days or the Intake Department will move on to the next person on the Reasonable Accommodation transfer list that requires the feature(s) of the unit.
- C. The Resident will be given **24 hours to accept the unit after the appointment.**
- D. The time frame between the **“appointment to show the unit” and “lease-up”** should be as short as possible, and keys for the former unit should be returned to SMHA **within 72 hours of signing the new lease.**
- E. SMHA will be responsible for the cost of moving a resident due to a Reasonable Accommodation request when the resident is unable to move themselves. The lease should not be signed or become effective until a moving date has been established.
- F. If the resident decides to move themselves and indicates it will take more than 72 hours, the extenuating circumstances that would cause the delay must be approved by the Asset Management Executive office.
 1. If the extension is approved, the extension and reason must be documented.
 2. If the extension is not approved, the appropriate information must be documented and the proper action on the Transfer Wait List will be taken (see Refusing an Offer).
- G. **All personal belongings must be removed from the unit**, the unit must be “broom swept” clean, and keys returned at the end the of 72 hour period. Failure to return the keys to the former unit within 72 hours of the moving date will result in additional charges being assessed and may result in eviction based on the resident residing in two assisted units.

ACCEPTING AN OFFER FOR OTHER TRANSFERS

When a property manager has a unit that will be coming vacant, they will record the required information on the Routing Sheet that is on the shared drive and which the Intake Department utilizes to fill vacancies.

- A. When the Intake Department reviews a vacancy on the Routing Sheet and determines that a transfer can be made into the unit, they will consult the transfer waiting list to determine who the next eligible resident on the transfer list.
- B. The Intake Department will contact the resident and schedule an appointment for showing the unit. **The appointment should be scheduled within two (2) working days.**

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- C. The Resident will be given **24 hours to accept the unit after the appointment.**
 - D. The unit must be shown and accepted within no more than 5 working days or the Intake Department will move on to the next person on the transfer list.
 - E. The time frame between the **“appointment to show the unit” and “lease-up”** should be as short as possible, and keys for the former unit should be returned **within 72 hours of signing the new lease.**
 - F. The lease should not be signed or become effective until a moving date has been established.
 - G. If the resident reports that it will take more than 72 hours to move and turn in the keys, the extenuating circumstances that would cause the delay must be approved by the Asset Management Executive office.
 - 1. If the extension is approved, the extension and reason must be documented.
 - 2. If the extension is not approved, the appropriate information must be documented and the proper action on the Transfer Wait List will be taken (see Refusing an Offer).
 - H. **All personal belongings must be removed from the unit**, the unit must be “broom swept” clean, and keys returned at the end the of 72 hour period. Otherwise, failure to return the keys to the former unit within 72 hours of the moving date will result in additional charges being assessed and may result in eviction based on the resident residing in two assisted units.

REFUSING AN OFFER

If a family is on the transfer list and refuses an offered unit, they will be removed from the transfer list unless SMHA determines that the refusal was made for good cause. If so, the family will be allowed to remain in their unit **but will be removed from the transfer waiting list** and no further transfer offers will be made. All offers will be documented and reason for refusal will be documented.

Only one unit will be offered to a family unless there is good cause or a hardship situation as determined by the SMHA. In the case of a mandatory unit transfer: if the resident refuses the offered unit, the lease may be terminated by the SMHA by giving a 30-day notice to the resident.

Good cause may be any of the following reasons:

- The new unit is more than 20 miles from the place of employment of at least one member of the family.
- The new unit is more than 20 miles from the school or job training program that at least one adult member of the family is attending.
- Travel to the doctor from the new unit would create a hardship for an elderly or disabled person.

The inconvenience or undesirability of changing schools for any minor child will not be considered good cause.

F. PROCESSING IN AND OUT OF DEVELOPMENTS

A transfer will require good coordination and communication between the sending and receiving developments. Both sending and receiving developments involved must have a definite agreement as to when the sending development will “transfer” the resident.

A transfer between developments will not be considered a move-out.

- There will be no lapsed time between move-out and move-in. Effective dates must not overlap.
- The resident's records will show a continuous residence in public housing in one development or the other, but not in both developments at the same time.

The transferred resident, between public housing developments, does not have to meet the admission eligibility requirements pertaining to income or preference.

Rent Adjustments

SMHA will notify the resident of the rent and/or security deposit change by use of a new Lease. The rent will be pro-rated as outlined in the Lease Agreement.

Reexamination Date

The date of the transfer does not change the reexamination date. The receiving development should be certain that the annual review is properly scheduled to give the staff time to re-determine rent in order to meet the established reexamination date. If the reexamination is in process, the receiving development will assume responsibility for completion.

The sending development will send the family's file to the receiving development once they have been notified that the family has accepted the unit and before the family is leased up. The receiving development will not attempt to lease up a family without possession of the family's file.

G. GRIEVANCE RIGHTS

Families disagreeing with the determination made on their transfer request may grieve the decision. See Chapter 13, Complaints, Grievances and Appeals.

H. COST OF TRANSFERS

Residents shall bear the cost of voluntary transfers to correct occupancy standards, resident requested transfers, incentive transfers, and other voluntary transfers.

SMHA will bear the reasonable cost of mandatory transfers SMHA requests for demolition, disposition, rehabilitation, building system failures, or emergency conditions due to no fault of the tenant. SMHA will bear the reasonable cost of transfers needed as a reasonable accommodation for residents with disabilities. The reasonable cost of transfers includes not just the cost of packing, moving, and unloading, but also the cost of connecting and reconnecting any existing resident-

paid services such as telephone and cable. [Public Housing Occupancy Guidebook Chapter 11.7; page 150]

I. MANDATORY TRANSFERS

If a required change in the size of unit is needed, it will be necessary for the resident to move to a unit of an appropriate size and a new lease will be executed.

A mandatory transfer for under/over-housed residents, rather than a new admission from the waiting list, will fill one in eight (1:8) units filled. For every 8 applicants housed from the waiting list, a family who is severely under/over-housed will be housed.

This ratio does not apply for emergency transfers such as VAWA or reasonable accommodation transfer requests. If an appropriate unit is not available, the resident will be placed on a transfer list and moved to such unit when it does become available.

The SMHA will place all families requiring a mandatory transfer due to occupancy standards on a transfer list, which will be reviewed for need-based transfers before any unit is offered to a family on the waiting list.

If a family that is required to move refuses the offered unit, the SMHA will evaluate the reason for the refusal and determine if it is one of good cause. If the SMHA determines that there is no good cause, the SMHA may begin lease termination proceedings.

The SMHA will offer the family an opportunity for an informal conference before terminating the family's lease. The family will have 10 working days from the issue date of the Notice to Terminate to request an informal conference.

J. NON-MANDATORY TRANSFERS

When a unit becomes available, and after the transfer list has been reviewed for families requiring a mandatory transfer, the transfer list will be reviewed for other families desiring a transfer.

If there is a participant family waiting for transfer to an available and appropriately sized unit, the participant family will be offered the unit.

A voluntary transfer, rather than a new admission from the waiting list, will fill one in 15 units filled. For every 15 applicants housed from the waiting list, a family who had requested a voluntary transfer will be housed. This ratio does not apply for emergency or reasonable accommodation transfer requests.

SMHA maintains an inventory-wide transfer list and if a family refuses an offered unit, they will be removed from the transfer list unless the SMHA determines that the refusal was made for good cause. If so, the family will be allowed to remain in their unit and will remain on the transfer list until another unit is offered.

Good cause may be any of the following reasons:

The new unit is more than 20 miles from the place of employment of at least one member of the family.

The new unit is more than 20 miles from the school or job training program that at least one adult member of the family is attending.

Travel for medical treatment from the new unit would create a hardship for an elderly or disabled person.

The inconvenience or undesirability of changing schools for any minor child will not be considered good cause.

K. TRANSFERS OF RESIDENTS AND APPLICANTS WITH DISABILITIES INTO SMHA'S UFAS-ACCESSIBLE UNITS

Transfers of residents with disabilities and placement of applicants with disabilities requiring UFAS-Accessible Units will be centrally coordinated between SMHA's Section 504 Coordinator, Intake Department and the Property Manager.

Reasonable Accommodation Transfer requests must include the following information:

- Name of the household member with the disability
- Special features required to address the disability
- Required location of the new unit that will address the disability, if appropriate (e.g. a tenant needs a unit in Massillon to be closer to medical provider)

Tenants are required to update their Reasonable Accommodation request as their needs change. All requests must be submitted and approved prior to a unit offer in order for them to be considered when a unit offer is made.

When an accessible unit becomes available, the unit will first be offered to a current resident with disabilities in the same AMP who requires the accessibility features of the vacant, accessible unit and occupying a unit not having those features. Residents on the Reasonable Accommodation transfer waiting list will be given one unit offer that addresses their specific reasonable accommodation request. If a unit has been identified that adequately meets the needs identified in the tenant's reasonable accommodation request, the resident will be required to accept the unit. Failure to accept the unit offer will result in the tenant being removed from the reasonable accommodation waiting list, and no further unit offers will be made. If a unit offer is made, which does not properly address the reasonable accommodation request, the resident may decline the unit offer and will remain on the reasonable accommodation waiting list until a more suitable offer is made. All requests for accommodations must be made and approved prior to a unit offer in order for the request to be valid. Denial of a unit offer for accommodation requests that have not been approved prior to the unit offer will not be grounds for a good cause denial of the transfer offer.

If there is no current resident in the same AMP who requires the accessibility features of the of

the vacant, accessible unit, then the unit will first be offered to a current resident with disabilities residing in another AMP who requires the accessibility features of the vacant, accessible unit and occupying a unit not having those features.

If there is no current resident who requires the accessibility features of the of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible, qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the vacant, accessible unit.

If there is not an eligible, qualified resident or applicant with disabilities on the waiting list who wishes to reside in the available, accessible unit, then it will be offered to an applicant on the waiting list who does not need the accessible features of the unit. See 24 CFR 8.27. However, SMHA will require the applicant to execute a dwelling lease that requires the resident to relocate, at SMHA's expense, to a non-accessible unit within thirty (30) days notice by SMHA that there is an eligible applicant or existing resident with disabilities who requires the accessibility features of the unit. See 24 CFR 8.27.

Chapter 9

Leasing [24 CFR 966.4]

Introduction

It is SMHA's policy that all units must be occupied pursuant to a dwelling lease agreement that complies with HUD's regulations [24 CFR Part 966]. This Chapter describes pre-leasing activities and the SMHA's policies pertaining to lease execution, security deposits, other charges, and additions to the lease.

A. GENERAL LEASING POLICY

General Terms

1. All units must be occupied pursuant to a lease that complies with HUD's regulations
2. No lease will have an effective date before the unit is ready for occupancy.
3. The lease shall be signed by the head, spouse, and all other adult members of the household and by the authorized representative of SMHA, prior to actual admission.
4. If a resident transfers from one SMHA unit to another, a new lease will be executed for the dwelling into which the family moves.
5. 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, wither:
 - a. A new lease agreement will be executed
 - 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 authorized representative of SMHA.

B. LEASE ORIENTATION

All adult household members are required to attend a New Resident Orientation session within the first 90 days of residency. Failure to attend the Orientation may be grounds for termination of the lease.

The purpose of the Orientation will be to familiarize all new residents with rules, regulations, policies, and procedures pertinent to successful occupancy in SMHA's public housing program. The Lease, House Rules, maintenance policies, housekeeping, Community Service requirement And Earned Income Disallowance (public housing only) will be among the topics at Orientation.

At the time of lease signing, the family will be provided with copies of the:

- Lease

- Grievance Policy
- House Rules
- Community Service Requirement
- Pet Policy
- Other SMHA Lease Addendums

Topics to be discussed will include, but are not limited to:

- Applicable deposits and other charges
- Provisions of the Lease
- Unit maintenance work orders
- Terms of occupancy
- Community Service Requirements
- Pet Policy
- Lead-Based paint provisions
- HUD Form HUD-92006

Form HUD-92006, Supplement to Application for Federally Assisted Housing

Form HUD-92006 must be included as an attachment to the SMHA's application. Prior to execution of the lease, the following must be discussed:

- a. Applicants must be provided the opportunity to complete the information on form HUD-92006, Supplement to Application for Federally Assisted Housing. The form gives applicants the option to identify an individual or organization that the SMHA may contact and the reason(s) the individual or organization may be contacted. The applicants, if they choose to provide the additional contact information, must sign and date the form
- b. Applicants who are currently on the SMHA's waiting list and who have not been provided the opportunity to complete form HUD-92006, Supplements to Application for Federally Assisted Housing, must be provided the opportunity at the time of admission.
- c. SMHA **cannot** require any individual or family applying for occupancy to provide the contact information as providing contact information is optional on the part of the individual or family. Those applicants who choose not to provide the contact information should check the box indicating that they "choose not to provide the contact information" and sign and date the form.
- d. SMHA should provide applicants the opportunity at time of admission to update, the applicant must make clear to SMHA the reason each person or organization may be contacted. The SMHA should accommodate the applicant by allowing the applicant to complete a form HUD-92006 for each contact and indicating the reason the SMHA may contact the individual or organization. For example, the applicant may choose to have a relative as a contact for emergency purposes and an advocate organization for assistance for tenancy purposes.

C. LEASE REQUIREMENTS

The initial term of the lease will be for 12 months. The lease will renew automatically for 12 month terms with the following exception:

- SMHA will not renew the lease if the family has violated the community service requirement (24 CFR 966.4)
- Because the Community Service requirements and other provisions that change in the regulations, the lease does not automatically renew for terms of 12 months, and an annual signing process is required.
- The lease further provides for termination and eviction at the end of any 12 month lease term for non-compliance with the community service requirements at 24 CFR Part 960, Subpart F and Chapter 15 of this Admissions and Continued Occupancy Policy.
- Failure to comply with SMHA or HUD requirements for continued eligibility.

D. EXECUTION OF LEASE

The lease shall be executed by the head of household, spouse, co-head and by an authorized representative of SMHA, prior to admission.

The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

An appointment will be scheduled for the parties to execute the lease. One executed copy of the lease will be given to the tenant, and SMHA will retain the original in the tenant's file. The lease is incorporated into this policy by reference. The lease document will reflect current SMHA policies as well as applicable Federal, State and Local law:

The following provisions govern lease execution and amendments:

- A lease executed at the time of admission for all new tenants.
- A new lease is executed at the time of the transfer of a tenant from one SMHA unit to another (with not change in reexamination date).
- If, for any reason, any signer of the lease ceases to be a member of the household, the lease will be terminated and a new lease may be executed with the remaining members, so long as they meet the program requirements.
- Lease signers must be persons legally eligible to execute contracts.
- The names and date of birth of all household members are listed on the lease at initial occupancy and on the Personal Declaration each subsequent year. Only those persons listed on the most recent certification shall be permitted to occupy a dwelling unit.

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- Changes to tenant rents are made upon the preparation and execution of a “Notice of Rent Adjustment” by SMHA, which becomes an attachment to the lease. Documentation will be included in the tenant file to support proper notice.
 - Households that include a Live-in Attendant will contain file documentation that the Live-in Attendant is not a party to the lease and is not entitled to SMHA assistance, with the exception of occupancy while serving as the attendant for the disabled or qualified family members.

SMHA may modify its form of lease from time to time, giving an opportunity to comment on proposed changes and advance notice of the implementation of any changes. A tenant’s refusal to accept permissible and reasonable lease modifications, or those modifications required by HUD, is grounds for termination of tenancy.

E. ADDITIONS TO THE LEASE

Only those persons listed on the most recent certification form and lease shall be permitted to occupy a dwelling unit. This includes situations in which a tenant is granted custody of a child or children not previously listed on the application or lease and situations in which a person (often a relative) came to the unit as a visitor but stayed because the tenant needed support, for example, after a medical procedure. All persons listed on the most recent certification form and the lease must use the unit as their sole residence.

All persons listed on the most recent certification form and the lease must use the dwelling as their sole residence.

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.

When a resident requests approval to add a new person to the lease, SMHA will conduct pre-admission screening of any proposed new adult member to determine whether the SMHA will grant such approval. New household members must be approved by SMHA, prior to the actual move-in by the proposed new member.

Also included in requested approval 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.

Following receipt of a family’s request for approval, SMHA will conduct a pre-admission screening, including but not limited to the Criminal History Report, of the proposed new member. Only new members approved by SMHA will be added to the household.

Children under the age at which juvenile records are available, or added through a formal custody award are still required to be added through a pre-admission screening process and the

tenant still needs prior permission from SMHA to add children other than those born to or adopted by family members. The exemption age specified in this paragraph is subject to change should the state modify its laws concerning the availability of police records or court records for juvenile offenders.

Requests for the addition of a new member of the household must be approved by SMHA, prior to the actual move-in by the proposed new member.

Factors determining household additions:

1. Household additions subject to screening:
 - a. Resident plans to marry and requests to add the new spouse to the lease;
 - b. Resident is awarded custody of a child over the age for which juvenile records are available;
 - c. Resident desires to add a new family member to the lease, employ a live-in aid, or take in a foster child(ren).
 - d. A unit is occupied by a remaining family member(s) under 18 (not an emancipated minor) and an adult who was not a member of the original household requests permission to take over as the head of household.
2. Factors determining household additions which are not subject to screening:
 - a. Children born to a family member or whom a family member legally adopts are exempt for the pre-screening process.
 - b. Children under the age below which Juvenile Justice records are made available, or added through a formal custody award or kinship care arrangement are still required to comply with the pre-admission screening process.
 - c. The PHA will request that the public housing tenant provide the PHA with a signed consent form from the parent(s) or legal guardian allowing the PHA to check juvenile records of the child.
Sources to be checked may include any of the following:
 - i. School records
 - ii. Juvenile Probation/Court Records
 - iii. Police Records
3. In such cases where the addition of a new member who has not been born, married, or legally adopted into the family, and the addition will affect the bedroom size required by the family, according to PHA occupancy standards, the PHA will not approve the addition.
4. The PHA will not approve adding a family consisting of more than one member to the lease. Such applicants will be encouraged to apply to the waiting list
5. Residents who fail to notify SMHA of additions to the household or permit persons to join the household without undergoing screening are violating the lease. Persons added

without SMHA approval will be considered unauthorized occupants and the entire household will be subject to eviction. [24 CFR 966.4(f)(3)].

6. Family members over 17 years of age who move from the dwelling unit to establish new households shall be removed from the lease. The tenant must notify SMHA of the move-out within 10 days of its occurrence.
7. These individuals may not be readmitted to the unit and must apply as a new applicant for placement on the waiting list.

Visitors

1. Visitors may be permitted in a dwelling unit so long as they have no previous history of behavior on SMHA premises that would be a lease violation. Refer to Chapter 11 for details. Visitors remaining beyond the periods in this policy shall be considered unauthorized occupants and the head of household shall be guilty of a breach of the lease.
2. Roomers and lodgers shall not be permitted to move in with any family. Violations of this provision are grounds for termination of the lease.
3. Residents **will not** be given permission to allow a former resident of SMHA who has been evicted to occupy the unit for any period of time. Violation of this requirement is grounds for termination of the lease.
4. Medical hardship, or other extenuating circumstances shall be considered by SMHA in making determinations under this area. Temporary caretaker requests must be provided by the resident and verified by a medical provider. The status must be updated every thirty (30) days. The SMHA will review the request and verified reason for the caretaker during an extended medical hardship. Approval of the caretaker to occupy the unit for a period beyond 2 weeks will require prior approval by the Property Manager. Caretakers must provide SMHA with verification of residency prior to being approved to stay in an SMHA unit for more than a 2 week period. (Verification of residency will consist of any two of the following: a current lease, a utility bill in the name of the caretaker, mail from a government agency in the caretakers name, recent pay stubs showing the caretakers name and current address)
5. Residents must advise SMHA if they will be absent from the unit for more than 7 days. Residents shall notify the manager, secure the unit and provide means for SMHA to contact the resident in an emergency. Failure to advise SMHA of an extended absence is grounds for termination of the lease.
6. Visitors permitted by residents must be reported to the SMHA within 72 hours of their arrival or prior thereto. Visits not exceeding 14 days may be authorized by SMHA without requiring residency verification.
7. Written approval at the discretion of the manager, based on the circumstances, must be obtained for guest visits of more than 14 days. Visitors requesting to stay beyond 14 days must meet the SMHA residency verification standards: Verification of residency will consist of any two of the following: a current lease, a utility bill in the name of the visitor, mail from a government agency in the visitors name, recent pay stubs showing the visitors name and current address

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8. Residents are responsible for the actions and conduct of their guests in accordance with the lease.

Absence from the unit

SMHA Policy

Absence means that no family member is residing in the unit. The family is required to report to the SMHA if they will be absent for more than 30 days. Any family member absent for more than 60 days will be considered permanently absent, unless approved by SMHA.

The family may be absent for short periods of time, but if the period is more than 180 calendar days, the unit will be considered vacated and the assistance will be terminated.

The family must supply any information or certification requested by the PHA to verify that the family is living in the unit, or relating to the family absence from the unit, including any SMHA-requested information or certification on the purpose of the family absence. The family must promptly notify the SMHA of any absence from the unit in accordance with this policy.

Absence due to hospitalization or sickness of a family member will be verified and if it is determined that the family member will return home within 60 days, the family will not be considered permanently absent, provided the rent and utilities payable by the family continue to be paid. However, if there is no chance of the family member returning to the home within 60 days, they will be considered permanently absent and assistance will be terminated.

Absences longer than 30 days must be approved by SMHA in writing.

Absences longer than 60 days due to drug treatment or imprisonment will be permanently absent unless approved by SMHA.

SMHA will make a determination as to whether imprisonment was due to drug related or violent criminal activity and will handle on a case by case basis. A determination will be made after a review by SMHA.

If both parents are absent from the unit and a caretaker has been placed in the home by the courts or an approved agency such as Social Services, the caretaker will be considered a visitor for the first 30 days. The lease will be transferred to the caretaker if the court has awarded custody or legal guardianship to the caretaker by the end of the 30 day period. The caretaker will be allowed to remain in the unit as a visitor until a determination of custody is made by the court. The income of the caretaker will be counted pending the final disposition of the custody award.

If a resident includes a child or children that are temporarily absent due to placement in foster care, SMHA will determine from the appropriate agency when the children will be

returned home. If the period is more than 180 days the children will be permanently removed from the lease and rent re-determined.

An adult child enlisted in military service that leaves the household will be considered permanently absent.

A household member subject to court orders restricting the member from the home for more than 180 days will be considered permanently absent.

A person with a disability requesting an extension of time as an accommodation will be granted the extension as long as it is within the 180 calendar day limit.

Any verification to residency by the SMHA or resident will be documented in the file.

F. LEASING UNITS WITH ACCESSIBLE OR ADAPTABLE FEATURES

[24 CFR 8.27(a)(1)(2) and (b)]

Qualified families will be offered an accessible unit, upon request by the family, when an accessible unit is available. Due to the limited number of accessible units, SMHA will offer vacant accessible units with features for persons with disabilities as follows:

- First, to a current occupant of another unit of the same development who requires the accessible features of the vacant, accessible unit and is occupying a unit not having the features;
- If there is no current resident in the same development that requires the accessible features of the vacant unit, then it will be offered to a resident with disabilities residing in another development under SMHA's control, who has a disability that requires the special features of the vacant, accessible unit.
- If there are no current residents who require the accessible features of the vacant, accessible unit, then the vacant accessible unit will be offered to an eligible qualified applicant with disabilities on the waiting list who can benefit from the accessible features in the available vacant accessible unit.

If there is not an eligible, qualified resident or applicant with disabilities, needing the features of the vacant accessible unit then the unit will be offered to an applicant on the waiting list who does not need the accessible features of the unit [24 CFR 8.27]. However, SMHA will require the applicant to execute the SMHA public housing lease that requires the resident to relocate to a vacant non-accessible unit within 30 days of notice by SMHA that there is an eligible applicant or existing resident with disabilities who requires the accessible features of the unit.

G. UTILITY SERVICES AND RESIDENT OWNED APPLIANCES

Tenants responsible for direct payment of utilities must abide by any and all regulations of the specific utility company, including regulations pertaining to advance payments of deposits. Failure to maintain utility service during tenancy is a lease violation and grounds for eviction. If it is determined that any utility service is not on in a unit, the tenant will receive a 24-hour

Notice to Correct posted at their unit. If the utilities are not restored within the 24- hour period, then a 5-Day Expedited Notice due to Health and Safety lease violation will be issued. The tenant must provide documentation of proof of service within 24 hours and the unit will be inspected on the fifth day to assure that the utilities have been restored. If the utility service has not been restored at the time of inspection, the Property Manager will proceed with the eviction process. If utilities are restored after the first occurrence of a notice of no utilities, this will result in a conference agreement explaining consequences of subsequent violations. If the tenant violates the conditions again, while in assisted housing, the second violation will result in an immediate 5-Day Expedited Notice due to Health and Safety.

The lease will designate the appliances provided by SMHA (i.e. stove and refrigerator). The tenant is responsible for proper hook-up, safety and maintenance of any appliances they may provide (i.e. washers and dryers).

H. SECURITY DEPOSITS (Refer to Chapter on Security Deposits)

Security Deposit

New tenants must pay a security deposit to SMHA at the time of admission. The amount of the security and/or pet deposit required is specific in the lease and the corresponding chapters of this policy.

SMHA will hold the security deposit for the period the tenant occupies the unit.

SMHA will refund to the tenant the amount of the security deposit, less any amount needed to pay the cost of:

- Unpaid rent;
- Damages listed on the Move-Out Inspection Report that exceeds normal wear and tear;
- Other charges under the lease.

SMHA will refund the Security Deposit less any amounts owed, within 30 days after move out and tenant's notification of new address

SMHA will provide the tenant or designee identified above with a written list of any charges against the security or pet deposits. If the tenant disagrees with the amount charged to the security or pet deposits, SMHA will provide a meeting to discuss the charges.

The resident must leave the dwelling unit in a clean and undamaged (beyond normal wear and tear) condition and must furnish a forwarding address to SMHA. All keys to the units must be returned to Management upon vacating the unit.

SMHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

Pet Deposit (Refer to chapter on Pet Policy)

SMHA will refund the Pet Deposit to the tenant, less any damages caused by the pet to the dwelling unit, upon removal of the pet or owner from the unit. SMHA will return the Pet Deposit to the former tenant or to the person designated by the former tenant in the event of the former tenant's incapacitation or death.

I. RENT PAYMENTS

The tenant rent is due and payable to SMHA on the 1st day of the month.

If SMHA does not receive payment by the close of business on the 7th day of the month, a 14 day notice will be served to the tenant. The notice will be attached to the unit door and a copy of the 14 day notice will be mailed to the tenant. The notice will indicate the amount that is late.

Tenants who have not paid any unpaid charges prior to the close of business on the 7th day of the month will be assessed a late charge.

If the 7th day of the month is a weekend or holiday, the tenant will have until the close of business on the next business day to make payment before the payment will be considered late (i.e. if the 7th day of the month is a Saturday, the tenant will have until the close of business on the following Monday to make a payment before it is considered late).

Any tenant who is delinquent in rent payments 4 or more times in a 12 month period will be considered to be a chronic late payer. Four or more late payments in a 12 month period will be considered to be a serious lease violation which may result in termination of the tenant's lease.

If a resident is experiencing a hardship in the payment of the rent, the resident will be required to provide written notification before the 7th day of the month. The notification must include an explanation of the circumstances that will delay the tenant's payment, and the tenant must indicate the date on which full payment will be made. Only the Executive Director, or his/here designee, may provide an extension.

J. FEES AND NONPAYMENT PENALITES

If the tenant fails to make payment by the close of business on the 7th day of the month, and SMHA has not agreed to accept payment at a later date, A Notice to Vacate will be issued to the tenant with a 14-day notice period for failure to pay rent, demanding payment in full or the surrender of the premises.

If the tenant fails to make payment by the close of business on the 7th day of the month will be assessed a \$15 late fee.

A charge of \$20 will be assessed against the tenant for checks are ACH payments that are returned for non-sufficient funds (NSF), or checks written on a closed account. If the check is not redeemed and the rent satisfied by the close of business on the 7th of the month, the rent will be considered unpaid.

SMHA will always consider the rent unpaid when a check is returned as NSF or a check is written on a closed account. SMHA may refuse to accept any future payments made by check after one (1) NSF or other check cashing problems occur with a resident.

If SMHA has not agreed to accept a payment at a later date, a Notice to Vacate will be issued to failure to pay rent.

K. SCHEDULES OF SPECIAL CHARGES

Schedules of special charges for services, repairs, utilities and rules and regulations which are required to be incorporated into the lease by reference shall be publicly posted in a conspicuous manner in the project office, and they will be provided to applicants and tenants upon request.

L. MODIFICATIONS TO THE LEASE

Schedules of special charges, rules and regulations are subject to modification or revision. Tenants will be provided at least 30 days written notice of the reason(s) for any proposed modifications or revisions, and they will be given an opportunity to present written comments. Comments will be taken into consideration before any proposed modifications or revisions become effective.

A copy of such notice to the tenants will be posted in the Central Office, and;

Posted in at least two (2) conspicuous places within each structure or building in which tenants affected by the modifications or revisions are located.

Any modifications of the lease must be accomplished by a written addendum to the lease and signed by both parties.

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(1)(2)(iii)(E)].

PHA Policy

When the PHA proposes to modify or revise schedules of special charges or rules and regulations, the PHA will post a copy of the notice in the central office, and will mail a copy of the notice to each resident family. Documentation of proper notice will be included in each resident file.

M. CANCELLATION OF THE LEASE

Cancellation of the tenant's lease is to be in accordance with the provisions contained in the lease agreement, HUD regulations, State law, as stated in this policy.

N. INSPECTIONS OF PUBLIC HOUSING UNITS

Initial Inspections

SMHA and the family will inspect the premises prior to occupancy of the unit in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by SMHA staff and the tenant, will be maintained in the tenant file. (Any adult member of the household may sign the inspection form for the head of household).

90 Day Inspections

SMHA will schedule and conduct an inspection within 90 days of the move-in date. SMHA will intercede if necessary if problems in the care and upkeep of the unit and/or household composition are identified during the 90 day inspection.

Vacate Inspections

SMHA staff will perform a move-out inspection when the family vacates the unit, and will encourage the family to participate in the move out inspection.

The purpose of the move-out inspection is to determine necessary maintenance and whether there are damages that exceed normal wear and tear. SMHA will determine if there are tenant caused damages to the unit. Tenant caused damages may affect part or all of the family's security deposit.

The move-out inspection also assists SMHA in determining the time and extent of the preparation and repairs necessary to make the unit ready for the next tenant.

Annual Inspections

SMHA will inspect all units annually using HUD's Uniform Physical Conditions Standards (UPCS).

Residents who "fail" the inspection due to housekeeping or tenant-caused damages will be given a copy of the inspection report along with a 30 day Notices to Vacate. A follow up inspection of the unit will be scheduled prior to the expiration date of the 30 day Notice to Vacate. Residents

may be assessed an additional security deposit to cover the cost of damages at the time of vacating the unit.

Following a “failed inspection”, the resident will have 30 days to bring the unit into compliance with SMHA’s housekeeping standards. Residents who fail to bring the unit into compliance within the 30 Day Notice to Vacate period may be subject to further eviction proceedings.

Residents who have been able to bring their unit into compliance with SMHA’s housekeeping standards and have passed the follow up inspection, will be placed on housekeeping probation. Residents on housekeeping probation will be required to pass monthly housekeeping inspections for two (2) additional months after they have passed the follow up inspection. Failing a probationary housekeeping inspection may result in further eviction proceedings.

SMHA may require residents who fail a housekeeping inspection to participate in a Housekeeping Standards Course sponsored by SMHA.

If repairs are required to bring the unit into UPCS compliance, needed repairs will be completed by SMHA. If the damages are beyond normal wear and tear and are determined to be the fault of the tenant, appropriate maintenance charges may be assessed to the tenant to cover the cost of the repairs. Inspection reports will indicate whether required repairs are to be charged to the resident.

Required corrections will be repaired by SMHA within 25 days of the inspection date.

All inspections will include a check of the smoke alarms to insure that they are in proper working order.

Residents who repeatedly “fail” the inspection or cause excessive damage to the unit will be considered in violation of their lease.

Quality Control Inspections

The Management staff will conduct periodic quality control inspections to determine the condition of the unit and to identify problems or issues in which SMHA can be of service to the family.

SMHA staff will conduct quality control inspections on at least 5% of units or the mandatory minimum per the HUD protocol.

The purpose of these quality control inspections is to assure that the inspections were performed properly and repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame.

Special Inspections

Housing Management staff may conduct a special inspection for emergency conditions, housekeeping, unit conditions, or suspected lease violations.

HUD representatives or local government officials may review SMHA operations periodically and as part of their monitoring may inspect a sampling of the SMHA's inventory.

Other Inspections

SMHA staff will conduct periodic walk through inspections to determine whether there may be lease violations, adverse conditions or local code violations.

Building exterior and grounds inspections are conducted at all PHA properties to determine hazardous conditions as well as to assist in budget preparation.

Management staff shall conduct inspections (with a 48 hour notice) for all new residents 30 days after lease date. Inspections should also be conducted by the Management Staff after receiving poor housekeeping reports from Maintenance Staff or other PHA staff.

Emergency Inspections

Housing management staff may initiate an emergency inspection if they believe that an emergency exists in the unit or on a Public Housing site. (See Entry of Premises Notices in this chapter). Repairs are to be completed within 24 hours from the time the work order is issued.

Emergency Repairs to be Completed in Less than 24 Hours

The following items are to be considered emergency in nature and require immediate (less than 24 hour) response:

1. Fires – Call the Fire Department at 911 before contacting Maintenance
2. Air conditioning and cooling problems in the summer based on the current temperature
3. Heating problems in winter based on current temperatures
4. Electrical failures (affecting more than just a light fixture or outlet circuit)
5. Gas leaks
6. Plumbing stoppages affecting ALL toilets
7. Breaks in main water lines and major water leaks.
8. Lock-outs – Subject to the resident paying the cost for responding.

NOTE: REQUESTS FOR DUPLICATE KEYS AFTER WORKING HOURS MUST BE APPROVED AND ISSUED BY THE ON CALL DIRECTOR OF OPERATIONS.

Residents who disengage smoke detectors for convenience purposes will be cited. (See "Housekeeping Citations" below)

Entry of Premises Notices

SMHA will give prior written notice for non-emergency inspections. Non-emergency entries to the unit will be made during reasonable hours of the day.

SMHA will provide the family with 48-hour notice prior to entering the unit for non-emergency reasons other than the annual inspection.

If SMHA enters a unit, they will leave notice that they were in the unit and the reason.

Reasons SMHA will enter the unit are:

- Inspections and maintenance
- To make improvements and repairs
- To show the premises for leasing
- In case of emergency

It is encouraged that an adult family member be present during the Annual Inspection, but it is not required.

Repairs requested by the family will not require prior notice to the family. Residents are notified in the lease that resident-requested repairs presume permission for the PHA to enter.

Non-Inspection Emergency Entry

SMHA staff will allow access to the unit to proper authorities when issues of health or safety of the tenant are concerned.

Family Responsibility to Allow Inspection

SMHA must be allowed to inspect the unit at reasonable times with reasonable notice. Forty-eight hours written notice will be considered reasonable in all cases, except emergencies.

SMHA will reschedule the inspection no more than twice unless the resident has a verifiable medical reason which has hindered the inspection. SMHA may request verification.

If the resident refuses to allow the inspection, the resident will be in violation of the lease and SMHA will notify the family of its intended action, which may include eviction.

If the resident refuses to allow the inspection, the resident will be in violation of the lease.

Housekeeping Citations

Residents who “fail” an inspection due to housekeeping will be issued a 30 day Notice to Termination of the Lease. The resident will have 30 days to prepare the unit for a re-inspection to determine if the unit has been brought into compliance with SMHA housekeeping standards.

If the family fails to comply with the re-inspection, it can result in lease termination.

Citations will be issued to residents who purposely disengage the unit’s smoke detectors.

Repeated citations will be considered a violation of the lease.

Listed below are some of the circumstances considered to be a violation of SMHA’s housekeeping standards:

- Damage – Holes in walls, doors, damage to screens and SMHA furnished appliances are considered as negligence and destruction. Malicious and negligent damage to doors, woodwork, and kitchen cabinets are in the same category.
- Health and Sanitation- Sinks and toilets left in a condition where color and filth are evident to the senses are considered health problems. Garbage left inside and around the apartment, unwrapped and not in proper refuse containers is also considered a health problem.
- Floors- Floors containing food particles, discolored by dirt and the absence of floor is considered unsatisfactory. Carpets containing food particles and that are badly torn and damaged are also unsatisfactory.
- Windows- Broken or cracked windows, screens and shades torn and hanging or totally out or missing are not satisfactory.
- Safety- Combustible materials stored around areas such as water heaters, stoves and furnaces is unsatisfactory. Exits blocked by furniture and other large items is considered unsafe.
- Exterior- Litter, garbage and rubbish in yards and around the garbage container is unsatisfactory. Inoperable vehicles in the yard or parking lots are not permitted; parking and driving on lawns is not permitted.
- Walls- Crayon or other markings on walls, floors, refrigerators, stoves and woodwork is unsatisfactory.
- Stoves- Burners and oven containing grease and cooking residue are unsafe and unsatisfactory.
- Refrigerators- Defrosted, damaged and dirty refrigerators are unsatisfactory.

Tenant Damages

Repeated failed inspections or damages to the unit beyond normal wear and tear may constitute serious or repeated lease violations.

“Beyond normal wear and tear” is defined as items which could be charged against the tenant’s security deposit under state law or court practice.

Chapter 10

PET POLICY

[24 CFR 5.309 and 24 CFR Part 960, Subpart G]

INTRODUCTION

PHA's have discretion in the development of policies pertaining to the keeping of pets in public housing units. This Chapter explains SMHA's policies on the keeping of pets and any criteria or standards pertaining to the policy. The rules adopted are reasonably related to the legitimate interest of SMHA to provide a decent, safe and sanitary living environment for all tenants, to protecting and preserving the physical condition of the property, and to preserve the financial interest of SMHA.

The purpose of this policy is to establish SMHA's policy and procedures for ownership of pets in elderly and disabled units as well as in family units, and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. SMHA also establishes reasonable rules governing the keeping of common household pets.

Nothing in this policy or the dwelling lease limits or impairs the right of persons with disabilities to own animals that are considered a disability service animal.

In accordance with Section 526 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), Stark Metropolitan Housing Authority (SMHA) hereby sets forth rules and regulations concerning pet ownership in its public housing units. Only "common household pets" as defined herein will be permitted in SMHA owned properties.

A common household pet, for the purposes of SMHA's conventional housing program: A domesticated animal, such as a dog, cat, bird, or fish that is traditionally kept in the home for pleasure rather than for commercial or breeding purposes. Common household pet does not include reptiles. This definition shall not include animals that are used to assist persons with disabilities.

Residents may own up to two pets as defined in this policy. If one of the pets is a dog or cat, the second pet must be contained in a cage or an aquarium for fish. Each bird or other animal, other than fish, shall be counted as one pet.

A. EXCLUSION FOR ANIMALS THAT ASSIST PERSONS WITH DISABILITIES

SMHA's Pet Policy shall not apply to animals that are used to assist persons with disabilities who visit SMHA's developments and dwelling units. Pet policies do not apply to either service animals or companion animals. 24 CFR 5; 24 CFR 960.705. Residents with an animal that assists persons with disabilities must still comply with all other conditions of the lease, including but not limited to; maintaining property, fulfilling housekeeping and not disturbing other residents peaceful enjoyment of the property. SMHA must grant this exclusion if the following is provided:

- The resident or prospective resident verifies that they are persons with disabilities by

completing SMHA's reasonable accommodation process.

- The animal has been trained to assist persons with the specific disability (example, guide dog); and
- The animal actually assists the person with a disability.

Companion Service Animal

Distinction is hereby given to "companion animals" and "service animals." If the animal does not have specific disability related training but is necessary in coping with the disability (for instance, if the animal provides emotional support to a person with a panic disorder), the animal is a "companion animal" not a "service animal."

A "service animal" means any guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability. Service animals are equivalent to other "auxiliary aids" such as wheelchairs and eyeglasses, and as such must be permitted. 24 CFR 5.303; 28 CFR 36.104.

When an applicant or resident with a disability asserts and can verify that an animal is a companion or service animal for his/her disability, the applicant should make a request for a reasonable accommodation; specifically, to be allowed to keep the animal by completing SMHA's reasonable accommodation process.

SMHA will require verification that the applicant is a "qualified individual with handicaps" as defined by 24 CFR 8.3, and that the animal is necessary in coping or assisting with the disability.

Upon receipt of verifications, SMHA will approve the animal.

Residents requiring more than one animal as either a "companion animal" or "service animal" must request the animal by completing SMHA's reasonable accommodation process.

MANDATORY RULES FOR RESIDENTS WITH PETS

In accordance with 24 CFR 960.707, SMHA hereby sets forth the following rules for pet ownership in its conventional housing units:

Registration

1. The Resident must request and receive written formal approval from the SMHA prior to bringing the common household pet, (hereinafter referred to as "pet") on the premises. The pet request shall be made on the standard form "Pet Occupancy Request/Registration Form." **All** pets must be registered, even if a pet deposit is not required.
2. Registration of the pet shall include a photograph being taken by the SMHA and retained on file. The photograph will be utilized to confirm identity of the pet in case of emergency and to ensure that the same pet registered is the pet occupying the resident's dwelling unit.
3. Residents registering pets that are not fully-grown at the execution of the initial Pet Addendum will be required to report back to the development office at the first year

anniversary of the agreement in order that the pet may be re-photographed for identification purposes.

4. At the time of registration, Resident must provide information sufficient to identify the pet and to demonstrate that it is a common household pet.
5. The name, address, and phone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care for the pet must be provided at the time of registration.
6. A Pet Policy Agreement must be completed and signed prior to the pet being allowed in the unit.
7. When applicable, a pet Security Deposit of \$250 must be paid at the time of the pet move-in, unless it is an assistive animal. The deposit may be paid in increments of no less than \$50 per month for each succeeding month, until \$250 has been paid. The Pet Security Deposit may not be used or any part thereof for any damages to the unit unless directly related to said pet.
8. **There is a limit of one dog or cat per household.**
9. No visiting pets are allowed on SMHA property.

Dogs

1. If the pet is a dog, it shall not weigh more than 25 pounds (fully grown) and stand no more than 20 inches in height from the front shoulder of the animal.
2. Must adhere to the breed restrictions in this policy
3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance.
4. Doghouses located outside any dwelling unit are prohibited.

Cats

1. The weight of a cat cannot exceed to fifteen (15) pounds (fully-grown).
2. The resident must provide waterproof and leak proof litter boxes for cat waste, which must be kept inside the dwelling unit. Litter boxes must be changed at least twice per week at a minimum. Cardboard boxes are not acceptable and will not be approved. The resident shall not permit refuse from litter boxes to accumulate, become odorous, to become unsightly, or unsanitary.

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3. Must be spayed or neutered, must be housebroken, must have all inoculations and must be licensed as specified now or in the future by State law or local ordinance.

Dog/Cat—Spaying and Neutering

If the pet is a dog or cat, it must be spayed/neutered by six months of age. Evidence of spaying/neutering can be proved by a statement/bill from a licensed veterinarian and/or staff of the Humane Society or by means of the veterinarian certification provided for on the Pet Registration Form.

Birds

1. Maximum number: 2
2. Must be enclosed in a cage at all times.

Fish

If the pet is fish, the aquarium must be twenty gallons or less, and the container must be placed in a safe location in the unit. The resident is limited to one container for fish; however, there is no limit on the number of fish that can be maintained in the container as long as the container is maintained in a safe and non-hazardous manner.

Residents shall be responsible for any damage caused by leakage or spillage from the aquarium or fish bowl. The aquariums must be on a provable stand that is stable and cannot be easily pushed over.

Rodents (Guinea pig, hamster, or gerbil ONLY; mice are not allowed.)

1. Maximum number 1
2. Must be enclosed in an acceptable cage at all times. Must have any or all inoculations as specified now or in the future by State law or local ordinance.

Turtles

1. Maximum number 1
2. Must be enclosed in an acceptable aquarium/cage/bowl at all times.

Inoculations/Vaccinations

The pet(s) must have received rabies and distemper inoculations or boosters, as applicable. The resident shall provide the SMHA with evidence of inoculations certified by a licensed veterinarian or a State or local authority empowered to inoculate animals (or designated agent of such an authority) stating that the pet has received all inoculations required by applicable State and local law. Said certification may be provided on the veterinarian's statement/bill or on the Pet Registration form.

Licensing

1. Licensing of all dogs shall be required in accordance with applicable State and local law on an annual basis. The dog must always wear a license with owner's name, address and telephone number.
2. In the event that applicable State or local law changes with reference to licensing of any and all pets, SMHA will require its residents to comply upon appropriate notice.

Sanitary Conditions

The pet rules shall prescribe sanitary standards to govern the disposal of pet waste. These rules are as follows:

1. Resident shall be responsible for immediately disposing of all animal waste excreted inside the development building or on the development grounds.
2. Pet waste may be disposed in designated areas for the development (pet waste stations or dumpsters).
3. Waste must be placed in a plastic bag, tightly secured and deposited in a dumpster.
4. Pet waste is not to be put in trash chutes; this includes cat litter.
5. Poorly disposed waste will not be tolerated and will be subject to a \$25.00 charge per incident.
6. Each time a pet owner fails to remove pet waste in accordance with this rule, a \$25.00 charge will be levied to the resident's account.
7. Conditions outlined in Cats #2, above, pertaining to cat waste shall also prevail.

General Provisions

1. All pets must be housed within the unit and no facilities can be constructed outside of the unit for any pet.
2. Costs incurred by SMHA for **extermination of fleas, ticks, and other animal related pests**, will be deducted from the pet security deposit after either the pet is removed or the resident vacates. Residents are encouraged to use flea bombs to get rid of fleas and other animal-related pests on an "as needed" basis.
3. Pet(s) shall not disturb, interfere or diminish the peaceful enjoyment of other residents. The terms, "disturb, interfere or diminish" shall include but is not limited to: barking, meowing, crying, howling, chirping, biting, scratching and other like activities. This includes any pets that make noise continuously and/or incessantly for a period of 10 minutes or intermittently for one-half hour or more and therefore disturbs any person at any time of the day or night. The SMHA will terminate this authorization if a pet disturbs other residents under this

section of the lease addendum. The resident will be given one week to make other arrangements for the care of the pet or the dwelling lease will be terminated.

4. Each pet must be maintained responsibly and in accordance with this pet ownership lease addendum and in accordance with all applicable ordinances, state and local public health, animal control, and animal anti-cruelty laws and regulations governing pet ownership.
5. The weight of all four-legged animals, other than dogs and cats, cannot exceed 10 pounds with height not to exceed 15 inches from the front shoulder of the animal.
6. Pets may not be bred or used for any commercial purposes on SMHA property.

C. CONTROL OF THE ANIMAL

1. No animal shall be permitted to be loose and if the pet is taken outside it must be taken outside on a chain leash **no longer than five (5') feet** and kept off lawns designated to other residents. Retractable leashes are prohibited.
2. All authorized pet(s) must be under the control of an adult leaseholder. An unleashed pet, or one tied to a fixed object, is not under the control of an adult. SMHA staff will contact the local Humane Society or dog warden in the event pets are found to be unleashed, or leashed and unattended, on SMHA property. It shall be the responsibility of the resident to reclaim the pet and at the expense of the resident.
3. The resident pet owner shall have canine pets restrained so that maintenance can be performed in the dwelling unit. The resident **shall** whenever an inspection or maintenance is scheduled, either be at home or shall have all animals restrained or caged. If a maintenance person enters an apartment where an animal is not restrained, maintenance shall not be performed, and the resident pet owner shall be charged a fee of \$25.00. If the situation again occurs, the pet shall be removed from the premises. Pets that are not caged or properly restrained will be impounded and reported to the local Humane Society for removal. It shall be the responsibility of the resident pet owner to reclaim the pet at the expense of the resident. The Housing Authority shall not be responsible if any animal escapes from the residence due to its maintenance, inspections, or other activities.

D. UNATTENDED ANIMALS

Pet(s) may not be left unattended for more than ten (10) consecutive hours. If it is reported to SMHA staff that a pet has been left unattended for more than a twelve (12) hour period, SMHA staff may enter the unit and remove the pet and transfer the pet to the humane society. Any expense to remove and reclaim the pet from any facility will be the responsibility of the resident.

E. PROHIBITED PETS

1. SMHA will forbid the following kinds of animals from being kept as pets on any of its properties: Pit bull, Rottweiler, German Shepherd, Chow, Doberman Pinscher or any species considered vicious, intimidating, or kept for the purpose of training for fighting or wagering of bets (i.e. roosters for “cockfighting”, etc.). SMHA forbids the keeping of animals that have had their vocal cords cut, by a process commonly known as “debarking.”
2. Exotic pets or barnyard animals are prohibited. Exception may be certain species of pigs utilized as bonafide “service animals”. (Snakes and reptiles are considered exotic pets and are not permitted.)
3. Animals who would be allowed to produce offspring for sale.
4. Wild animals, feral animals, and any other animals that are unamenable to routine human handling.
5. Animals of species commonly used on farms.
6. Non-human primates.
7. Animals whose climatologically needs cannot be met in the unaltered environment of the individual dwelling unit.
8. Pot-bellied pigs.
9. Snakes, lizards, spiders, chickens.
10. The following restrictions apply to pets, based on weight, size and inherent dangerousness, including prohibitions against the keeping of:
 - Any animals whose weight could exceed 25 pounds by adulthood.
 - Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites and lacerations.
 - Hedgehogs or other animals whose protective instincts and natural body armor produce a risk to children of serious puncture injuries.
 - Chicks or other animals that pose a significant risk of salmonella infection to those who handle them.
 - Pigeons, doves, mynah birds, psittacoses birds, and birds of other species that are hosts to the organisms causing psittacosis in humans.

11. Dogs and cats are prohibited from the following family housing developments, except as granted as a reasonable accommodation:

- Jackson-Sherrick
- Sunset Homes
- Linwood Acres
- Mahoning Manor
- Gage Gardens
- Ellisdale Homes
- Willow Homes
- Underhill Homes
- Franklin Homes
- Neal Court
- Leshdale

Tenants must adhere to the restrictions on numbers and types of pets.

F. PET POLICY VIOLATION PROCEDURES

SMHA reserves the right to require residents to remove any pet from the premises whose conduct (noise, biting, breeding, etc.) or condition is duly determined to constitute a nuisance or a threat to the health or safety of the other occupants or pets of the development, neighbors, staff, or visitors. SMHA reserves the right to remove such a pet in the event that the pet owner does not or cannot remove the pet.

Notice of Pet Policy Violation

If SMHA determines on the basis of objective facts, supported by written statements, that a pet owner has violated a rule governing the owning or keeping of pets, SMHA may serve a written notice of Pet Policy violation on the pet owner in accordance with the dwelling lease. The notice of pet rule violation must:

1. Contain a brief statement of the factual basis for the determination and the pet rule or rules alleged to be violated;
2. State that the pet owner has five (5) calendar days from the effective date of service of the notice to correct the violation (including, in appropriate circumstances, removal of the pet) or to make a written request for a meeting to discuss the violation;
3. State that the pet owner is entitled to be accompanied by another person of his or her choice at the meeting; and
4. State that the pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting may result in initiation of procedures to terminate the pet owner's tenancy.

Pet Policy Violation Private Conference

If the pet owner makes a timely request for a private conference to discuss an alleged Pet Policy violation, SMHA shall establish a mutually agreeable time and place for the private conference but no later than three (3) business days from the effective date of service of the notice of Pet Policy violation.

At the pet rule violation private conference, the pet owner and SMHA representative shall discuss any alleged Pet Policy violation and attempt to correct it. SMHA may, as a result of the meeting, give the pet owner additional time to correct the violation.

Notice for Pet Removal

If the pet owner and SMHA are unable to resolve the Pet Policy violation at the pet rule violation private conference, or if a representative of SMHA staff determines that the pet owner has failed to correct the Pet Policy violation within any additional time provided herein, the SMHA may serve a written notice on the pet owner in accordance with Section of the Dwelling Lease or at the private conference, if appropriate, requiring the pet owner to remove the pet. The notice must:

1. Contain a brief statement of the factual basis for the determination and the Pet Policy or rules that have been violated;
2. State that the pet owner must remove the pet within five (5) calendar days of the effective date of service of the notice of pet removal (or the private conference, if notice is served at the private conference); and
3. State that failure to remove the pet may result in initiation of procedures to terminate the pet owner's tenancy.

Initiation of Procedures to Remove a Pet or Terminate the Pet Owner's Tenancy

SMHA may not initiate procedures to terminate a pet owner's tenancy based on a Pet Policy violation, unless:

1. The pet owner has failed to remove the pet or correct a pet rule violation within the applicable time period specified in this section (including any additional time permitted by the owner); and
2. The Pet Policy violation is sufficient to begin procedures to terminate the pet owner's tenancy under the terms of the lease and applicable regulations.

If a pet is removed due to death or incapacity of the pet owner and the responsible parties are contacted and are unwilling or unable to remove the pet, or cannot be contacted; the pet will be removed and placed in a pet facility for a period not exceeding 30 days. SMHA will not be held responsible for the pet or cost incurred due to the necessity of removing a pet because the pet owner and/or their designee have failed to do so. The pet and the expenses incurred are the sole responsibility of the pet owner, or in the case of their death, the pet owner's estate.

SMHA may initiate procedures to remove a pet under 24 CFR 5.327 (threat to health and safety) at any time, in accordance with the provisions of applicable State or local law.

G. PET DISPOSAL

In the event of the death of the pet, it is agreed by the owner that management shall have discretion to dispose of the pet consistent with Federal guidelines if the main caretakers are unwilling to take responsibility, or if written instructions with respect to such disposal are not provided to the development office in advance by the resident.

Cost of pet removal and subsequent fees will be charged to the resident.

Under no circumstances are pets to be buried or disposed of on the premises or in trash containers or dumpsters.

H. SCHEDULE OF PET DEPOSITS

FEE AND DEPOSIT SCHEDULE

(A Pet Fee and Deposit is required for each pet)

Type of Pet	Deposit
Dog	\$250
Cat	\$250
Fish Aquarium	\$0
Fish Bowl (Requires no power and no larger than two gallons)	\$0
Birds	\$0
Caged Pets	\$0

Note: The above schedule is applicable for each pet; therefore, if a resident has more than one pet he or she must pay the applicable deposit for each pet.

The pet deposit made shall be utilized to offset damages caused by the pet and/or tenant. Any balance, if any, from the deposit will be refunded to the tenant.

It shall be a serious violation of the lease for any resident to have a pet without proper approval and without having complied with the terms of this policy. Such violation shall be considered to be a serious violation of the lease and the Housing Authority will issue a termination notice. The resident will be entitled to a grievance hearing in accordance with the provisions of the dwelling lease.

It is understood and agreed that SMHA is not responsible for any damages caused by the pet including but not limited to: bites and scratches to residents, neighbors, visitors, staff, SMHA contractors, and others who are lawfully on the SMHA's premises or other pets or service animals.

Pet Deposits

SMHA will allow gradual payment of the deposit in accordance with the following:

- An initial payment of \$50 on or prior to the date the pet is properly registered and brought into the apartment, and;
- Monthly payments in an amount no less than \$50 until the specified deposit has been paid.
- SMHA reserves the right to change or increase the required deposit by amendment to these rules.
- SMHA will refund the Pet Deposit to the tenant, less any damage caused by the pet to the dwelling unit, upon removal of the pet or the owner from the unit.
- SMHA will return the Pet Deposit to the former tenant or to the person designated by the former tenant in the event of the former tenant's incapacitation or death.
- SMHA will provide the tenant or designee identified above with a written list of any charges against the pet deposit. If the tenant disagrees with the amount charged to the pet deposit, SMHA will provide a meeting to discuss the charges.

All reasonable expenses incurred by SMHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit;
- Fumigation of the dwelling unit;
- Common areas of the project.

Pet Deposits are not a part of rent payable by the resident.

Any damage to the apartment, building, grounds, flooring, walls, trim, finishes, tiles, carpeting, or stains thereon, will be the full responsibility of the resident and the resident agrees to pay any costs involved in restoring the apartment to its original condition.

If SMHA finds a residual odor problem left in the apartment, the resident agrees to pay for the cost of any and all materials or chemicals needed to repair to remove the odor. If odor removal fails, the resident agrees to pay for replacement of carpeting, padding, wallboard, baseboard, etc., as is deemed necessary. The resident also agrees to abide by management's decision as to what is necessary.

I. FORMS

“Exhibit A”

Stark Metropolitan Housing Authority
400 E. Tuscarawas St., Canton, OH 44702

PET POLICY

Rules and Regulations

The Stark Metropolitan Housing Authority (SMHA) does comply with Federal regulations and will permit a common household pet in accordance with this policy. Common household pets as authorized by this policy means a domesticated animal such as a dog, cat, fish, birds, and rodents that are traditionally kept in the home for pleasure rather than commercial purposes. Any animals not permitted in residential units by state or local laws may not be kept by SMHA residents, including exotic or wild animal or snakes.

Residents of elderly or designated handicapped units are permitted small birds, caged animals, fish, cats, or dogs. Individuals with a documented disability requiring service animals, not residing in any of the above type units or not meeting other requirements (i.e. size/type of animal) must request specific modifications of this policy.

Residents who own pets under previous policies may continue to have the pets that they currently own. Any time that they request have a new pet, this request must be in compliance with the rule in effect at that time.

I. APPROVAL

A. Criteria

Request for permission to have a pet must be submitted prior to bringing a pet into the unit. The pet owner and the landlord (SMHA) must enter into a “Pet Agreement”. In addition, the pet owner must provide proof of the pet’s good health and suitability under the standards set forth in these rules and regulations. For dogs and cats, proof must be given (and renewed at the time of resident’s re-examination) of the animal’s licensing and vaccination record, etc. Cats and dogs must be neutered or spayed. Proof of spaying or neutering must also be submitted. If the pet being registered is under-age for spaying and neutering, proof that this procedure has been undertaken must be presented to the authority at a designated time. Cats are required to have front paws declawed. All licenses and tags must be current.

Prior to admittance of a pet into the facility, residents will be required to complete the following forms:

1. Pet Policy Certification
2. Pet Agreement
3. Veterinarian’s Certification

B. Vaccination Requirements

Dogs and cats must have the proper inoculations required by law, and certified by a veterinarian licensed to practice in the State of Ohio.

II. DEFINITIONS

A common household pet is a domesticated animal, including dog, cat, bird, fish or rodent such as a gerbil or hamster.

A "service animal" is an animal which has been trained and certified to provide services to an individual with a disability.

A service animal will be permitted once proper documentation is submitted. However, animal control and veterinary practices will still be enforced.

A "common area" is any area to which all residents have access, and is not under the direct control of any individual resident.

"Management" refers to any employee or representative of the Stark Metropolitan Housing Authority.

III. PET DENSITY

Only one of the following is acceptable.

- A. No more than one dog or one cat may be kept in any unit.
- B. No more than two, small caged birds may be kept in any unit.
- C. An aquarium for fish may not exceed twenty (20) gallons.
- D. NO more than two (2) small animals, i.e. mice, gerbil, or hamster or one guinea pig or one rabbit may be kept in any unit. Small animals must be kept in a cage. (Cage sizes outlined in Exhibit B).

IV. SIZE/BREEDS

Cats and dogs shall be limited to small breeds where adult height at the shoulder shall not exceed fifteen (15) inches. The size limitations do not apply to service animals.

Pitbulls, Rotweiler, German Shepherd, Chow, Doberman Pinscher or any species considered vicious or intimidating are prohibited. In all other cases, local ordinances will apply.

V. DAMAGES/PET DEPOSIT

- A. The resident is responsible for reasonable expenses incurred by Stark MHA as a result of damages directly attributable to the presence of the pet, including cleaning and related waste removal, the cost of repairs and replacements to the dwelling unit and fumigation of the dwelling unit. If the resident is in occupancy when such costs occur, the resident will be billed for such costs as a current charge. No deposit will be charged for service animals.
- B. A pet deposit of \$250 will be charged for each dwelling unit where a dog or cat resides. The deposit may be paid as a \$50 initial payment, with the remainder to be paid in agreed upon consecutive monthly payments until the \$250 is reached. SMHA reserves the right to change this deposit amount at any time, consistent with Federal guidelines.
- C. Resident's liability for damages caused by his/her pet is not limited to the amount of the pet deposit and the resident will be required to reimburse SMHA for the real cost of any and all damages by his/her pet where they exceed the amount of the pet deposit.

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- D. Upon move-out, units occupied by a cat or dog will be inspected by the housing manager for any infestation or other damage resulting from the pet. If the unit is found to be infested, the extermination charge will be the responsibility of the pet owner. The pet deposit will be returned at any time the pet no longer resides in the unit, minus any charges for damage caused by the pet. The resident is permitted, and encouraged, to be present for any and all inspections.

VI. PET RULES

A. Dogs and Cats

1. Dogs will not be permitted at the following family housing developments:
 - Jackson-Sherrick
 - Sunset Homes
 - Linwood Acres
 - Mahoning Manor
 - Gage Gardens
 - Ellisdale Homes
 - Willow Homes
 - Underhill Homes
 - Franklin Homes
 - Neal Court
 - Leshdale
2. Dogs and cats shall be quartered within the resident pet owner's unit. When dogs or cats are outside of the unit, they must be kept on a leash no longer than five (5) feet and under control, led by a reasonable adult at all times. Under no circumstances shall any dog or cat be permitted to run loose in any common area. Dogs and cats will not be permitted to be quartered outside of the unit.
3. The unit must be kept free of odors and maintained in a clean and sanitary condition. All animal waste or litter from a cat litter box must be removed daily. Obnoxious odors can cause health problems and will not be tolerated.
 - a. Wastes must be placed in a plastic bag, tightly secured and deposited in a trash dumpster. Poorly disposed of waste will not be tolerated. At no time will pet waste be placed in trash chutes or in the unit.
 - b. Residents are not permitted to exercise their pet or permit their pet to excrete waste in interior common areas of the development premises.
4. Resident pet owners agree to be responsible for immediately cleaning up any waste, dirt, etc. caused by their pet in a common area. Resident pet owners shall also be responsible for immediately removing and properly disposing of any pet excreta, feces, urine, etc.

-
5. If management has to remove any pet waste, a twenty five-dollar (\$25) charge will be made. Repeated violations (three) will necessitate the owner removing the pet permanently from the premises. Failure to comply may result in termination of the resident's Dwelling Lease.
 6. When a resident who owns a cat or dog calls in a work order, he/she must inform the work order clerk that he/she owns the pet. The resident is then responsible for securing the pet in the unit, before the staff will complete the work order.
 7. SMHA and its staff are not responsible for any action, injuries or damages caused by any resident's pet. A pet is the sole responsibility and liability of the pet owner. ANY PET, WHICH CAUSES BODILY INJURY TO ANY RESIDENT, GUEST OR STAFF MEMBER, SHALL BE IMMEDIATELY REMOVED FROM THE PREMISES WITHOUT PRIOR NOTIFICATION. (POSSIBLY PERMANENTLY).
 8. Resident pet owners agree to control the noise of their pet such that it does not constitute a nuisance to any residents. Failure to control pet noise may result in the removal of the pet from the premises.
 9. No dog or cat shall be left unattended in any unit for longer than twelve (12) hours. All other animals shall not be left unattended for more than twenty-four (24) hours.
 10. All resident pet owners shall provide adequate care, nutrition, exercise and medical attention for their pets. Pets which appear to be poorly cared for or which are left unattended for longer than limits indicated in #9 above will be reported to the appropriate authority and removed from the premises at the pet owner's expense.
 11. The pet owner will submit to the development office the names, addresses and telephone number of two responsible parties (not at the same address) who will care for the pet if the pet owner, for any reason, is unable to care for the pet. If the person is unable or unwilling to accept the responsibility, the pet owner authorizes management to contact state or local authorities to enter the apartment and remove the pet for a period not to exceed thirty (30) days. SMHA will not be responsible for the well being of the pet or any cost incurred during the thirty (30) day period. If there is no resolution regarding the care of the pet at the end of this period, the pet and the expenses incurred become the sole responsibility of the pet owner.
 12. In the event of the death of the pet, it is agreed by the owner that management shall have discretion to dispose of the pet consistent with Federal guidelines if the main caretakers are unwilling to take responsibility, or if written instructions with respect to such disposal are not provided to the development office in advance by the resident. Cost of pet removal and subsequent fees will be charged to the resident. Under no circumstances are pets to be buried or disposed of on the premises or in trash containers or dumpsters.
 13. Resident pet owners acknowledge that other residents may have chemical sensitivities or allergies related to pets and/or are easily frightened by such pets. The resident, therefore, agrees to exercise common sense and common courtesy with respect to the other residents' right to peaceful and quiet enjoyment of the premises. If using common laundry facilities, it is strongly recommended that the pet owner run an additional wash cycle and clean out all filters before leaving the wash room.

14. After proper written notification, management may require the removal of the pet from the premises on a permanent or temporary basis for the following causes:
- Excessive pet noise or odor after being advised by management.
 - Unruly or dangerous behavior.
 - Excessive damage of the resident's apartment.
 - Repeated problems with the pet or any infestations.
 - Failure of the resident to provide for adequate care of his/her pet.
 - Leaving a pet unattended for more than the allotted time period.
 - Failure of the resident to provide adequate and appropriate vaccination of the pet.
 - Tenant's death, serious illness and/or refusal or inability to care for the pet.
- The resident will be given an additional notice to remove the pet that shall contain a brief statement defining the violation of the pet rules, a requirement that the resident must remove the pet within forty-eight (48) hours of the notice and a statement that failure to remove the pet will result in the initiation of termination of the lease agreement.**
15. In the event of an emergency, the pet owner gives permission for the removal of the pet from the premises immediately for serious problems including, but not limited to, the following:
- Pet becomes vicious.
 - Pet displays symptoms of serious illness.
 - Pet demonstrates other behavior that constitutes an immediate threat to the health and safety of a resident, guest, staff member or other authorized person.
16. Pets not owned by the resident are strictly prohibited with the exception of specially trained service animals that assist persons having a disability. These pets are not required to meet the limitations as to size or number. However, all other aspects of these rules and regulations will apply.
17. "Pet sitting" is not permitted for any pet not already within the same development.
18. Residents will not feed or water stray or wild animals.

B. Birds

- Birds must be kept caged within the resident's unit at all times.
- Cages must be cleaned not less than twice a week. Waste must be disposed of in sealed trash bags and placed in the trash dumpster. Litter cannot be flushed down the toilet.

C. Fish

- The aquarium shall not exceed twenty (20) gallons and shall be placed on a management-approved stand in a safe location within the unit.

-
2. Water damage to walls, carpets, flooring or the ceiling of the unit below caused by breakage or spillage of or from the aquarium shall be the responsibility of the tenant who shall be billed for repair costs, as required.

D. Other Animals

1. Animals of the rodent family (i.e. hamsters, gerbils or a guinea pig, or a rabbit) must be kept caged at all times. Mice are strictly prohibited.
2. Cages must be kept clean. A thorough cleaning, not less than twice a week is recommended.
3. Any other issues such as noise, odor and behavior apply the same as for dogs and cats.

VII. NOTIFICATION POLICY

In the event that any pet owner violates these pet rules, management shall provide written notice of such violations as follows:

A. Creation of a Nuisance

The owner of any pet which creates a nuisance upon the grounds or causes excessive noise, odor or unruly behavior shall be notified of such nuisance in writing by management and shall be given five (5) calendar days to correct such nuisance. Failure to comply may result in requiring the removal of the pet and/or termination of the pet owner's Dwelling Lease.

B. Dangerous Behavior

1. Any pet which physically threatens a resident, guest, staff member or other authorized persons within or on the development grounds shall be considered dangerous. SMHA shall provide written notification to the pet owner of the dangerous behavior and the pet owner shall have five (5) calendar days to correct the animal's behavior. It is the responsibility of the pet owner to correct the violation. Failure to comply may result in the removal of the pet and/or termination of the pet owner's Dwelling Lease. If the resident disagrees, they may request a formal hearing in accordance with the SMHA Grievance Procedure.
2. Any pet which causes physical harm to any resident, guest or other authorized person present upon the development grounds shall be immediately removed from the premises by management with written notice.

VIII. INSPECTION POLICY

- A. Management is given permission to enter the pet owner's unit for the purpose of inspecting if a signed written complaint is received by management, or if management feels conduct or condition of the pet or pet owner warrants same. The inspection will be made during reasonable hours, after proper notice has been given to the pet owner (48 hours' notice). In an emergency situation, entry will be made immediately. Notice will be given to the pet owner at such emergency entry, giving the reason for such entry.

“Exhibit B”

Pet Policy Certification – Dog/Cat

This document, completely filled out, must be submitted to management before the pet is permitted on the premises.

Name of Owner(s) _____

Address _____

Telephone Number (Work) _____ (Home) _____

Pet Description: Name _____

Breed _____

Age _____

When Full-Grown: Weight _____ Markings _____

License No. _____ Tag info: _____

Flea Collar: Yes _____ No _____

Picture of Pet: Yes _____ No _____

If your pet is a cat, has it been declawed? Yes _____ No _____

Veterinarian's Name _____

Address _____

Telephone Number _____

Parties to assume responsibility for pet if you are unable to do so:

(1) Name(s) _____

Address _____

Telephone Number (Work) _____ (Home) _____

(2) Name(s) _____

Address _____

Telephone Number (Work) _____ (Home) _____

“Exhibit C”

Veterinarian’s Certification

Pet Owner’s Name _____

Veterinarian’s Name _____

Address _____

Telephone Number _____

ANIMAL TYPE _____

BREED: _____

COLOR: _____

AGE: _____

WEIGHT: _____

Attach Photo of Pet

MARKING: _____

LICENSE NO. _____

ISSUED: _____

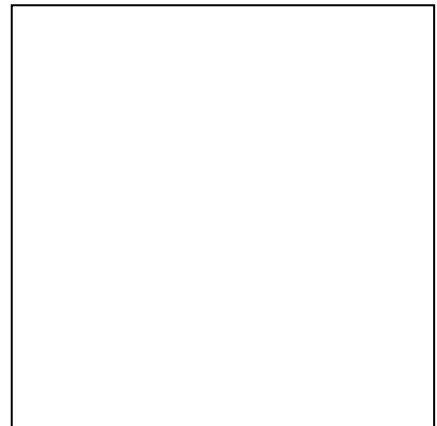
DATE

TREATMENT: Parvovirus _____

Distemper _____

Rabies _____

Heartworm _____



Spay/Neuter _____

Other _____

COMMENTS: _____

Next routine office visit: _____

Purpose: _____

Veterinarian's Signature

Date

“Exhibit D”

Pet Agreement

The agreement entered into this ___ day of _____, 20___, by and between Stark Metropolitan Housing Authority and _____ (Resident). In consideration of their mutual promises, the parties agree as follows:

Resident desires and has received permission from SMHA to keep the pet named _____ and described as _____

2. This Agreement is an Addendum to and part of the Dwelling Lease between the SMHA and Resident, executed on _____, 20___. In the event of default by Resident of any of the terms of this Agreement and all succeeding leases, the resident agrees upon proper written notice of default from SMHA, to cure the default, remove the pet or vacate the premises. Resident agrees that SMHA may revoke the permission to keep said pet on the premises by giving Resident proper written notice.

3. As a special deposit for cats and dogs, Resident agrees to pay SMHA the sum of \$250, which shall be paid in an initial payment of \$_____ and _____ monthly payments of \$_____. When the resident vacates the property, SMHA may use this deposit as is reasonably necessary to take care of any damages or cleaning caused by or in connection with said pet. At the termination of this Agreement, any balance shall be refunded to the Resident within thirty (30) days. Resident agrees to pay SMHA for any damages caused by the pet in excess of this deposit and the security deposit on demand by SMHA. Damages, cleaning, etc. that occur while the resident lives in the unit will be billed as current charges.

4. Resident agrees to comply with:

- a. The Pet Policy
- b. All other applicable government laws and regulations such as, but not limited to, licensing, etc.

5. Resident represents that the pet is quiet and housebroken, and will not cause any damage or annoy other residents.

6. Resident agrees that the pet will not be permitted outside the Resident’s unit unless restrained by a leash. Use of the grounds or premises of SMHA for sanitary purposes is prohibited.

7. Resident shall not permit the pet to cause any damage, discomfort, annoyance or nuisance, or in any way to inconvenience or cause complaints from any other resident. Any soiling created by the pet shall be immediately cleaned up by the Resident. If management has to remove any waste left by any pet, a twenty-five dollar (\$25) charge will be made. Repeated violations (three) will necessitate removal of the pet permanently from the premises for failure to comply and may result in termination of the Dwelling Lease.

8. Resident agrees to remedy any emergency situations involving their pet (e.g. attack by pet on staff members, another resident or a guest) immediately and any nuisance or dangerous behavior within five (5) days.
9. Resident will be financially responsible for any infestation of fleas or other insects that affects his/her own unit or any adjacent unit as a result of his/her pet.
10. Any pet left unattended for twelve (12) hours or more or whose health is jeopardized due to mistreatment or inappropriate care will be removed. The pet owner will be reported to the appropriately deemed authority to remove the pet at the expense of the Resident.
11. Resident agrees to maintain their pet in a healthy condition and to update the Veterinarian's Certification at the time of the annual re-examination.
12. Resident agrees that SMHA is in no way responsible nor liable for any action, injuries or damages caused by the resident's pet. A pet is the sole responsibility and liability of the pet owner. Nor is SMHA responsible for the safekeeping or well-being of the pet.
13. Resident has read and agrees to comply with this Pet Policy and agrees to comply with any rules and regulations that may be reasonably adopted in the future.

SMHA Property Management

Resident

Resident

Date

“Exhibit E”

REQUEST FOR A REASONABLE ACCOMMODATION

Name: _____ Phone _____

Address: _____

SMHA staff member: _____

1. The following member of my household has a disability as defined below:

A physical or mental impairment that substantially limits one or more major life activities; a record of having such an impairment; or being regarded as having such an impairment.

Name of household member: _____

2. As a result of his/her disability, the following change or changes are requested so that (the person listed) can participate equally and successfully in the Section 8 &/or the Public Housing Programs. **Check the kind of change(s) you need.**

A change in the way we communicate with you

A change in the following rule, policy, services or procedure _____

A modification to my unit. Describe: _____

3. Describe how this accommodation will allow you to participate fully in the Public Housing &/or the Section 8 Program whereas you would otherwise not be able to:

4. You may verify that I have a disability and my need for this request by contacting the following qualified medical professional:

Name: _____ Phone: _____

Address: _____ City, State, Zip Code: _____

I give you permission to contact the above individual for purposes of verifying that I or a family member has a disability and needs the reasonable accommodation requested above. I understand that the information you obtain will be kept completely confidential and used solely to determine if you will provide an accommodation.

Signed: _____

Date: _____

“Exhibit F”

VERIFICATION FOR A REASONABLE ACCOMMODATION REQUEST

Date: _____

Dear _____:

You will find on the reverse side of this form a document that has been signed by _____ asking you to verify his or her disability and need for a reasonable accommodation in his or her housing.

State and federal laws require housing providers to make reasonable accommodations or changes to Public Housing and/or Section 8 Program rules, policies and procedures if such changes are necessary to enable a person with a disability to have equal access to, and enjoyment of, the housing program. **(Please note that such changes must be necessary as a result of the person's disability.)**

The applicant or tenant in question has requested the accommodation described on the reverse document. Please indicate on that document whether you believe the individual has a disability within the definition provided and whether the accommodation is necessary and will achieve its stated purpose. You may also add any other information that would be helpful in making the right accommodation for this person. If part of the applicant/tenant's reasonable accommodation plan includes services to be provided by your organization, please indicate whether your organization will provide those services.

This form should not be used to discuss the person's diagnosis or any other information that is not directly relevant to the request for an accommodation.

Please note that the applicant/tenant has signed the form requesting you to answer the questions. Please call Corey Minor Smith, 504 Coordinator at (330) 454-8051 if you have any questions. Thank you.

(SEE REVERSE SIDE FOR PHYSICIAN VERIFICATION)

“Exhibit G”

DEFINITIONS

To: Doctor/Other Qualified Person

Pursuant to 24 CFR 8.3, the definition of an individual with handicaps is provided below:

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. For purposes of employment, this term does not include: Any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from performing the duties of the job in question, or whose employment, by reason of current alcohol or drug abuse, would constitute a direct threat to property or the safety of others; or any individual who has a currently contagious disease or infection and who, by reason of such disease or infection, would constitute a direct threat to the health or safety of other individuals or who, by reason of the currently contagious disease or infection, is unable to perform the duties of the job. For purposes of other programs and activities, the term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(a) Physical or mental impairment includes:

(1) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(2) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(b) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(c) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(d) Is regarded as having an impairment means:

(1) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;

(2) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or (3) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment.

RESOLUTION #3484

WHEREAS, The Stark Metropolitan Housing Authority, finds it necessary to update its Admissions and Continued Occupancy Policy (ACOP);

WHEREAS, The proposed ACOP addition was available for public review as required for a 30-day comment period at the Central Office and on the agency's website;

WHEREAS, SMHA proposes the following updates to the ACOP chapters listed below:

- Chapter 8: Transfer Policy
- Chapter 11: Reexaminations

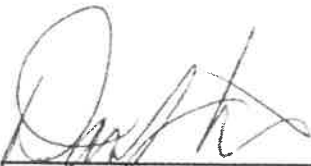
AND WHEREAS, The Executive Director and Director of Asset Management are requesting the Board's approval of the above listed updates to the ACOP;

THEREFORE BE IT RESOLVED THAT: the Board of Commissioners of the Stark Metropolitan Housing Authority approve the revised Admissions and Continued Occupancy Policy and be adopted as the policy to be used for all applicants and residents of the public housing program to be made effective September 1, 2019.

DATE ADOPTED: August 29, 2019



SECRETARY.



CHAIRMAN.

Chapter 11

REEXAMINATIONS

[24 CFR 5.613, 24 CFR 5.61524 CFR Part 960 Subpart C]

INTRODUCTION

HUD requires that PHA's offer all families the choice of paying income-based rent or flat rent at least annually. Families who choose to pay flat rent are required to complete a reexamination of income, deductions and allowances at least once every three years. Flat rent families must still report family composition and community service requirements on an annual basis. To determine the amount of income-based rent, it is necessary for SMHA to perform a reexamination of the family's income annually. At the annual reexamination, families who choose to pay income-based rent must report their current household composition, income, deductions and allowances. Between regular annual reexaminations, HUD requires that families report all changes in household composition, but SMHA decides what other changes must be reported and the procedures for reporting them. This chapter defines SMHA's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting.

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 this policy.
2. Are in full compliance with the resident obligations and responsibilities as described in the dwelling lease.
3. Have provided Social Security numbers on all eligible family members or have certifications on file indicating they have no Social Security number for ineligible members.
4. Who meet HUD standards on citizenship or immigration status or are paying a pro-rated rent ¹.
5. Who are in compliance with the SMHA's community service requirements.
6. Who remains eligible for non-criminal status or sex offender ineligibility.

Remaining Family Members and Prior Debt

1. Remaining family members age 18 years or older will be held responsible for arrearages incurred by the former head or spouse. SMHA will not hold remaining family members (other than the head or spouse) responsible for any portion of the arrearage incurred before the remaining member attained age 18.
2. Remaining family members under age 18 shall not be held responsible for the rent arrearages incurred by the former head of household.

B. ANNUAL REEXAMINATION

1. Regular reexaminations: SMHA shall, at least once a year, re-examine the family composition, incomes, and community service requirements of all resident families, except for families that are paying flat rent and elect to pay flat rent. Flat rent families shall have their incomes reexamined every three (3) years ². Flat rent families will have the family composition and community service requirements reexamined annually. **All SMHA annual recertifications are processed to be in compliance with a twelve- month effective period.**
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 30, 60 or 90 days depending on the circumstances, until a reasonably accurate estimate of income can be made. The resident will be notified in writing of the effective date of the special reexamination.
3. Special reexaminations 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. A new lease will also be executed as part of this special reexamination.
4. Special Reexamination Following Income Disallowance: When a family qualifies for an earned income disallowance, a special reexamination will occur at the end of the initial 12 month disallowance period and at the end of the phase-in period.
5. Zero/Extremely Low Income Families: Unless the family has income that is excluded from rent computation, families who report zero income or extremely low income will have the income **re-verified through EIV every 90 days for income changes and are further required to complete a written no/low income checklist and worksheet/certification every 90 days and undergo an interim recertification every 90 day, i.e., expenses for food, cleaning, grooming, and paper products, transportation, entertainment, clothing, smoking, communications, shelter, medical and miscellaneous s. (See Other Interim Reporting Issues below).**
6. Reexamination Procedures
 - (a) At the time of reexamination, all adult members of the household will be required to sign a personal declaration 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 documentation will be filed in the resident's folder.

- (c) An EIV report will be requested on each family at recertification to help detect unreported income, provide third-party verification, and identify family members not reported on the lease, etc. ³.
 - (d) Verified information will be analyzed and a determination made with respect to:
 - (i) Eligibility of the resident as a family or as the remaining member of a family;
 - (ii) Unit size required for the family (using the Occupancy Guidelines);
 - (iii) Rent the family should pay; and
 - (iv) Community Service requirements.
 - (e) SMHA will anticipate, based on tenants' past and anticipated future employment, the income of tenants with a history of regular employment whose regular reexamination takes place when they are not employed (e.g., school bus drivers). 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.
 - (f) Income shall be computed in accordance with the definitions and procedures set forth in Federal regulations and this policy ⁴.
 - (g) Families failing to respond to the initial reexamination notice will be issued a final notice within the same month. Failure to respond to the final request will result in the family being sent a notice of lease violation for termination of the lease ⁵.
7. Action Following Reexamination
- (a) 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 ⁶.
 - (b) If any change in the unit size is required, the resident will be placed on a transfer list in accordance with the transfer criteria described within the policy and moved to an appropriate unit when one becomes available ⁷.
 - (c) A tenant who has a criminal conviction that violates SMHA or federal provisions, or any provisions of this policy, above, will be served with a lease termination notice.

The terms annual recertification and annual reexamination are synonymous.

For families who move in on the first of the month, the annual recertifications will be completed within 12 months of the anniversary of the move-in date. (Example: If family moves in August 1, the annual recertification will be conducted to be effective on August 1, the following year.)

For families who move in during the month, the annual recertifications will be completed no later than the first of the month in which the family moved in, the following year. (Example: If family moves in August 15, the effective date of the next annual recertification is August 1.)

When families move to another dwelling unit:

The annual recertification date will not change.

Reexamination Notice to the Family

All families will be notified of their obligation to recertify by first class mail. Annual recertifications will be conducted by mailing a recertification packet, along with the notice, to the family by first class mail. The written notification shall be sent at least 120 days in advance of the anniversary date **specifying** the required documents that the tenant will need to supply and the deadline the documents must be received by SMHA. If requested as an accommodation by a person with a disability, SMHA will provide the notice in an accessible format. SMHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they met the need presented by the disability.

The notification shall explain family choice of income-based or flat rent.

During this reexamination period, the family will be given the option to choose flat rent or income-based rent. SMHA will provide a form that states what the flat rent would be and what the family's income-based rent would be. The family will be required to make a choice and sign the form prior to the effective date of their reexamination. The form will be retained in the tenant's file.

If the family chooses flat rent, an annual recertification is required to verify community service requirements and family composition. Recertification of income is only required every three years.

Methodology

If the family chooses income-based rent, or if the family has paid the flat rent for three (3) years, SMHA will use the following methodology for conducting annual recertifications:

A recertification packet with required forms will be sent with the written notification to the family. Include information on the required documents that the tenant will need to supply.

Persons with Disabilities

If requested as an accommodation by a person with a disability, SMHA will provide the notice in an accessible format. SMHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they met the need presented by the disability.

Persons with disabilities, who are unable to come to the Property Management site office will be granted an accommodation of conducting the interview at the person's home, upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information

The family is required to complete a Personal Declaration form prior to all annual and interim recertification interviews. (Update Form may be used for interims). Based on the information the family provides on this form, additional information may be requested from the family.

The following family members will be required to sign the personal declaration along with other required forms:

- The head of household, spouse, co-head, and
- All adult household members, age 18 and older.

Failure to Respond to Notification to Recertify

The written notification will explain which family members are required to participate in the recertification.

If the family does not respond to the initial notice to recertify, the SMHA will send a second and final notification to recertify.

If the family fails to respond to the second notice to recertify, the SMHA will:

the Recertification Specialist will issue a 30 day eviction notice to begin eviction proceedings.

If the tenant has not completed the requirements for their annual recertification, appointments and/or provide all documents, prior to the expiration of the 30 day eviction notice, the Property Manager will be notified that a 3 day eviction notice must be issued to the resident for the eviction proceedings to continue.

Documents Required From the Family

In the notification letter to the family, SMHA will include instructions for the family to submit the following:

-
- Documentation of income for all family members
 - Documentation of assets
 - Documentation to substantiate any deductions or allowances
 - Documentation of family composition
 - Personal Declaration Form completed by head of household and signed by all household members age 18 years or older
 - Documentation of community service requirements
 - Other required documents on new family members, such as SSN or citizenship requirements
 - Other required documentation required by HUD or SMHA

Verification of Information

All information which affects the family's continued eligibility for the program, and the family's Total Tenant Payment (TTP) will be verified in accordance with the verification procedures and guidelines described in this Policy.

When the information has been verified, it will be analyzed to determine:

- the continued eligibility of the resident as a family or as the remaining member of a family;
- the unit size required by the family;
- the amount of rent the family should pay.

EIV Documentation

A. New Admission- For each new admission (form HUD-50058 action type 1), the SMHA is required to do the following:

- i.** Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- ii.** Print and maintain a copy of the EIV Income Report in the tenant file; and
- iii.** Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

B. Historical Adjustments-For each historical adjustment (form HUD-50058 action type 14), the SMHA is required to do the following:

- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
- iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

C. Interim Adjustments- For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the SMHA is required to have the following documentation in the tenant file:

- i. **EIV Income Report or ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report- when it is available. (PHAs have the discretion to print the EIV Income report, however, only the ICN page is required when available.)
- ii. **EIV Income Report** when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.

D. Annual Recertification- For each annual reexamination of family income and composition, the SMHA is required to have the following documentation in the tenant file:

- i. **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the SMHA), traditional third party verification form(s).
- ii. **Disputed EIV Information:** EIV Income report, current acceptable tenant provided documentation, and/or traditional third party verification form(s) for disputed information.
- iii. **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the SMHA), traditional third party verification form(s).

(WE DON'T CONDUCT INTERIM SCREENING AT AR)

Changes In The Tenant Rent

If there is any change in rent, including change in family's choice in rent, the lease will be amended, or a new lease will be executed, or a Notice of Rent Adjustment will be issued [24 CFR 966.4(c)].

Tenant Rent Increases

If tenant rent increases , a thirty-day notice will be mailed to the family prior to the anniversary date.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the second month following the thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date.

Tenant Rent Decreases

If tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by the SMHA.

If the tenant rent decreases and the tenant reported the change prior to the annual recertification anniversary date or between the annual recertification anniversary date and the effective date of the annual recertification, the change will be treated as an interim. The change will be effective the first of the following month that the family reported the change. If necessary, the SMHA will run another HUD 50058 as an annual recertification.

C. NOTICE of CHANGES and REPORTING INTERIM CHANGES

Families must report all changes in household composition to SMHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain SMHA approval prior to all other additions to the household.

When there is a change in head of household or a new adult family member is added, SMHA will complete a personal declaration or update form and reverify, using the same procedures SMHA staff would use for an annual reexamination, except for effective dates of changes. In such case, the Interim Reexamination Policy would be used. The annual reexamination date will not change as a result of this action.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified prior to the approval by the SMHA of the family member being added to the lease.

Increases in Income to be Reported

Families paying flat rent are not required to report any increases in income or assets between the recertification periods.

Families paying an income-based rent must report all increases in income/assets of all household members to SMHA in writing within 10 calendar days of the occurrence.

Families are only required to report the following increases in income:

Increases in earned income from the employment of a current household member;

Increases in income because a person with income joins the household;

Increases in household income of more than \$100 per month;

Increases in household income which come as a result of a *new* income source.

Increases in Income and Rent Adjustments

Although increases in income must be reported, SMHA will process interim rent adjustments for increases in income between regularly scheduled recertifications only during the six months immediately following the effective date of the annual recertification.

No interim rent increase will be processed during the six month period immediately preceding the effective date of the annual recertification except in limited circumstances as outlined below:

Upon the expiration of a phase in period of and Earned Income Disallowance, an interim recertification will be conducted to utilize the previously excluded income in accordance with the Earned Income Disallowance requirements.

When a household that pays the minimum TTP experiences an increase in income between regularly scheduled annual recertification, an interim recertification will be conducted utilizing the increased income.

When a household that was granted a hardship exemption from the minimum rent no longer qualifies under the approved exemption, or any other verifiable exemption, an interim recertification will be conducted to impose the minimum rent TTP requirement.

Rent increases (except those due to misrepresentation) require 30 days' notice.

Decreases in Income and Rent Adjustments

Residents may report a decrease in income and other changes, such as an increase in allowances or deductions which would reduce the amount of the total tenant payment.

Rent decreases go into effect the first of the month following the date reported.

SMHA will process the rent adjustment unless SMHA confirms that the decrease in income will last less than 30 calendar days.

The SMHA will process rent adjustments whenever there is a decrease in income.

Special Reexaminations

If a family's income is unstable and cannot be projected for twelve months, including families that temporarily have no income or a temporary decrease in income, the SMHA may schedule a special reexamination every 180 days until the income stabilizes and an annual income can be determined.

D. Over-Income Limits at Annual or Interim Recertifications

HUD has established an over-income limit of 120% of the Area Median Income for all families whose income exceeds this amount at Annual or Interim Recertification.

Once SMHA discovers a family exceeds the over-income limit at Annual or Interim Recertification, SMHA is required to begin tracking the family's income. The initial 50058 that reflects the family as being over-income will trigger a two year grace period. SMHA must be diligent in documenting and tracking the time frame the family became over-income.

Once the family has exceeded the over-income limit for 12 consecutive months, and they continue to exceed the over-income limit, SMHA must notify the family that their income has exceeded the over-income limit 12 consecutive months and if their income continues to exceed the limit for the next 12 consecutive months, the family will be subject to a higher rent or termination.

If the initial determination that a family is over-income is made at an Interim Recertification rather than the Annual Recertification, SMHA must conduct another Interim Recertification on that date one year later.

If at any time during the two year grace period, the family's income decreases and they are no longer over-income, the family is no longer subject to the requirement to terminate assistance or pay an increased rent at the end of the two year period.

If a previously over-income family's income increases again and they become over-income again, the family is entitled to a new two-year grace period based on the date of the Annual or Interim Recertification that they become over-income again.

SMHA Policy

SMHA will not terminate tenancy for over-income families at the end of their two year grace period. SMHA will implement a higher rent equal to the subsidy for the unit; including operating subsidy and capital fund subsidy. This amount is subject to further guidance from HUD on allowing PHAs to set alternative rents for over-income families that PHAs have allowed to remain in housing rather than terminating tenancy.

E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

The SMHA will not reduce the public housing rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in welfare benefits due to:

Fraud by a family member in connection with the welfare program; or

Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program

A "specified welfare benefit reduction" does not include a reduction of welfare benefits due to:

The expiration of a lifetime time limit on receiving benefits; or

A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, such as:

the family has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Noncompliance with other welfare agency requirements.

Definition of Covered Family:

A household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

Definition of "Imputed Welfare Income":

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by the SMHA, based on written information supplied to the SMHA by the welfare agency, including:

The amount of the benefit reduction

The term of the benefit reduction

The reason for the reduction

Subsequent changes in the term or amount of benefit reduction

Imputed welfare income will be included at annual and interim reexaminations during the term of reduction of welfare benefits.

The amount of imputed welfare income will be offset by the amount of additional income a family receives that begins after the sanction was imposed. When additional income is at least equal to the imputed welfare income, the imputed income will be reduced to zero.

If the family was not an assisted resident of public housing when the welfare sanction began, imputed welfare income will not be included in annual income.

Verification Before Denying a Request to Reduce Rent

The SMHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance *before* denying the family's request for rent reduction.

The SMHA will rely on the welfare agency's written notice to the SMHA regarding welfare sanctions.

Cooperation Agreements

The SMHA has a **written** cooperation agreement in place with the local welfare agency that assists the SMHA in obtaining the necessary information regarding welfare sanctions.

The SMHA has taken a proactive approach to culminating an effective working relationship between the SMHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to public housing residents.

The SMHA and the local welfare agency have mutually agreed to notify each other of any economic self-sufficiency and/or other appropriate programs or services that would benefit public housing residents.

Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of imputed income and the SMHA denies the family's request to modify the amount, the SMHA will provide the tenant with a notice of denial, which will include:

An explanation for the SMHA's determination of the amount of imputed welfare income.

A statement that the tenant may request a grievance hearing.

A statement that the information received from the welfare agency cannot be disputed at the grievance hearing, and the issue to be examined at the grievance hearing will be the SMHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

If the tenant requests a grievance hearing, the tenant is not required to pay an escrow deposit pursuant to 966.55(e) for the portion of tenant rent attributable to the imputed welfare income.

F. . OTHER INTERIM REPORTING ISSUES

Residents are required to report all changes in family composition or status to SMHA within 10 calendar days of the occurrence. Failure to report within the 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 and verify income decreases promptly.

An interim reexamination will be scheduled for families with zero or extremely low-income every 180 days. Unless the family has income that is excluded from rent computation, families who report zero income or extremely low income will have the income be re-verified through EIV every 180 days for income changes and are further required to complete a written no/low income certification every 180 days and undergo an interim recertification every 180 days, until they have a stable income. If any increases in income are indicated in any of the above information or other verification, then the family will be reviewed for an interim and the rent will be adjusted accordingly. 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. Families that report zero or extremely low income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

SMHA will process interim adjustments in rent as follows:

1. When a decrease in income is reported, and the Authority receives confirmation that the decrease will last less than 30 days, an interim adjustment will not be processed.
2. Residents reporting decreases in income that are expected to last more than 30 days will have an interim adjustment processed.

SMHA Errors

If SMHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

G. . TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)

Standard for Timely Reporting of Changes

The SMHA requires that families report interim changes to the SMHA within **10** working days of when the change occurs. Any information, document or signature needed from the family that is needed to verify the change must be provided within **10** working days of the change.

If the change is not reported within the required time period, or if the family fails to provide signatures, certifications or documentation, (in the time period requested by the SMHA), it will be considered untimely reporting.

Procedures When the Change is Reported in a Timely Manner

The SMHA will notify the family of any changes in Tenant Rent to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following the month in which the change is reported.

The change will not be made until the third party verification is received.

Procedures when the Change is not Reported by the Tenant in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any underpaid rent, and may be required to **sign a Repayment Agreement**.

The SMHA will not execute a payment agreement if the payback is so much that it will take the family longer than 24 months to complete the agreement.

Decrease in Tenant Rent will be effective on the first of the month following completion of processing by the SMHA and not retroactively.

Procedures when the Change is not Processed by the SMHA in a Timely Manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the SMHA in a timely manner.

Therefore, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by the SMHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

H. . REPORTING OF CHANGES IN FAMILY COMPOSITION

The members of the family residing in the unit must be approved by SMHA. The family must inform SMHA and request approval of additional family members other than additions due to birth, adoption or court-awarded custody before the new member occupies the unit.

The SMHA will not approve the addition of family members other than by birth, adoption, marriage or court-awarded custody where the occupancy standards would require a larger size unit.

All changes in family composition must be reported within 10 working days of the occurrence in writing.

If an adult family member is declared permanently absent by the head of household, the notice must contain a certification by the head of household that the member (who may be the head of household) removed is permanently absent.

The head of household must provide a statement that the head of household will notify the SMHA if the removed member returns to the household for a period longer than the visitor period allowed in the lease.

Deceased Tenant Actions (PIH 2010-9)

Corrective Actions Required by SMHAs. When the Deceased Tenants Report identifies an individual as being deceased, SMHA is required to take the following actions:

- a. Immediately contact the head of household (HOH) or emergency contact person (if the HOH is deceased and there is no other adult household member) to confirm the death of the listed household member. A letter should be sent to the HOH, followed by a telephone call.
- b. SMHA shall conduct a home visit to determine if anyone is residing in the unit. If there are unauthorized persons in the unit of a deceased single member household SMHA must pursue judicial intervention to have them lawfully removed from the unit. SMHA will follow the State and local Tenant and Landlord laws to regain possession of the unit.
- c. **When the remaining household member is a live-in aide.** When the HOH dies and the only remaining household member is the live- in aide, the live- in aide is not entitled or eligible for any rental assistance or continued occupancy in a subsidized unit. By definition, the live-in aide would not be living in the subsidized unit except to provide the necessary supportive services on behalf of the elderly or disabled HOH. The SMHA may not designate the live-in aide as the new HOH or change the relation code (line item 3h on the form HUD-50058) of the live- in aide to make him or her an eligible household member (eligible for assistance). The SMHA must notify the live- in aide s/he is required

to vacate the unit at the end of month. If the live- in aide does not vacate the unit, the SMHA must follow local Tenant and Landlord laws to regain possession of the unit.

What to do if the HOH is deceased and the remaining household members are minors.

SMHA shall follow the established policy for dealing with situations when the HOH dies during tenancy and the remaining household members are minors. SMHA's policy includes (but is not limited to) allowing a temporary adult guardian to reside in the unit until a court-appointed guardian is established. In accordance with its screening policies, the SMHA may add the new guardian as the new HOH should the legal appointment be of a duration of greater than 6 months. SMHA will work with the local Department of Social Services to ensure that the best interests of the children are addressed.

What to do if an identified household member is reported to be deceased and is actually

alive. There are a very few instances when an error has been made in the SSA's Death Match File (DMF), where an individual is reported as deceased, but actually living. In the event that a household member is misidentified as deceased on the Deceased Tenants Report, SMHA will immediately notify the individual in writing and advise the individual to contact SSA so that SSA may correct its records. The individual may contact SSA at (800) 772-1213, or visit his/her local SSA office for assistance.

The SMHA will provide the individual with his/her section of the EIV Income Report, which shows the death information. SMHA is authorized to provide EIV information only to the individual the information pertains to. The SMHA will provide the minor's information to the minor's adult parent or guardian.

SMHA will make a note in the tenant file that the individual has been identified as deceased; however, the SMHA has confirmed that the individual is actually alive. Only SSA can correct erroneous death information.

For deceased single member households (where there are no unauthorized unit occupants), SMHA may list the date of death as the last day of the month, in which the death occurred. SMHA is required to then classify the unit as vacant in PIC. The SMHA may not use a later date based on the date that all personal belongings were removed from the unit by the family. The SMHA may coordinate the removal of personal belongings within a reasonable time frame (not to exceed 14 days). In situations where the SMHA seeks judicial intervention to regain possession of the public housing unit, the SMHA must list eviction date (the day in which the SMHA has regained possession of the unit) as the effective date of action.

Increase in Family Size

SMHA will consider a unit transfer (if needed under the Occupancy Guidelines) for additions to the family in the following cases:

- Addition by marriage/or marital-type relation.

- Addition of a minor who is a member of the nuclear family who had been living elsewhere.
- Addition of a SMHA-approved live-in attendant.
- Addition due to birth, adoption or court-awarded custody.

Families who need a larger sized unit because of voluntary additions will have lower priority on the Transfer List than other families who are required to change unit size.

If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in unit size shall be made effective upon availability of an appropriately sized unit.

Definition of Temporarily/Permanently Absent

SMHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent.

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

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

Absence of Entire Family

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

Families are required to notify SMHA before they move out of a unit in accordance with the lease and to give SMHA information about any family absence from the unit.

Families must notify SMHA if they are going to be absent from the unit for more than seven (7) consecutive days. A person with a disability may request an extension of time as a reasonable accommodation.

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

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

Conduct home visit

Write letters to the family at the unit

- Post letters on exterior door
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Check with Post Office for forwarding address
- Contact emergency contact

If the entire family is absent from the unit, without SMHA permission, for more than 30 consecutive days, the unit will be considered to be vacant and the SMHA will terminate tenancy.

As a reasonable accommodation for a person with a disability, the SMHA may approve an extension. (See Absence Due to Medical Reasons for other reasons to approve an extension.) During the period of absence, the rent and other charges must remain current.

If the absence which resulted in termination of tenancy was due to a person's disability, and the SMHA can verify that the person was unable to notify the SMHA in accordance with the lease provisions regarding absences, and if a suitable unit is available, the SMHA may reinstate the family as an accommodation if requested by the family.

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for 30 consecutive days in a 12 month period except as otherwise provided in this Chapter.

Absence due to Medical Reasons

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

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the SMHA's "Absence of Entire Family" policy.

Temporary caretaker request must be provided by the resident and verified by a medical provider. The status must be updated every thirty (30) days. The SMHA will review the request and verified reasons for the caretaker during an extended medical hardship. Approval of the caretaker to occupy the unit for a period beyond 2 weeks will require prior approval by the Property Manager.

Absence due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for more than 90 consecutive days. The rent and other charges must remain current during this period.

SMHA will determine if the reason for incarceration is for drug-related or criminal activity that would threaten the health, safety and right to peaceful enjoyment of the dwelling unit by other residents. If the offense is drug related or criminal activity that violates the lease and policy, the lease will be terminated.

Foster Care and Absences of Children

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

If the time period is to be greater than 12 months from the date of removal of the child(ren), the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with the SMHA's occupancy guidelines.

Absence of Adult

If neither parents remains in the household and the SMHA and appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, SMHA will treat that adult as a visitor for the first 30 calendar days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the guardian, and the guardian qualifies under Tenant Suitability criteria, the lease will be transferred to the guardian.

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

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

SMHA will transfer the lease to the guardian, in the absence of a court order, if the guardian qualifies under the Tenant Suitability criteria and has been in the unit for more than 30 days and it is reasonable to expect that custody will be granted.

When the SMHA approves a person to reside in the unit as guardian for the child(ren), the income of the guardian should be counted pending a final disposition. SMHA will work with the appropriate service agencies to provide a smooth transition in these cases.

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

Full time students who attend school away from the home will be treated in the following manner:

SMHA Policy

The family will determine whether to consider a full-time (other than head or spouse), who attends school away from home but lives with the family during recess, temporarily or permanently absent. If they are not part of the household, the student will not be included on the lease, income of the student will not be included in the total income and the student will not be included in determining unit size for the family.

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of unit size.

If the student is considered temporarily absent from the household, applicable income for that person will be appropriately counted.

Visitors (See Chapter on Leasing)

Any adult not included on the HUD 50058 who has been in the unit more than **14** consecutive days, or a total of **30** cumulative days in the year will be considered to be living in the unit as an **unauthorized** household member.

Absence of evidence of any other address will be considered verification that the visitor is an unauthorized household member.

Statements from neighbors and/or SMHA staff will be considered in making the determination.

The SMHA will consider:

Statements from neighbors and/or SMHA staff

Vehicle license plate verification

Post Office records

Driver's license verification

Law enforcement reports

Credit reports

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the SMHA will terminate the family's lease since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to **30** days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than **180** days per year, the minor will be considered to be an eligible visitor and not a family member. If both custodial parties reside in Subsidized Housing of any kind, only one custodial party would be able to claim the child for deductions and for determination for the occupancy standards.

A visitor/*guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

The lease must provide the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests [24 CFR 966.4(d)]. The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere on or near SMHA premises [24 CFR 966.4(f)].

A resident family must notify the SMHA in writing when overnight guests will be staying in the unit for more than 14 days.

Residents are responsible for the actions and conduct of their guests in accordance with the lease.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 20 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the public housing unit more than 50 percent of the time, are not subject to the time limitations of guests as described above.

Former residents who have been evicted are not permitted as overnight guests.

Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence constitutes violation of the lease.

Absence of evidence of any other address will be considered verification that the visitor is an unauthorized household member.

Statements from neighbors and/or SMHA staff will be considered in making the determination.

If both parents reside in Public Housing, only one parent would be able to claim the child for deductions and for determination for the occupancy standards.

I. . REMAINING MEMBER OF TENANT FAMILY - RETENTION OF UNIT

To be considered the remaining member of the tenant family, the person must have been previously approved by SMHA to be living in the unit for at least 120 days prior to the existing head of household being removed.

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

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

A reduction in family size may require a transfer to an appropriate unit size per the Occupancy Standards.

J. . CHANGES IN UNIT SIZE

The SMHA shall grant exceptions from the occupancy standards if the family requests and the SMHA determines the exceptions are justified according to this policy.

The SMHA will consider the size of the unit and the size of the bedrooms, as well as the number of bedrooms, when an exception is requested.

When an approvable change in the circumstances in a tenant family requires another unit size, the family's move depends upon the availability of a suitable size and type of unit. If the unit is not available at the time it is requested, the family will be placed on the Transfer List.

K. . CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

Under the Noncitizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members. Mixed families are eligible for prorated assistance in accordance with the mixed-family portion of the policy. Family members that have temporary eligible status will be re-verified for eligibility at the annual recertification period.

¹ 24 CFR § 5.5

² 24 CFR § 960.257

³ 24 CFR § 960.259(c)

⁴ 24 CFR § 5

⁵ 24 CFR § 966.4 (c)(2)

⁶ 24 CFR § 966.4(c) & (o)

⁷ 24 CFR § 966.4 (c)(3)

Chapter 13

GRIEVANCES AND APPEALS

[24 CFR Part 966 Subpart B]

INTRODUCTION

This document describes the policies to be used when families disagree with a decision by the SMHA based on any action, decision, or inaction by SMHA. It is the policy of SMHA to ensure that all families have the benefit of all protections due to them under the law.

If a Complainant does not follow the procedures set forth in this policy and/or does not request a hearing, then the Authority's action, inaction, or decision shall be considered final on part of SMHA. Failure of a Complainant to request a hearing does not constitute a waiver of his/her right to contest the Authority in an appropriate judicial proceeding.

For all aspects of the grievance and appeals process, a disabled person shall be provided reasonable accommodation to the extent necessary to provide the disabled person with an opportunity to use the grievance procedures equal to a non-disabled person.

The informal settlement meeting requirements defined in HUD regulations are applicable to participating families who dispute any SMHA action or failure to act involving the tenant's lease with SMHA or Public Housing regulations which adversely affect the individual tenant's rights, duties, welfare or status. It is the policy of the SMHA to ensure that all families have the benefit of all protections due to them under the law.

- Grievances shall be handled in accordance with the SMHA's approved Grievance Procedures (Adopted August, 1971) (Revised April 2018). The written grievance procedure is incorporated into this document by reference and is the guideline to be used for grievances and appeals.

A. RIGHT TO A HEARING

1. Upon filing of a written request as provided herein, a Complainant shall be entitled to an informal settlement meeting by an impartial person not involved in the original decision and/or a formal grievance before a 3rd party hearing officer.
2. Notwithstanding any other provision herein, all rights of a resident under this Grievance Procedure shall be deemed waived unless such resident has paid and continues to pay to

Stark Metropolitan Housing Authority (SMHA) all rentals on the scheduled due dates pursuant to the terms of his lease with SMHA. If the dispute is over the amount of rent or other charges which SMHA claims is due, any disputed amounts may be deposited with the local Clerk of Courts.

3. Because HUD has issued a due process determination that the law of the State of Ohio requires that a resident be given the opportunity for a hearing in court which provides the basic elements of Due Process before eviction from the dwelling unit, this Grievance Procedure shall not be applicable to any termination of tenancy or eviction that involves:
 - a. Any criminal activity that threatens the health, safety, or right to a peaceful enjoyment of the premises of other residents or employees of the SMHA. (see Chapter on Lease Terminations and Chapter on Evictions)
 - b. Violent or drug-related criminal activity on or off the premises
 - c. Any criminal activity that resulted in felony conviction of a household member
4. This Grievance Procedure shall not be applicable to disputes between residents not involving the SMHA or to class Grievances. This Grievance Procedure is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the SMHA's Board of Commissioners.

B. INFORMAL SETTLEMENT OF A GRIEVANCE

1. Any grievance or complaint must be personally presented, if possible, to the Central Office of SMHA or to the management office of the development in which the Complainant resides so that the grievance may be informally discussed and settled without a formal grievance hearing. The grievance must be signed by the Complainant and filed in such office by him or his representative within a reasonable time, not in excess of five (5) working days of the SMHA action or failure to act which is the basis of the grievance. It may be simply stated, but shall specify:
 - a. The particular ground(s) upon which it is based;
 - b. The action requested; and
 - c. The name, address and telephone number of Complainant and similar information about his representative, if any.
2. An informal settlement meeting may be held at the Complainant's request. Otherwise, an answer, in writing, to each Complainant, dated and signed by the development manager or other appropriate official, shall be delivered or mailed to the Complainant within five (5) working days. A copy of the answer shall be filed with the Complainant in the appropriate project office or the Central Office. The answer shall specify:

- a. The proposed disposition of the complaint and the specific reasons therefore;
- b. The right of the Complainant to a formal grievance hearing; and
- c. The procedure by which a formal grievance hearing may be obtained. The answer may challenge whether a proper grievance under this procedure has been stated.

C. REQUEST FOR A FORMAL GRIEVANCE HEARING

1. If the Complainant is dissatisfied with the proposed disposition of his complaint, as stated in the development manager's or other SMHA official's answer, he may submit a written request to the SMHA Central Office or project management or other office at which the complaint was filed for a hearing. This written request shall be made within ten (10) working days of the date of the answer to his complaint. The written request for a formal grievance hearing must be date-stamped and filed in the appropriate SMHA office along with the original complaint and answer. The 3rd party formal grievance hearing officer shall be advised, promptly as possible, date, time and place reasonably convenient to the Complainant and hearing officer will be established and the Complainant will be notified thereof in writing.
2. If the Complainant does not request a hearing within the time period allowed in subsection c. above, he waives his right to the formal grievance hearing, and SMHA's proposed disposition of the grievance will become final.

D. HEARING OFFICER

The Housing Authority will issue a Request for Proposals for solicitations to determine a suitable person to be the 3rd party hearing officer to hear and determine outcomes in Formal Grievances.

The hearing officer shall be a person, with legal training, if possible. Appointees shall serve at the pleasure of the Board of Commissioners and shall be paid for services on a time basis.

The hearing officer will be informed that they will be expected to disqualify themselves from hearing Formal Grievances that involve personal friends, other residents of developments in which they work or reside, or Formal Grievances in which they have some personal interest.

E. THE FORMAL GRIEVANCE HEARING

The parties shall be entitled to a fair hearing before the 3rd party hearing officer for formal grievances and may be represented by counsel or another person chosen as a representative.

The formal grievance hearing shall be private unless Complainant requests and hearing officer agrees to a public hearing. This shall not be construed to limit the attendance of persons with a valid interest in the proceedings. Any person may be excluded for willful interference with orderly procedure.

Complainant may examine before the hearing, (and at his expense), copy all documents, records and regulations of SMHA that are relevant to the hearing. Any document not made available after the request, therefore by the Complainant, may not be relied on by SMHA or the development manager at the hearing. The Complainant may arrange for the taking and preparation of a transcript of the hearing at his expense.

If the dispute is over the amount of rent or other charges which SMHA claims is due, the Complainant shall deposit the amount in dispute with the Clerk of Courts pending settlement of the dispute by the hearing officer.

If the Complainant fails to appear at a hearing, the hearing officer may postpone the hearing for five working days, or may make a determination that the Complainant has waived his right to the hearing. If postponed, notice of same shall be delivered or mailed to the Complainant. Failure to appear on the date to which the hearing is postponed, shall constitute a waiver of Complainant's right to the hearing.

At the hearing, the Complainant must make a (prima facie case) and then the burden of proof is on SMHA to justify the action or inaction proposed by it in its answer to the Complainant, controvert evidence relied on by SMHA and confront and cross examine all witnesses on whose testimony or information SMHA relies. Any oral or documentary evidence, as limited, however to the facts and issues raised by the complaint and answer, may be received by the hearing officer without regard to whether that evidence would be admissible under the rules of evidence employed in judicial proceedings.

The SMHA will provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the Complainant is visually impaired, any notice to the Complainant which is required under this procedure must be an accessible format.

F. DECISIONS OF THE HEARING OFFICER

1. If the hearing officer's answer to the formal grievance filed challenges whether a proper grievance under this procedure has been filed, the hearing officer shall first determine that question and enter such finding in the record of the proceeding. He may permit, at that point, the Complainant or his representative to modify the stated complaint to clarify their complaint. If the hearing officer decides no proper grievance under this procedure has been filed, the record of the proceeding shall so state and any monies on deposit for Complainant shall be withdrawn and disbursed to SMHA. The hearing officer may find a formal grievance to be improper, among other reasons for frivolity or by reasons of prior determination of the same of a similar claim of grievance.
2. The decision of the hearing officer shall be based solely and exclusively upon facts presented at the formal grievance hearing and upon applicable SMHA and HUD regulations. To the extent that the decision is not inconsistent with State law, the United States Housing Act of 1937, as amended, HUD regulations and requirements promulgated thereunder, or the Annual Contributions Contract, and to the extent provided in subsection 6. below, the decision of the hearing officer shall be binding. At the request of the established hearing officer, SMHA will provide the hearing officer with a pre-hearing packet prior to the formal grievance hearing being conducted. This pre-hearing packet will contain only information directly relevant to the hearing and information that will be formally presented at the formal grievance hearing.
3. After hearing a formal grievance, the hearing officer shall either find a grievance has been proven or has not been proven. In finding that a grievance has been proven, he shall make specific findings as to:
 - a) Which lease requirements and which of its regulations, policies or procedures SMHA has not acted in accordance with;
 - b) What facts constituted the action or inaction not in accordance with such lease requirements, regulations, policies or procedures.
4. If the hearing officer does not find that a grievance has been proven, all monies deposited on account of the Complainant shall be distributed to SMHA.
5. If the hearing officer does find a grievance has been proven, he may take one or more of the following actions as is appropriate to correct the grievance:
 - a) Order SMHA to furnish a utility, service, repair, maintenance, alteration or improvement;
 - b) Order SMHA to credit Complainant with an abatement of a specific dollar amount of rent for a specified period of time for violation of management obligations;
 - c) Order SMHA to cancel an improper charge to resident's account;

- d) Order SMHA to refund a security deposit to Complainant;
 - e) Order SMHA to repay or to credit Complainant with a disputed amount of rent;
 - f) Order SMHA to adjust rent in accordance with the lease;
 - g) Order SMHA to cancel its notice to Complainant to move to another unit in his development, pursuant to the lease;
 - h) Order SMHA to cancel its notice to move, termination of lease and/or proposed eviction.
 - i) Order SMHA to cease entering Complainant's dwelling unit except pursuant to lease provisions.
 - j) Order SMHA to reverse decision regarding applicant's eligibility and reinstate applicant on the waiting list.
 - k) Recommend another proposed action to SMHA for its approval.
6. If the hearing officer orders the furnishing of a utility, service, repair, maintenance alteration or improvement to a Complainant:
- a) Which would equally apply to other residents similarly situated;
 - b) Which would not be covered by funds approved by HUD for SMHA expenditure in its management budget, modernization program funding or development program funding;

SMHA shall, within 30 days of the mailing of delivery of the hearing officer's decision, notify the hearing officer and the Complainant of the above, that it has notified HUD of the decision and has filed an application with HUD for the necessary funding. SMHA shall, thereafter, expeditiously proceed to comply with such order of the hearing officer.

7. If both parties agree to prepare a proposed decision, each party shall submit same to the hearing officer for his consideration as he may direct.
8. The hearing officer shall prepare his written decision, including the statement of findings and actions as set forth above. This shall be done within a reasonable time after the date of the formal grievance hearing. Copies thereof shall be mailed or delivered to the parties and/or their representative.
9. If the decision is in favor of the Complainant, SMHA shall promptly take all actions necessary to carry out such a decision or refrain from any action prohibited by such decision unless the Board of SMHA determines and notifies the Complainant, in writing, within 30 days that:

- a) The hearing officer has acted arbitrarily or exceeded his authority; or
 - b) Unless Subparagraph F. above applies.
10. A log of all decisions made by the 3rd party hearing officer shall be maintained on file by SMHA and made available for inspection by the hearing officer, a complainant or his representative.
11. Any judicial decision or related settlement pertaining to the decision of the hearing officer shall also be maintained on file by SMHA and made available for inspection.

G. APPEALS

A decision by the hearing officer, which is in favor of SMHA and/or denies the Complainant his requested relief in whole or in part, shall not constitute a waiver of, not affect in any manner, whatever rights the Complainant may have to a trial de novo in judicial proceedings which may thereafter be brought in that manner.

H. NOTICE OF TERMINATION OF LEASE

Notice of termination of a resident's lease may be given at such time as management determines good cause for termination exists, notwithstanding SMHA's obligations to tell residents of the reasons for proposed eviction and the affording of an opportunity to reply or explain pursuant to Paragraph 10 below or any rights to an informal settlement meeting or formal grievance hearing pursuant to this grievance procedure.

I. NOTICE TO VACATE PREMISES

1. At the time of the private conference or other appropriate method of advice of reasons for the proposed eviction required by Low-Rent Housing Handbook RHM 7465.1, the resident must be informed in writing, of:
- a) The specific reasons for the proposed eviction; and
 - b) His right to request an informal settlement meeting or formal grievance hearing as applicable upon the grounds for the eviction within five (5) working days from the date of the conference or notice.
2. If the resident is entitled to a formal grievance hearing on the proposed eviction and the hearing officer by his decision, upholds SMHA's proposal to evict, and action to regain possession may not be commenced unless the resident's right to use and/or occupy the premises has been terminated by State required statutory notice to vacate. Such notice to vacate may not be given prior to the date on which the hearing officer's decision upholding the proposed eviction is delivered or mailed to the resident unless his rights have been waived under this Grievance Procedure.

3. When such notice to vacate is given to the resident, he must be informed in writing that:
 - a) If he fails to quit the premises within three (3) days, appropriate legal action will be brought against him;
 - b) If suit is brought against him, he may be required to pay court costs incurred;
 - c) If he chooses to contest the legal action, SMHA or development management must prove that the reasons upon which it originally relied constituted good cause for eviction under the applicable law, rules and regulations.

J. LIMITATIONS

Procedures and decisions of the hearing officer shall be valid to the extent that they are not inconsistent with the laws of Ohio, the U.S. Housing Act of 1937, as amended, HUD regulations, or the Annual Contributions Contract.

K. AMENDMENTS

The SMHA shall, before amending or changing this Grievance Procedure, provide at least 30-days notice to residents and the Resident Organization of proposed changes in this Grievance Procedure. Within the 30 day period, residents and the Resident Organization may submit written comments to the SMHA. Such written comments shall be considered by the SMHA before adoption of any changes to this Grievance Procedure.

L. APPEALS BY APPLICANTS

Applicants who are determined ineligible, who do not meet SMHA's admission standards, or where SMHA does not have an appropriate size and type of unit in its inventory will be given written notification promptly, including the reason for the determination. The written notification will state that the applicant may seek an Informal Settlement Meeting . Applicants are ineligible for a Formal Grievance hearing.

Applicants must submit their request for an Informal Settlement Meeting **in writing** to SMHA within 10 working days from the date of the notification of their ineligibility. SMHA will then provide an Informal Settlement Meeting within 15 working days of receiving the applicant's request. SMHA will notify the applicant of the place, date, and time of the hearing.

Informal Settlement Meetings will be conducted by an impartial person that is not the person who made the determination of ineligibility or a subordinate of that person.

The applicant may bring to the hearing any documentation or evidence s/he wishes. The applicant's information, along with data compiled by SMHA, will be considered by the person

conducting the informal settlement hearing. A determination will be made based upon the merits of the evidence presented by both sides.

Within 10 working days of the date of the Informal Settlement Meeting, the individual that conducted the informal settlement hearing will mail a written decision to the applicant and place a copy of the decision in the applicant's file.

SPECIAL HEARING AND APPEAL PROVISIONS FOR APPLICANTS NOTIFIED OF INELIGIBILITY BASED ON "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

Assistance to a family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on an Immigration and Naturalization Service (INS) appeal.

INS Determination of Ineligibility [24 CFR 912.9(e)]

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, SMHA will notify the applicant within 10 working days of their right to appeal to the INS. The family will have 30 days from the date of SMHA's notification to request an appeal of the INS results. The request for appeal shall be made by the family communicating in writing directly to the INS. The family must provide SMHA a copy of the written request for appeal, and proof of mailing. For good cause shown, SMHA shall grant the family an extension of the time within which to request an appeal.

Documentation to be submitted to the INS as apart of an appeal to the INS:

1. Copy of original Form G-845S received from INS annotated at the top center in bold print: **HUD APPEAL**.
2. Include two stamped envelopes, one addressed to the applicant and one addressed to SMHA.
3. Attach any and all documentation available to support the reason or basis for the appeal. This should include legible copies of both sides of the Form G-845S.

The INS will issue the results of the appeal to the family, with a copy to SMHA, within 30 days of its receipt. If, for any reason, the INS is unable to issue a response within the 30-day time period, the INS will inform the family and SMHA of the reason for delay.

When SMHA receives a copy of the INS response, SMHA will notify the family of its right to request an Informal Settlement Meeting on SMHA's ineligibility determination in accordance with the procedures outlined in "Section B. Appeals by Applicants."

If the person conducting the informal settlement meeting decides that the individual is not eligible, and there are no other eligible family members SMHA will:

1. Deny the applicant family, or
2. Defer termination if the family is a participant and qualifies for deferral, or

3. Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, SMHA will offer to prorate assistance or give the family the option to remove the ineligible members.

A decision against an applicant under the INS appeal process or SMHA's Informal Hearing does not preclude the applicant from exercising the right to seek redress directly through judicial procedures [24 CFR 912.9(g)].

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide documentation and/or certification.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to either an informal settlement meeting or formal grievance hearing regarding determinations of Tenant Rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

N. EVIDENCE

The SMHA will use the concept of the preponderance of the evidence as the standard for making all admission, termination, and grievance decisions.

Preponderance of the evidence is defined as the greater weight of the evidence; that is, evidence that you believe because it outweighs or overbalances in your mind the evidence opposed to it. A preponderance means evidence that is more probable, more persuasive, or of greater probative value. It is the quality of the evidence that must be weighed. Quality may, or may not, be identical with quantity (the greater number of witnesses).

Consider all evidence. In determining whether an issue has been proved by a preponderance of the evidence, you should consider all of the evidence, regardless of who produced it.

Equally balanced. If the weight of the evidence is equally balanced, or if you are unable to determine which side of an issue has the preponderance, the party who has the burden of proof has not established such issue by a preponderance of the evidence.

Chapter 14

FAMILY DEBTS TO THE SMHA

INTRODUCTION

This Chapter describes the SMHA's policies for the recovery of monies that have been underpaid by families. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the SMHA's policy to meet the informational needs of families, and to communicate the program rules in order to avoid family debts. Before a debt is assessed against a family, the file must contain documentation to support the SMHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the family or other interested parties.

TENANT REREPAYMENT AGREEMENTS (PIH 2010-19)

Tenants are required to reimburse the SMHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent under Repayment is commonly referred to as retroactive rent. If the tenant refuses to enter into a Repayment agreement or fails to make Repayments on an existing or new Repayment agreement, the SMHA **must** terminate the family's tenancy or assistance, or both. HUD does **not** authorize any PHA-sponsored amnesty or debt forgiveness programs.

All Repayment agreements must be in writing, dated, signed by both the tenant and the Director of Asset Management or his/her designee, include the total retroactive rent amount owed, amount of lump sum Repayment made at time of execution, if applicable, and the monthly Repayment amount. At a minimum, Repayment -agreements must contain the following provisions:

- a. Reference to the paragraphs in the SMHA lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- b. The monthly retroactive rent Repayment amount is in addition to the family's regular rent contribution and is payable to the SMHA.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.

d. Late and missed Repayments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

SMHA is required to determine retroactive rent amount as far back as the SMHA has documentation of family reported income.

When families owe money to the SMHA, the SMHA will make every effort to collect it. The SMHA will use a variety of collection tools to recover debts including, but not limited to:

Requests for lump sum Repayments

Civil suits

Repayment agreements

Collection agencies

Credit bureaus

Income tax set-off programs

A. REPAYMENT AGREEMENT FOR FAMILIES

A Repayment Agreement as used in this Plan is a document entered into between the SMHA and the person who owes a debt to the SMHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of Repayment, any special provisions of the agreement, and the remedies available to the SMHA upon default of the agreement.

When a resident falls behind in rent, owes for damages, or other charges, and is unable to pay the balance by the due date, the resident may request a SMHA Repayment be executed. SMHA has the sole discretion of whether to accept such an agreement.

All Repayment Agreements must assure that the delinquent amount is paid within a period not to exceed 36 months or the term of the current lease, whichever is less. The Repayment Agreement form clearly states a schedule of Repayments, Due dates for repayments should be the 1st of the month.

Failure to comply with the Repayment Agreement terms may subject the resident to eviction procedures.

Prior to the execution of the Repayment Agreement, the family must pay a minimum of 10% (ten percent) of the balance owed to the property.

Residents are allowed one Repayment Agreement within a 12 month period (the 12 month period will start when the entire balance has been paid to SMHA)

Residents who have previously defaulted on a Repayment Agreement will not be approved to enter into any other Repayment Agreements.

All Repayment Agreements must be in writing and signed by the Director of Asset Management and the head of household/spouse/co-head/ and all signers on the lease (or ex-resident as the case may be).

Late fees will be assessed for the first month of the Repayment Agreement only and will be waived while the terms of the Repayment Agreement are being met. Once there is a default on the Repayment Agreement, late fees will be assessed while there is an outstanding balance per the lease.

All future rents must be paid on time or the Repayment Agreement becomes invalid.

The Repayment Agreement will accelerate and become due immediately upon move out of a current resident.

Failure to pay according to the Repayment Agreement and/or failure to make current rent payments on time will make the Repayment Agreement invalid and the debt will accelerate and become due immediately.

No Repayment Agreement will be accepted for the first month rent or for security deposits unless program requirements specifically require this be allowed.

A Repayment Agreement signed by the resident(s) must be approved and signed by the Director of Asset Management before it takes effect. A copy of the signed agreement will be provided to the resident

The maximum amount for which the SMHA will enter into a Repayment agreement with a family is \$5,000.

The minimum amount for which SMHA will enter into a Repayment agreement with a family is \$100.

The maximum length of time the SMHA will enter into a Repayment agreement with a family is 36 Months.

The minimum monthly amount of monthly Repayment for any Repayment agreement is \$25.

Acceptable cause for a Repayment Agreement (back-up documentation required):

1. Loss of a job in the past 30 days-up to 12 month Repayment plan. Exceptions will be considered on a case by case basis and must be approved the Director of Asset Management or his/her designee.
2. An unexpected medical emergency in the past 30 days – up to 12 month Repayment plan. Exceptions will be considered on a case by case basis and must be approved by the Director of Asset Management or his/her designee.
3. Damages caused by misuse and neglect – up to 12 months Repayment agreement. Exceptions will be considered on a case by case basis and must be approved by the Director of Asset Management or his/her designee.
4. An approved agency, such as SCDJFS, etc. with verification that the full Repayment will be paid within 60 days – up to 2 months Repayment plan.
5. Documentation that monies will be late due to no fault of resident – up to 2 month Repayment plan.
6. Late fees are eligible for a Repayment agreement – up to 5 month Repayment agreement. Exceptions will be considered on a case by case basis and must be approved by the Director of Asset Management or his/her designee.

Late Repayments

A Repayment will be considered to be in arrears if:

The Repayment has not been received by the close of the business day on the 1st calendar day after which the Repayment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day. If the family's Repayment agreement is in arrears, the SMHA may:

Require the family to pay the balance in full

Pursue civil collection of the balance due

Terminate tenancy

Grant an extension of 15 days

If the family requests a transfer to another unit and has a Repayment agreement in place and the Repayment agreement is not in arrears:

The family will **not** be permitted to move.

There are some circumstances in which the SMHA may not enter into a Repayment agreement. They are:

If the family already has a Repayment agreement in place.

If the SMHA determines that the family has committed program fraud.

If the SMHA determines that the debt, due to fraud or failure to report income, is so large that it would take more than 36 months to repay.

Guidelines for Repayment Agreements

Repayment agreements will be executed between the SMHA and the head of household and spouse.

Monthly Repayments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Director of Asset Management or his/her designee. In no case will the Repayment decrease below \$25/month.

Additional Monies Owed

If the family has a Repayment agreement in place and incurs an additional debt to the SMHA:

The SMHA will not enter into more than one Repayment agreement with the same family.

B. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead.

Family Error/Late Reporting

Families who owe money to the SMHA due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Repayment Section of this Chapter.

Program Fraud

Families who owe money to the SMHA due to program fraud will be required to repay in accordance with the guidelines in Section A of this Chapter.

If a family owes an amount which equals or exceeds \$5,000 as a result of program fraud, the SMHA may refer the case for criminal prosecution. SMHA will consider a second incident of non-reporting of required information as deliberate misrepresentation and the tenant would be subject to an eviction action.

Repayment Procedures for Program Fraud

Families who commit program fraud or untimely reporting of increases in income will be subject to the following procedures:

The maximum time period for a Repayment agreement will be 36 months.

The minimum monthly Repayment will be \$25.

The amount of the monthly Repayment will be the greater of \$25 or Total Debt divided by total months allowable.

C. WRITING OFF DEBTS

Quarterly, the Finance Director will submit to the Board of Commissioners a list of accounts, including past due rent amount, to be written off because they have been determined to be uncollectible under the following guidelines:

1. The tenant has vacated the unit.
2. They are a current account on the Housing Authorities books and records.
3. The former tenant has not made a Repayment within the previous 60 days, nor have they contacted the Housing Authority to make Repayment arrangements. All attempts to contact the former resident have been unsuccessful.
4. The account has been, or is in the process of being turned over to a collection agency.

The Housing Authority, in concert with the collection agency and the judicial system, will continue to pursue all reasonable means to collect amounts due after an account is written off. In accordance with HUD guidelines, records will be maintained so that if necessary, the former resident may pay the balance in full prior to being accepted back on the public housing waiting list.

D. DEBTS OWED BY TENANTS WITH URPs

SMHA will counsel families to use the utility reimbursement to satisfy debts owed by tenants.

E. FORMS

Stark Metropolitan Housing Authority

NAME: _____ ACCOUNT # _____
ADDRESS: _____

REASON FOR DELINQUENCY: _____

CHARGES INCLUDED IN CURRENT ACTIVE RESIDENT REPAYMENT AGREEMENT

<u>Date</u>	<u>Description</u>	<u>Amt.</u> <u>Trns</u>	<u>Amt. Due</u>

AGREEMENT DATE: _____
AGREEMENT MONTHS: _____
START REPAYMENT MO./YR.: _____

TOTAL AGREEMENT AMT: _____
DOWN REPAYMENT: _____
BALANCE DUE: _____
MONTHLY REPAYMENT: _____
FINAL REPAYMENT: _____

I the head of household agree that this Active Resident Repayment Agreement, if approved, will become an addendum to my current and any future lease agreement(s) with the SMHA. I agree that I owe the amounts set forth above. I agree to pay the monthly amount set forth above, in addition to my current rent, and any other new charges assessed to my account, in accordance with my lease agreement. I reaffirm all other conditions of my lease agreement. I agree and understand that if I fail to pay the monthly amount set forth above, with my current rent Repayment, and any new charges assessed to my account, that the SMHA may proceed with terminating my lease agreement for non-Repayment of rent. I understand and agree that only one Active Resident Repayment Agreement will be allowed per a 12 month period. I understand that failure to make Repayments in accordance with the agreement will result in the balance being due and payable in a single full Repayment upon demand by the SMHA.

The lease requires that a tenant in non-compliance with the Repayment agreement may be subject to termination of tenancy or assistance, or both.

The monthly retroactive rent Repayment amount is in addition to the family's regular rent contribution and is payable to the SMHA.

The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income. This will be subject to verification of the decrease or increase in income.

Late and missed Repayments constitute default of the Repayment agreement and may result in termination of tenancy and/or assistance.

Signature

Date

Housing Manager/Aide

Date

Stark Metropolitan Housing Authority
REPAYMENT AGREEMENT

I, _____, do hereby agree that I/we owe the Stark Metropolitan Housing Authority the amount of \$_____ as a result of my/our occupancy at _____, _____, Ohio 44____. This debt is the result of the following program violation(s):

I/we have made a payment of _____ toward repayment of this debt on _____. I/we agree to pay the Stark Metropolitan Housing Authority \$_____ each month until the balance is paid in full. My/our monthly payments will be due by the 1st day of each month, and the first month payment will be due _____, _____. So long as I/we make payments on time, the unpaid balance will not bear interest. If I am late with a payment or miss a payment, however, the Stark Metropolitan Housing Authority may assess interest on the unpaid balance at the rate of 10% per year, calculated and compounded monthly, and may demand repayment of the entire balance at once.

I/We have read the "Repayment Agreement Policy" statement below, and agree that any failure to abide by and perform this Repayment Agreement may result in one of the actions listed. I/We acknowledge receipt of a copy of this Agreement.

Special provisions (if none, write none): _____

WITNESS MY/OUR SIGNATURE this ____ day of _____, _____, in Canton, Ohio.

Total monthly payment calculation:
Current monthly rent due: \$ _____
Monthly repayment amount: \$ _____
Total monthly payment due: \$ _____

Signature_____

Address_____

Telephone_____

REPAYMENT AGREEMENT POLICY

It is the policy of the Stark Metropolitan Housing Authority not to provide Rental Assistance or Public Housing to any member of a family who owes money to the Authority, unless the money is repaid or a Repayment Agreement has been made and payments under such an agreement are made when due.

Any amount due to the Stark Metropolitan Housing Authority by a public housing family must be repaid. If the family is unable to repay the debt within 30 days, the PHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, Stark Metropolitan Housing Authority (SMHA) will terminate the family's tenancy in accordance with SMHA's policies. SMHA will also pursue other modes of collection.

If the family owes an amount equal to or greater than \$5,000 as a result of program fraud, the case will be referred to the OIG (Office of Inspector General) for prosecution. No payment agreement will be made and SMHA will terminate the family's tenancy in accordance with SMHA's policies.

Prior to the execution of a repayment agreement, the family must pay ten percent (10%) of the balance owed to SMHA. The 10% down payment is due at the signing of the repayment agreement.

Amounts between \$3,000 and \$4,999 must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 24 months.

Amounts between \$1,000 and \$1,999 must be repaid within 12 months.

Amounts under \$1,000 must be repaid within 6 months.

All payments are due on the first (1st) day of the month. Payments not received by the close of business on the 5th day of the month will be considered late. If the 5th day of the month does not fall on a business day, the payment must be received by the close of business on the first business day after the 5th.

If a payment is not received by the close of business on the date that the payment is due, and prior approval for the missed payment has not been given by SMHA, the family will be sent a delinquency notice giving the family 14 days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and SMHA will terminate tenancy in accordance with SMHA's policies.

If a family is late with a repayment agreement payment, without prior approval from SMHA for the late payment, the Housing Authority **may** require the family to pay the remaining balance in full. The family will be required to pay the remaining balance with their next monthly rent statement. If a family receives three (3) delinquency notices for unexcused late payments in a 12 month period, the repayment agreement will be considered in default and SMHA will terminate tenancy in accordance with SMHA's policies.

Tenants may not enter into a new repayment agreement while they are currently making payments on a previous repayment agreement. The initial repayment must be paid in full prior to SMHA entering into a new repayment agreement.

Tenant Signature _____ Date _____

S.M.H.A. Representative Signature _____

Date: _____

S.M.H.A. Supervisor Approval _____

Date: _____

Chapter 15

COMMUNITY SERVICE and SELF SUFFICIENCY REQUIREMENTS **[24 CFR Part 960 Subpart F and 24 CFR 903.7(I)]**

INTRODUCTION

The Quality Housing and Work Responsibility Act of 1998 requires that all non-exempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes and other activities which help an individual toward self-sufficiency and economic independence. This is a requirement of the dwelling lease signed with all residents of SMHA.

HUD issued the PIH 2009-48 notice to assist SMHA's understanding and administration of the mandated Community Service and Self-Sufficiency Requirement (CSSR) and in response to an audit report issued by the Office of Inspector General on March 24, 2008. This Notice addresses:

- Statutory/Regulatory Requirements for Administering CSSR;
- Data Collection and Reporting Requirements;
- Action to take against non-compliant tenants; and,
- Penalties/sanctions against LHAs housing ineligible households.

Statutory/Regulatory Requirements for Administering CSSR: Community Service is "The performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self responsibility in the community. Community service is not employment and may not include political activities."

Community service volunteer work and economic self-sufficiency requirements mandate that each nonexempt adult household member (18 years or older) shall either contribute 8 hours per month of community service within his or her community, or participate in an economic self-sufficiency program for 8 hours per month (see 24 CFR 960.603(a)). The requirements can also be met by a combination of 8 hours of community service and participation in an economic self-sufficiency program. At least 8 hours of activity must be performed each month (see 24 CFR 960.603(a)) or a total of 96 hours annually.

PHAs may administer qualifying community service and self-sufficiency activities directly, or make the activities available to residents through a contractor or partnership with qualifying organizations (including resident organizations), community agencies, or institutions (see 24 CFR 960.605(b))

SMHA requires residents to verify compliance annually, at least 30 days before the expiration of the lease term. Residents may self-certify their compliance with this requirement; however, self-certification may be subject to third party verification. A.

DEFINITIONS

Community Service – volunteer service that includes, but is not limited to:

- Service at a local school, church, hospital, recreation center, senior center, service organization, or child care center
- Service with youth or senior organizations, including Police Athletic League (PAL) events and functions
- Service at SMHA to help with children’s programs or youth sporting events
- Service at SMHA to help with senior programs
- Helping neighborhood groups with special projects including Blockwatch, Apartment watch or Resident Patrol
- Working through the Resident Council or individual development Resident Council’s or Senior Club to help other residents with problems
- Caring for the children of other residents so they may volunteer
- Service on the Resident Advisory Board
- Other volunteer service with non-profits, for example, 501(C)(3) organizations, providing community service programs.

NOTE: Political activity is excluded. This would include but is not limited to: voter registration; campaign worker; and poll worker assignments.

Self-Sufficiency Activities – activities that include, but are not limited to:

- Job readiness or job training;
- Training programs through local One-Stop Career Centers, Workforce Investment Boards (local entities administered through the U.S. Department of Labor) or other training providers;
- Higher education (junior college or college);
- GED classes;
- Apprenticeships (formal or informal);
- Substance abuse or mental health counseling;
- Reading, financial and/or computer literacy classes;
- English as a second language and/or English proficiency classes;
- Budgeting and credit counseling; and,
- Any activity required by the Department of Public Assistance under Temporary Assistance for Needy Families (TANF).
 - Employment and Training programs
 - Homeownership educational programs or seminars (offered by SMHA and other community organizations)
 - Participating in the Family Self-Sufficiency Program and being current in the steps outlined in the Individual Training and Services Plan
 - Any kind of class that helps a person move toward economic independence

- Other activities as approved by SMHA on a case-by-case basis

SMHA will give residents the greatest choice possible in identifying community service opportunities.

Exempt Adult – an adult member of the family who is

- 62 years or older;
- Blind or disabled, as defined under 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. Section 416(i)(1); Section 1382c),
 - who certify that, because of this disability, she or he is unable to comply with the service provisions of this subpart, or
 - is a primary caretaker of such individual;
- Engaged in work activities of 30 hours per week. In order for an individual to be exempt from the CSSR requirement because he/she is “engaged in work activities,” the person must be participating in an activity that meets one of the following definitions of “work activity” contained in Section 407(d) of the Social Security Act (42 U.S.C. Section 607(d)):
 - Unsubsidized employment;
 - Subsidized private-sector employment;
 - Subsidized public-sector employment;
 - Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
 - On-the-job-training;
 - Job-search and job-readiness assistance;
 - Community service programs;
 - Vocational educational training (not to exceed 12 months with respect to any individual);
 - Job-skills training directly related to employment;
 - Education directly related to employment in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
 - Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalency, in the case of a recipient who has not completed secondary school or received such a certificate; and,
 - The provision of childcare services to an individual who is participating in a community service program;
- Able to meet requirements under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.) or under any other welfare program of the State in which PHA is located including a State-administered Welfare-to-Work program; or,

- A member of a family receiving assistance, benefits, or services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. Section 601 et seq.), or under any other welfare program of the State in which the PHA is located, including a State-administered Welfare-to-Work program, and has not been found by the State or other administering entity to be in noncompliance with such a program.

Each adult member of the household must sign a Community Service Exemption Certification at each annual recertification or if they become an “exempt adult” at any time between recertifications that the status should change.

At least 30 days before the annual reexamination and/or lease expiration, the SMHA reviews the exempt or nonexempt status and compliance of family members (see 24 CFR 960.605(c)(3)).

B. REQUIREMENTS OF THE PROGRAM

1. The eight- (8) hours per month may be either volunteer service or self-sufficiency program activity or a combination of the two.
2. At least eight (8) hours of activity must be performed each month for a total of 96 hours annually.
3. Activities must be performed within the community and not outside the jurisdictional area of SMHA.
4. Family Obligations
 - At lease execution or re-examination after October 1, 2003, all adult members (18 or older) of a public housing resident family must
 - 1) Provide documentation that they are exempt from Community Service requirement if they qualify for an exemption, and;
 - 2) Sign a certification that they have received and read this policy and understand that if they are not exempt, failure to comply with the Community Service requirement will result in non-renewal of their lease.
 - At each annual re-examination, non-exempt family members must present a completed documentation form of activities performed over the previous twelve (12) months. This form will include places for signatures of supervisors, instructors, or counselors certifying to the number of hours contributed. This information may be also submitted monthly to the Property Manger.

- If a family member is found to be noncompliant at re-examination, he/she and the Head of Household will sign an agreement with SMHA to make up the deficient hours over the next twelve- (12) month period, or certify that the non-compliant family member is no longer in the household.
5. Change in exempt status:
- If, during the twelve- (12) month period, a non-exempt person becomes exempt, it is his/her responsibility to report this to the management office and provide documentation of such.
 - If, during the twelve- (12) month period, an exempt person becomes non-exempt, it is his/her responsibility to report this to the management office. SMHA will provide the person with the Recording/Certification documentation form and a list of agencies in the community that provide volunteer and/or training opportunities.

C. SMHA OBLIGATIONS

1. To the greatest extent possible and practicable, SMHA will:
 - Provide names and contacts at agencies that can provide opportunities for residents, including disabled, to fulfill their Community Service obligations. (According to the Quality Housing and Work Responsibility Act, a disabled person who is otherwise able to perform community service is not necessarily exempt from the Community Service requirement).
 - Provide in-house opportunities for volunteer service or self-sufficiency programs.
2. SMHA offices will provide the family with a copy of this policy and appropriate forms at move-in and annual reexamination. The policy and forms will also be provided at an interim if applicable.
3. The Property Manager will make the final determination as to whether or not a family member is exempt from the Community Service requirement. Residents may use the Grievance Procedure if they disagree with SMHA's determination.
4. Non-compliance of family member. The responsibility for enforcement will be with the SMHA.
 - At least thirty (30) days prior to annual re-examination and/or lease expiration, SMHA will begin reviewing the exempt or non-exempt status and compliance of family members.

- If SMHA finds a family member to be non-compliant, the SMHA will enter into an written agreement with the non-compliant member and the head of household to make up the deficient hours over the next twelve-(12) month period, or the family will certify that the non-compliant family member no longer resides in the unit (proper lease addendum).
- If, at the next annual re-examination, the family member still is not compliant, the lease will not be renewed and the entire family would be issued a 30-day notice to vacate by the SMHA, unless the non-compliant member agrees to move out of the unit and a lease addendum is signed with the family amending its composition accordingly.
- The family may use the Grievance Procedure to appeal the lease termination, after attending a private conference with the SMHA representative.

Enforcement Determinations and Documentation

SMHA is required to initiate due process (see 24 CFR 966.53(c)) against households failing to comply with lease requirements including CSSR. When initiating due process, the following procedural safeguards are required:

- Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction;
- Right of the tenant to be represented by counsel;
- Opportunity for the tenant to refute the evidence presented by the SMHA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have; and,
- A decision on the merits.

D. ANNUAL DETERMINATIONS

For each public housing resident subject to the requirement of community service, the SMHA shall, at least 30 days before the expiration of each lease term, review and determine the compliance of the resident with the community service requirement.

Such determination shall be made in accordance with the principles of due process and on a nondiscriminatory basis.

The SMHA will verify compliance annually. Residents may self-certify their compliance with this requirement; however, self-certification may be subject to third party verification.

SMHA will validate a random sampling of self-certifications annually. In the event SMHA determines that a resident has submitted a fraudulent self-certification, the SMHA will provide a notice to the resident of such finding.

If the resident agrees to sign a work out agreement to make up the hours over the next 12 months, the PHA must then obtain written third party documentation of compliance with the requirements of the work out agreement and self-certification of those hours will not be permitted. Should the resident refuse to enter into a work out agreement pursuant to the notice of noncompliance from SMHA, SMHA will take steps to terminate tenancy of the resident.

E. NONCOMPLIANCE

If the SMHA determines that a resident subject to the community service requirement has not complied with the requirement, the SMHA shall notify the resident of such noncompliance, and that:

The determination of noncompliance is subject to the administrative grievance procedure under the SMHA's Grievance Procedures; and

Unless the resident enters into an agreement to comply with the community service requirement, the resident's lease will not be renewed, and

The SMHA may not renew or extend the resident's lease upon expiration of the lease term and shall take such action as is necessary to terminate the tenancy of the household, unless the SMHA enters into an agreement, before the expiration of the lease term, with the resident providing for the resident to cure any noncompliance with the community service requirement, by participating in an economic self-sufficiency program for or contributing to community service as many additional hours as the resident needs to comply in the aggregate with such requirement over the 12-month term of the lease.

The head of household and the noncompliant adult must sign the agreement to cure.

Ineligibility for Occupancy for Noncompliance

The SMHA shall not renew or extend any lease, or provide any new lease, for a dwelling unit for any household that includes an adult member who was subject to the community service requirement and failed to comply with the requirement.

F. DEFINITION OF ECONOMIC SELF-SUFFICIENCY PROGRAM

For purposes of satisfying the community service requirement, participating in an economic self-sufficiency program is further defined, in addition to the exemption definitions described above, as:

- Any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families.

These economic self-sufficiency programs can include:

- Job training,
- Employment counseling,
- Work placement,
- Basic skills training,
- Education,
- English proficiency,
- Workfare,
- Financial or household management,
- Apprenticeship, or
- Any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Chapter 16

PROGRAM INTEGRITY

INTRODUCTION

SMHA is committed to assure that the proper level of benefits is paid to all tenants, and that housing resources reach only income-eligible families so that program integrity can be maintained.

SMHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines the SMHA's policies for the prevention, detection and investigation of program abuse and tenant fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will SMHA undertake an inquiry or an audit of a tenant family arbitrarily or retaliatory. SMHA's expectation is that tenant families will comply with HUD requirements, provisions of the lease, and other program rules. SMHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, SMHA has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance, to monitor tenants' lease obligations for compliance and, when indicators of possible abuse come to SMHA's attention, to investigate such claims.

SMHA will initiate an investigation of a tenant family only in the event of one or more of the following circumstances:

Referrals, Complaints, or Tips. SMHA will follow up on referrals from other agencies, companies or persons which are received by mail, e-mail, or in person, which allege that a tenant family is in non-compliance with, or otherwise violating the lease or the program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the tenant file.

Internal File Review. A follow-up will be made if SMHA staff discovers (as a function of a [re]certification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, SMHA's knowledge of the family, or is discrepant with statements made by the family.

Verification or Documentation. A follow-up will be made if SMHA receives independent verification or documentation which conflicts with representations in the tenant file (such as public record information or credit bureau reports, reports from other agencies).

B. STEPS SMHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

The management and occupancy staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and tenant families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by tenant families.

Things You Should Know: The program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify the PHA's expectations for cooperation and compliance.

Program Orientation Session: Mandatory orientation sessions will be conducted by Housing Management for all within a tenant's at the time of initial occupancy. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a "Program Briefing Checklist" to confirm that all rules and pertinent regulations were explained to them.

Resident Counseling: SMHA will routinely provide tenant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and explanation of Forms: SMHA will explain all required forms and review the contents of all (re)certification documents prior to signature.

Use of Instructive Signs and Warnings: Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Third-Party Verifications: SMHA will use EIV and other third party verification whenever possible, and if using tenant supplied or other documents for verification purposes, SMHA will document the attempts to obtain third party verification.

C. STEPS SMHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

SMHA Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews: Prior to initial certification, and at the completion of all subsequent recertifications, each tenant file will be reviewed. Such reviews shall include,

but are not limited to:

- Changes in reported Social Security Numbers or dates of birth.
- Authenticity of file Documents.
- Third party and other verifications
- Differences between reported income and expenditures.
- Consistency of signatures with previously signed file documents
- Review of signatures for consistency with previously signed file documents.

Observation: SMHA Management and Occupancy Staff (to include maintenance personnel) will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Public Record Bulletins may be reviewed by Management and Staff.

State Wage Data Record Keepers: Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

Use of UIV/EIV and Third-Party Computer Matching Verification: SMHA shall use the Enterprise Income Verification and other computer matching systems for the determination of income, and other information that is available through computer matching. SMHA will verify the existence of the families in EIV and use the HUD reports in the system to further confirm accuracy for RIM.

Credit Bureau Inquiries: Credit Bureau inquiries may be made (with proper authorization by the tenant) in the following circumstances:

At the time of final eligibility determination

When a tenant's expenditures exceed his/her reported income, and no plausible explanation is given.

D. SMHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

SMHA staff will encourage all tenant families to report suspected abuse. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented

and placed in the tenant file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The Property Manager or other SMHA staff will not follow up on allegations that are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

File Review: An internal file review will be conducted to determine:

If the subject of the allegation is a tenant of SMHA and, if so, to determine whether or not the information reported has been previously disclosed by the family.

It will then be determined if SMHA is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review: If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the Property Manager, Eligibility Specialist, or other appropriate personnel will initiate an investigation to determine if the allegation is true or false.

E. HOW SMHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If SMHA determines that an allegation or referral warrants follow-up, the staff person who is responsible for the file will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, SMHA will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries: In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity which conflicts with the reported income of the family.

Verification of Credit: In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers: Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses: Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to SMHA's review.

Other Agencies: Investigators, caseworkers or representatives of other benefit agencies may be contacted.

Public Records: If relevant, SMHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members: SMHA will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the appropriate PHA office. A high standard of courtesy and professionalism will be maintained by the SMHA Staff Person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY SMHA

Documents and other evidence obtained by SMHA during the course of an investigation will be considered "work product" and will either be kept in the tenant file, or in a separate "work file." In either case, the tenant file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among SMHA Staff unless they are involved in the process, or have information which may assist in the investigation.

G. CONCLUSION OF SMHA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to his/her supervisor or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

H. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, SMHA will review the facts to determine:

- The type of violation (Procedural, non-compliance, fraud).
- Whether the violation was intentional or unintentional.
- The amount of money (if any) that is owed by the tenant.
- Is the family eligible for continued occupancy.

I. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, SMHA will propose the most appropriate remedy based upon the type and severity of the violation.

Procedural Non-compliance

This category applies when the tenant "fails to" observe a procedure or requirement of SMHA, but does not misrepresent a material fact, and there is no retroactive rent owed by the family.

Examples of non-compliance violations are:

- Failure to appear at a pre-scheduled appointment.
- Failure to return verification in time period specified by SMHA.

Warning Notice to the Family. In such cases a notice will be sent to the family which contains the following:

- A description of the non-compliance and the procedure, policy or obligation which was violated.
- The date by which the violation must be corrected, or the procedure complied with.
- The action which will be taken by SMHA if the procedure or obligation is not complied with by the date specified by SMHA.
- The consequences of repeated (similar) violations.

Procedural Non-compliance - Retroactive Rent

When the tenant owes money to SMHA for failure to report changes in income or assets, SMHA will issue a Notification of Underpaid Rent. This Notice will contain the following:

- A description of the violation and the date(s).
- Any amounts owed to the SMHA.
- The number of days within which a response must be received
- The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Tenant Fails to Comply with SMHA's Notice. If the Tenant fails to comply with SMHA's notice,

and a material provision of the lease has been violated, SMHA will initiate termination of tenancy.

Tenant Complies with SMHA's Notice. When a tenant complies with SMHA's notice, the staff person responsible will meet with him/her to discuss and explain the obligation or lease provision which was violated. The staff person will document to the tenant file that the tenant has complied.

Intentional Misrepresentations

When a tenant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an underpayment of rent by the tenant, SMHA will evaluate whether or not:

- the tenant had knowledge that his/her actions were wrong, and
- that the tenant willfully violated the lease or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the tenant was made aware of program requirements and prohibitions. The tenant's signature on various certifications, briefing certificate, Personal Declaration and *Things You Should Know* are adequate to establish knowledge of wrong-doing.

The tenant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the tenant of the misrepresentation.
- That the act was done repeatedly.
- If a false name or Social Security Number was used.
- If there were admissions to others of the illegal action or omission.
- That the tenant omitted material facts which were known to them (e.g., employment of self or other household member).
- That the tenant falsified, forged or altered documents.
- That the tenant uttered and certified to statements at a rent (re)determination which were later independently verified to be false.

The Tenant Conference for Serious Violations and Misrepresentations

When SMHA has established that material misrepresentation(s) have occurred, a Tenant Conference will be scheduled with the family representative and the SMHA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by SMHA. The purpose of such conference is to review the information and evidence obtained by SMHA with the tenant, and to provide the tenant an opportunity to explain any document findings which conflict with representations in the tenant file. Any documents or mitigating circumstances presented by the

tenant will be taken into consideration by SMHA. The tenant will be given 5 working days to furnish any mitigating evidence.

A secondary purpose of the Tenant Conference is to assist SMHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, SMHA will consider:

- The duration of the violation and number of false statements.
- The tenant's ability to understand the rules.
- The tenant's willingness to cooperate, and to accept responsibility for his/her actions.
- The amount of money involved.
- The tenant's past history.
- Whether or not criminal intent has been established.
- The number of false statements.

Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, SMHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution: If SMHA has established criminal intent, and the case meets the criteria for prosecution, SMHA may:

Refer the case to the local state or district attorney, notify HUD's regional inspector general for investigation (RIGI), and terminate rental assistance

Administrative Remedies: SMHA may:

- Terminate tenancy and demand payment of restitution in full.
- Terminate tenancy and execute an administrative repayment agreement in accordance with the SMHA's Repayment Policy.
- Permit continued occupancy at the correct rent and execute an administrative repayment agreement in accordance with SMHA's Repayment Policy.

Notification to Tenant of Proposed Action

SMHA will notify the tenant of the proposed action no later than 10 working days after the tenant conference by mail.

Chapter 17

CRIMINAL RECORDS and RECORDS MANAGEMENT POLICY

INTRODUCTION

In the course of its regular operations, SMHA comes into possession of criminal records and other records, as well as other documents related to criminal offenses of applicants (i.e. drug and alcohol abuse treatment documentation). While necessary to accomplish Housing Authority business, these records must be maintained securely and kept from improper use.

The Housing Authority may also be called upon to perform criminal record and other record checks regarding applicants or tenants for housing that receives federal assistance from SMHA. SMHA shall maintain the records received for these residents or applicants in the manner prescribed in this policy.

A. ACQUISITION

All adult applicants shall complete the required forms authorizing the release of criminal record history to the Authority upon applying for housing, or at any time an existing resident household wishes to add an adult member to the lease. Through its cooperative agreement with local law enforcement, a check of police records will be made. This check is done for the purpose of screening adult applicants for housing and determining eligibility of current residents to transfer to a scattered site.

All requests for criminal records and records relating to criminal history shall be sent to the designated Eligibility Specialists for initial review. Only the designated Eligibility Specialists, Director and Assistant Director of Housing Management, and the Hearings Officer, shall have access to these records. The designated Eligibility Specialists, Director and Assistant Director of Housing Management, and Hearing Officer shall discuss the records with other Authority employees only as required to make a housing decision.

B. MAINTENANCE

The Authority will keep all criminal records or records relating to criminal history that are received confidential. These records will be used only to screen applicants for housing or to pursue evictions. The records will not be disclosed to any person or entity except for official use in the application process, Hearing process, in accordance with the regulations, and/or in court proceedings. No copies will be made of the records except as required for official or court proceedings.

Criminal records or records relating to criminal history status are maintained in a separate file from other application or eviction information. These files are maintained in locked cabinetry in a secured office with limited access. The designated Eligibility Specialists and the Director and Assistant Director of Housing Management are the only employees having access to the cabinet or to the office.

C. DISPOSITION

The records shall be destroyed immediately upon the applicant leasing the unit and becoming a tenant. If contested, the records shall be retained until all issues are resolved. In the event eligibility is denied, the records shall be destroyed at the conclusion of 60 calendar days, such time affording the applicant or resident the opportunity for a Hearing. The 60 calendar days may be extended in order to complete an action underway (i.e. Hearing, court proceeding), but the record shall be destroyed upon finalization of the action.

D. PRIVACY PROTECTION on RECORDS (PIH 2010-15)

Overview

SMHA is responsible for safeguarding personally identifiable information (PII) required by HUD and preventing potential breaches of this sensitive data. SMHA and HUD are committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects SMHA and other parties who collect, use, maintain, or disseminate HUD information to protect the privacy of that information in accordance with applicable law.

General HUD program requirements are set forth in 24 C.F.R. Part 5. Compliance with the Privacy Act and other requirements for grants and contracts are spelled out in 24 C.F.R. § 5.212 which states:

i) *Compliance with the Privacy Act.* The collection, maintenance, use, and dissemination of SSNs, EINs, any information derived from SSNs and Employer Identification Numbers (EINs), and income information under this subpart shall be conducted, to the extent applicable, in compliance with the Privacy Act (5 U.S.C. 552a) and all other provisions of Federal, State, and local law.

ii) *Privacy Act Notice.* All assistance applicants shall be provided with a Privacy Act notice at the time of application. All participants shall be provided with a Privacy Act notice at each annual income recertification. The Federal Acquisition Regulation (FAR), 48 C.F. R. Subpart 1524.1, sets forth that compliance with the requirements of the Privacy Act be included in HUD contracts at clause 52.224-2.

Personally Identifiable Information (PII)

The PII is defined in OMB M-07-16 as “. . . information which can be used to distinguish or trace an individual’s identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.”

Sensitive Personally Identifiable Information

Sensitive Personally Identifiable Information is defined as PII that when lost, compromised or disclosed without authorization could substantially harm an individual. Examples of sensitive PII include social security or driver’s license numbers, medical records, and financial account numbers such as credit or debit card numbers.

Guidance on Protecting Sensitive Privacy Information

The Privacy Act requires that federal agencies maintain only such information about individuals that is relevant and necessary to accomplish its purpose. The Privacy Act also requires that the information be maintained in systems or records – electronic and paper – that have the appropriate administrative, technical, and physical safeguards to protect the information, however current. This responsibility extends to contractors and SMHA, who are required to maintain such systems of records by HUD.

SMHA will take the following steps to help ensure compliance with these requirements:

i) Limit Collection of PII

(1) Do not collect or maintain sensitive PII without proper authorization. Collect only the PII that is needed for the purposes for which it is collected.

ii) Manage Access to Sensitive PII

(1) Only share or discuss sensitive PII with those personnel who have a need to know for purposes of their work. Challenge anyone who asks for access to sensitive PII for which you are responsible.

(2) Do not distribute or release sensitive PII to other employees, contractors, or other third parties unless you are first convinced that the release is authorized, proper and necessary.

(3) When discussing sensitive PII on the telephone, confirm that you are speaking to the right person before discussing the information and inform him/her that the discussion will include sensitive PII.

- (4) Never leave messages containing sensitive PII on voicemail.
- (5) Avoid discussing sensitive PII if there are unauthorized personnel, contractors, or guests in the adjacent cubicles, rooms, or hallways who may overhear your conversations.
- (6) Hold meetings in a secure space (i.e., no unauthorized access or eavesdropping possible) if sensitive PII will be discussed and ensure that the room is secured after the meeting.
- (7) Treat notes and minutes from such meetings as confidential unless you can verify that they do not contain sensitive PII.
- (8) Record the date, time, place, subject, chairperson, and attendees at any meeting involving sensitive PII.

iii) Protect Hard Copy and Electronic Files Containing Sensitive PII

- (1) Clearly label all files containing sensitive PII by placing appropriate physical labels on all documents, removable media such as thumb drives, information systems, and application. Examples of appropriate labels might include “ For Official Use Only” or “ For (Name of Individual/Program Office) Use Only.”
- (2) Lock up all hard copy files containing sensitive PII in secured file cabinets and do not leave unattended.
- (3) Protect all media (e.g., thumb drives, CDs, etc.) that contain sensitive PII and do not leave unattended. This information should be maintained either in secured file cabinets or in computers that have been secured.
- (4) Keep accurate records of where PII is stored, used, and maintained.
- (5) Periodically audit all sensitive PII holdings to make sure that all such information can be readily located.
- (6) Secure digital copies of files containing sensitive PII. Protections include encryption, implementing enhanced authentication mechanisms such as two factor authentication and limiting the number of people allowed access to the files.
- (7) Store sensitive PII only on workstations that can be secured, such as workstations located in areas that have restricted physical access.

iv) Protecting Electronic Transmissions of Sensitive PII via fax, email, etc.

- (1) When faxing sensitive PII, use the date stamp function, confirm the fax number, verify that the intended recipient is available, and confirm that he/she has received the fax. Ensure that none of the transmission is stored in memory on the fax machine, that the fax is in a controlled area, and that all paper waste is disposed of properly (e.g., shredded). When possible, use a fax machine that uses a secure transmission line.
- (2) Before faxing PII, coordinate with the recipient so that the PII will not be left unattended on the receiving end.
- (3) When faxing sensitive PII, use only individually-controlled fax machines, not central receiving centers.
- (4) Do not transmit sensitive PII via an unsecured information system (e.g., electronic mail, Internet, or electronic bulletin board) without first encrypting the information.
- (5) When sending sensitive PII via email, make sure both the message and any attachments are encrypted.
- (6) Do not place PII on shared drives, multi- access calendars, the Intranet, or the Internet.

v) Protecting Hard Copy Transmissions of Files Containing Sensitive PII

- (1) Do not remove records about individuals with sensitive PII from facilities where HUD information is authorized to be stored and used unless approval is first obtained from a supervisor. Sufficient justification, as well as evidence of information security, must be presented.
- (2) Do not use interoffice or translucent envelopes to mail sensitive PII. Use sealable opaque solid envelopes. Mark the envelope to the person's attention.

vi) Records Management, Retention and Disposition

- (1) Follow records management laws, regulations, and policies applicable within your jurisdiction.
- (2) Ensure all SMHA locations and all entities acting on behalf of the Authority are managing records in accordance with applicable laws, regulations, and policies.

(3) Include records management practices as part of any scheduled oversight protocols.

(4) Do not maintain records longer than required.

(5) Destroy records after retention requirements are met.

(6) Dispose of sensitive PII appropriately – use cross-cut shredders or burn bags for hard copy records and permanently erase (not just delete) electronic records.

vii) Incident Response

(1) Supervisors should ensure that all personnel are familiar with reporting procedures.

(2) Promptly report all suspected compromises of sensitive PII related to HUD programs and projects to the Director or Assistant Director of Housing Management.

Chapter 18

SECURITY DEPOSITS

INTRODUCTION

Tenant security deposits are required to minimize collection losses and to encourage tenants to leave their apartments clean and in good condition when they vacate.

A. SECURITY DEPOSIT AMOUNT

The security deposit for SMHA public housing shall be \$50 or the TTP whichever is higher.

Security deposits will be updated for current residents and any additional amounts will be collected upon execution of a new lease after the effective date of this policy. Payment agreements may be made for the difference of their current deposit and the new amount.

SMHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

B. PAYMENT AGREEMENT

Generally the entire security deposit is due prior to move-in and at the time of the lease execution. Arrangements may be made to pay the security deposit in more than one payment in cases of hardship. The resident must sign a payment agreement if the entire amount is not paid at the time of move-in.

Families are expected to obtain the funds to pay security deposits from their own resources and/or other private or public sources. The deposit may be paid in up to three monthly installments, with the minimum payment being one-third of the amount and the first installment due at time of move-in.

C. ADDITIONAL SECURITY DEPOSIT COLLECTION PROCEDURES

Security Deposits are governed by the terms of the lease, 24CFR's and State Statutes. The SMHA reserves the right to bill a resident's account additional charges if any of the situations below exist or take place within a resident's apartment. This money will be added to the resident's current security deposit. Such deposits may be collected for the following:

- 1) Unauthorized wallpapering.
- 2) Painting walls any color other than the original color upon move-in.
- 3) If the resident fails a housing inspection due to unsanitary housekeeping or excessive damage to the unit that is beyond normal wear and tear.

If any of the above items are found within a household the resident will be immediately billed thirty dollars (\$30) per room. The SMHA has enacted this change to protect the interest of our

housing stock and to reduce the billable charges due by the resident once they have moved out of SMHA housing.

The security deposit amount will be held by SMHA until the termination of the resident's lease and vacate of the unit by the resident. After vacate and inspection, the security deposit may be returned to the resident if:

- 1) There is no unpaid rent or other charges.
- 2) The unit, exterior surroundings, and all equipment therein is left clean.
- 3) There is no breakage or damage that is not due to normal wear and tear.
- 4) There is no equipment missing.
- 5) The security deposit for cases of unauthorized wallpapering or painting will be fully refundable should the resident restore the unit back to original condition with normal wear and tear accepted.
- 6) A thirty-day (30) written notice is provided to SMHA and the keys to the dwelling are surrendered to the management office.

Refund of Security Deposit

SMHA will refund to the Tenant the amount of the security deposit, less any amount needed to pay the cost of:

- Unpaid Rent;
- Damages listed on the Move-Out Inspection Report that exceeds normal wear and tear;
- Other charges under the Lease.

SMHA will provide the tenant or designee identified above with a written list of any charges against the security deposit. If the tenant disagrees with the amount charged to the security deposit, SMHA will provide a meeting to discuss the charges.

SMHA will refund the Security Deposit less any amounts owed, within 30 days after move out and tenant's notification of new address.

D. TRANSFER OF SECURITY DEPOSIT

If a resident transfers, the original security deposit transfers also. The resident will be responsible for payment of any additional security deposit as outlined in the policy. The tenant will also be further billed for any maintenance or other charges beyond the security deposit.

Chapter 19

EVICTIION POLICY AND PROCEDURES

A. OVERVIEW

The eviction of a resident from Public Housing, Non-Federally Aided, and other federally aided, state aided, or affordable housing program as operated by the SMHA. Eviction is not the preferred method of resolving agency or resident problems. However, when all other reasonable efforts have failed, resident eviction becomes necessary to enforce reasonable rules and regulations of the agency and to ensure that the individual rights of the resident population as a whole are protected.

This eviction policy and procedure IS IN ADDITION TO AND INTENDED TO SUPPLEMENT AND CLARIFY THE ALLOWED GROUNDS FOR EVICTION UNDER THE LEASE(S) and the Admission and Occupancy Policies.

B. CAUSES FOR EVICTION

Tenancy may be terminated for **serious and/or repeated** violation of material terms of the lease agreement. The most common causes of lease termination are as follows:

1. Failure to pay rent
2. Failure to pay charges other than rent (maintenance repair costs, late fees, repayment agreements, or other charges as applicable)
3. Drug-related criminal activity on or off SMHA premises
4. Disruptive, violent, or criminal behavior that threatens the health, safety or right to peaceful enjoyment of the premises
5. Unit damage/destruction
6. Failure to maintain the unit in a decent, safe and sanitary condition
7. Assignment of lease, subletting of premises, or providing accommodations for persons not on the lease
8. Failure to appear for scheduled appointments or failure to provide information to management for continued occupancy recertifications (“family obligations”)
9. Permitting individuals that are banned from the property to visit, or reside on the property.

Note: The above listing is not all inclusive of evictable violations. Violation of any material term of the lease agreement may be grounds for lease termination/eviction.

Evictions are to be based solely upon documented facts.

C. DOCUMENTATION AND PROCESSING THE REQUEST FOR EVICTION

Documentation Sources

The Property Manager or designee prior to filing any action with the Courts shall compile all the necessary documentation regarding the tenant(s) failure to uphold the material terms of the lease. Documentation must clearly support the need for eviction.

Documentation must show that all other reasonable efforts to resolve the problem and to enforce the rules and regulations have been made by the Property Manager, and/or other SMHA staff as applicable (i.e. Inspectors, Hearing Officers, Resident Services), **or** that the seriousness of such offense requires immediate action. Documentation may consist of one or more of the following items:

- Proof of arrest or a preponderance of evidence (Note: Conviction of crime is not necessary for eviction)
- Incident Report or other written statement from law enforcement
- Written statements from credible neighbors and/or residents
- Written statements from SMHA staff acting as eye-witnesses
- Photographic evidence
- UPCS Inspection Report, maintenance inspection, maintenance work order
- Prior written warnings from Property Manager (Written warnings must quote the applicable lease provision violated).
- Memorandum of Understanding previously executed with the tenant.

CAUTION: Attention should be given to the Witness's/Complainant's credibility, motivation, and source(s) of documentation provided.

Note: In the event that the eviction is for violation of health/safety (commonly referred to as "housekeeping") or for tenant damages, tenants must have been afforded the opportunity to pay the costs for repairs and failed to do so or other follow-up procedures (re-inspections, referral of tenant to outside service agencies for assistance) have failed to remedy the deficiency.

Presentation of Documentation

In "packaging" the documentation for presentation to the Supervisor, the program staff Manager shall prepare a statement requesting review of documents for eviction and summarizing the documentation available supporting his/her request to evict setting forth the reason for the proposed eviction, outlining relevant supporting

documentation including dates/times as applicable. The statement shall be attached to the supporting documentation (photographs, Incident Reports, etc.).

The complete tenant file shall be delivered for presentation to the Supervisor with the packaged documents securely placed as the top item on the right-hand side of the tenant file. The Supervisor will review the documentation and the file and will return the file to the program staff with authorization to proceed to evict or will disapprove the file and provide rationale (based on regulation, policy, or current SMHA procedure) for the disapproval and provide to the program staff any recommendation for follow-up or for additional documentation as may be needed.

In no event shall a supervisor approve a request to evict without the packaged documentation (proof of need) or without the complete tenant file (in order to provide opportunity to review past tenant history and past management action).

The Property Manager is authorized to serve the initial notice and to proceed in the action, up to and including filing the legal documents with the Courts as dictated by the appropriate jurisdiction.

D. TYPES OF EVICTION NOTICES AND FILING PROCEDURES

Non-Payment of Rent

Notice (*Notice of Charges Due*) shall be served for delinquency of rent. Notice may be served by (a) Personal Service (with Notice delivered personally to Head of Household and witnessed by other SMHA personnel) or certified mail, return receipt requested, (b) Substitute Service (with Notice delivered personally to family member over the age of 18 years), or (c) Conspicuous Service (with Notice adhered to premise door). The Certificate of Mailing shall be retained as proof of service when served through this method.

14-Day Notice All Conventional Public Housing

Lockout paperwork (*Affidavit of Complaint for Summary Eviction*) shall be filed with the appropriate jurisdictional Court and with the Constable in the event payment is not received in full prior to the Notice deadline.

Processing Fees:

The resident will be charged a Processing Fee according to the posted Schedule of Charges.

30-Day Notice for Lease Violations

For general lease violations not inclusive of drug or criminal activity or activity posing an extreme threat to health/safety, a 30-Day Notice is served to the resident household (*30-Day Notice of Violation of Lease and Intent to Terminate*) citing the provision(s) of the Lease violated.

The 30-Day Notice must be served with the applicable programmatic Grievance Procedure securely attached to the Notice.

The Notice and Grievance Procedure may be served by (a) Personal Service or certified mail, return receipt requested, (b) Substitute Service, or (c) Conspicuous Service. The Certificate of Mailing shall be retained as proof of service when served in this manner.

In the event the resident grieves the action (in compliance with the Grievance Procedure or Court), the Eviction is stayed until such time as a decision is rendered or time expired.

In the event the resident does not grieve the action and the Notice period elapses, or, in the event the resident grieves the action and the Hearing or Court results in a recommendation to proceed with the Eviction and the Notice period has elapsed, the Property Manager shall file action with the Court requesting removal of the family and release of the unit (*5 Day Unlawful Detainer*).

In the event the resident does not vacate once the five (5) days have elapsed, the Property Manager shall file for lockout with the appropriate jurisdictional Court.

Criminal Activity

Any person who while a resident of the Authority that is found to have engaged in one of more of the following specified criminal offenses or disruptive behaviors on any property owned by the Authority, or in the case of drug-related criminal activity committed any violation whether or not such offense was committed on or off Authority property, the resident, tenant and/or the entire household *shall be evicted* from the Authority dwelling unit. For the purposes of this section, proof of engaging in or committing a prohibited act shall not require a formal court proceeding or conviction, but rather may be based solely upon evidence of arrest for a proscribed act or other competent and reliable evidence tending to suggest that such a criminal offense or prohibited act was committed. The criminal activities and other disruptive behaviors that will result in eviction include:

- Any violation (relating to Homicide)
- Any violation (relating to Assault or Battery)
- Any violation (relating to Sexual Battery)
- Any violation (relating to Lewd and Lascivious Behavior)
- Any violation (relating to Robbery, Car Jacking and Home Invasion Robbery)
- Any violation (relating to Weapons and Explosives)
- Any violation (relating to the Possession, Sale or Distribution of Controlled Substances)
- Any violation (relating to Kidnapping and False Imprisonment)
- Any violation (relating to Burglary and Trespass)
- Any violation (relating to Arson and Criminal Mischief)

- Any violation (relating to Child Abuse)
- Any violation (relating to Threats and Extortion)
- Any violation (relating to Disorderly Intoxication)
- Any violation (relating to Disorderly Conduct and Breach of Peace)
- Any other violation of any state or federal law which contains as an element of the offense the use of force or violence, the possession of a controlled substance, or the presence of a state of intoxication or inebriation.
- Any disruptive or dangerous activity or conduct of a person while on Authority property, which is committed while such person is intoxicated or in an inebriated state.

The SMHA will immediately and permanently terminate tenancy of persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

3-Day Expedited Notice

3-Day Expedited Notice (*Notice of Violation of Lease with Intent to Terminate*) is served in cases of drug-related criminal activity, criminal activity, or any activity of an extreme nature that pose a threat to the health/safety of others including but not limited to a threat to the safety of staff.

The 3-Day Expedited Notice must be served with the applicable programmatic Grievance Procedure securely attached to the Notice. The Grievance Procedure states that for lease violations involving drug related criminal activity, criminal activity, or any activity of an extreme nature, there is no SMHA grievance granted by the Property Manager or the Hearing Officer. Any response the resident shall make in regard to such Notice shall be made to the court of law in the jurisdiction in which the Notice was issued.

The Notice and Grievance Procedure may be served by (a) Personal Service or certified mail, return receipt requested, (b) Substitute Service, or (c) Conspicuous Service. The Certificate of Mailing shall be retained as proof of service.

In the event the resident does not vacate the unit within the 3-Day Notice period, the Property Manager shall file action with the Court requesting removal of the family and release of the unit (*3-Day Unlawful Detainer*).

In the event the resident does not vacate the premises once the three (3) days have elapsed under the *Unlawful Detainer*, the Property Manager shall file for lockout with the appropriate jurisdictional Court.

E. ACCEPTANCE OF PAYMENTS DUE WHILE UNDER EVICTION

Evictions for Non-Payment: No payments may be accepted by SMHA, its agents or employees, for charges due under the lease agreement (including rent, late fees, maintenance charges, etc.) *except* when payment is for charges in full*. Acceptance of funds, whether payment in full or partial payment, negates the eviction and halts all eviction actions and process.

*SMHA will not accept personal or private third party checks in matters of eviction for non-payment. If the resident desires to cease the eviction action through payment of all charges, payment must be made by money order. (Third party checks are acceptable from known social service agencies.)

Evictions for Other than Non-Payment: No payments may be accepted by SMHA, its agents or employees, for charges due under the lease agreement (including rent, late fees, maintenance charges, etc.) *including* when payment is for full charges. *However*, such payment may be requested to be paid to the Court by either the Court or the lessee, and held in escrow pending the outcome of the Court's decision, as specified in NRS 118A.

F. DECISIONS OF THE COURT

In matters of Eviction, all Evictions pursued by SMHA are subject to civil law including evictions for drug-related or criminal activity.

The decisions of the presiding Court shall be considered final in all matters of eviction unless through Administrative Review it is found that staff has erred or other similar mitigating circumstances prevail. In cases wherein the decision of the Court is subject to reversal, the complete file (hardcopy of tenant file, all Eviction documentation) shall be presented to the Executive Director for review and decision. Only the Executive Director may reverse a decision of the Court and reinstate an Evicted household.

G. TERMINATIONS PROTECTED BY VAWA

Criminal Activity directly relating to domestic violence, dating or stalking engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be cause for termination of the tenancy or occupancy rights, if the tenant or an immediate member of the tenant's family is the victim of threatened victim of that domestic violence, or stalking.

The SMHA may bifurcate the lease to terminate assistance to remove a lawful occupant or tenant who engages in criminal acts of violence to a family member or others without terminating assistance/evicting victimized lawful occupants.